



Grey District Council Long Term Plan 2018-2028



Heart of the West Coast

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PART A: Introduction and Summary

1 Message from the Mayor and CEO

Welcome to the **Grey District 2018–2028 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 a ten year period, and even longer, is never easy and we are the first to admit that the future may well differ to what we foresee here. This only emphasises the need for Council to plan for the future so we are in a position to react and adjust to whatever environment we find ourselves in.

As part of the development of this Plan, a Draft Plan was put out for public consultation, highlighting the key issues affecting our District and community. These issues were identified from previous submissions, feedback from the community, topical issues in the local media and Council's in-house knowledge of the services we provide and condition of our assets. We took a hard look at how we should address these key issues, the level of service we currently provide to our community and what is practicable for Council to do over the next ten years and beyond.

The key and other issues which Council consulted on were:

- Deferred renewals for our Water Supply, Wastewater, Stormwater and Land Transport activities. If we don't start focussing on the renewal/replacement our assets, ie water and stormwater pipes, road pavements and bridges, we run the risk of these assets failing or having to spend more money repairing assets already in poor condition.
- User fees do not fully fund the Port and Council has had to borrow for the balance of the operating costs – this means the Port debt is growing and growing. In 2015 we started putting rate funding into the Port activity and we believe this should continue.
- No allowance was provided for an increase in the operating budget provided for the History House Museum or funding for capital costs for the Museum's final location (yet to be determined) in the Draft Plan.
- Once again we asked the community if the existing kerbside refuse and recycling collection should be 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 29 May 2018. A summary of the key outcomes are:

- The community agreed with Council's preferred options for starting to address deferred renewals in our infrastructure and these have been incorporated into this Plan.
- Council has allowed for increased capital funding of \$140,000 for the History House Museum. The final location will be considered by Council in September 2018.
- Rate funding into the Port activity will continue.
- An extension to the existing kerbside recycling collection service will not be happening at this stage.

You can find full details of all projects and activities incorporated into the Final Plan in Section 5 – Consultation.

In the Draft Plan, Council forecast a 3.51% rates rise for year one of the Plan (2018/2019). Taking into account the decisions made after hearing submissions, the final rates rise is 3.55%. This rates rise takes into account the increase in inflation, allows Council to begin addressing very important infrastructural issues affecting our District and keeps us on a steady path to decreasing debt and being prepared for the future.

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 Kokshoorn
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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		Web: www.greydc.govt.nz Facebook: facebook.com/greydc Twitter: @GreyDistrict Instagram: @greymouth_nz
		Westpac
Banker		
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</p> <p>Mayor</p> <p>Portfolios:</p> <ul style="list-style-type: none"> • Economic Development • Finance • Port • Public Relations • Tourism 		<p>Anton Becker</p> <p>Councillor Eastern Ward</p> <p>Portfolios:</p> <ul style="list-style-type: none"> • Resource Management • Sewerage • Staff 		<p>Tony Coll</p> <p>Councillor Central Ward</p> <p>Portfolios:</p> <ul style="list-style-type: none"> • Liquor Licensing • Property • Sport & Recreation
	<p>Allan Gibson</p> <p>Councillor Eastern Ward</p> <p>Portfolios:</p> <ul style="list-style-type: none"> • Airport • Cemeteries • Health & Disability 		<p>Tania Gibson</p> <p>Councillor Central Ward</p> <p>Portfolios:</p> <ul style="list-style-type: none"> • Maori Affairs • Pensioner Housing • Youth 		<p>Peter Haddock</p> <p>Councillor Southern Ward</p> <p>Portfolios:</p> <ul style="list-style-type: none"> • Land Transport • Legal Matters • Parks & Reserves
	<p>Murray Hay</p> <p>Councillor Central Ward/Deputy Mayor</p> <p>Portfolios:</p> <ul style="list-style-type: none"> • Arts, Culture & Heritage • Civil Defence • Regulatory Functions 		<p>Patrick McBride</p> <p>Councillor Central Ward</p> <p>Portfolios:</p> <ul style="list-style-type: none"> • Animal Control • Library • Safety & Security 		<p>Cliff Sandrey</p> <p>Councillor Northern Ward</p> <p>Portfolios:</p> <ul style="list-style-type: none"> • Stormwater • Waste Management • Water Supplies

4 Audit opinion



To the reader:
**Independent auditor's report on
 Grey District Council's 2018-28 Long-Term Plan**

I am the Auditor-General's appointed auditor for Grey District Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's long-term plan (the plan). Section 259C of the Act requires a report on disclosures made under certain regulations. We have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 25 June 2018.

Opinion

In my opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and co-ordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 260 to 267 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

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 the accuracy of the information in the plan.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the 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 procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the 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 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 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 in 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 the plan and the disclosures required by the Regulations, 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

In carrying out our work, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.



Bede Kearney
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 2018-2028 Long Term Plan.

5.1 The decision making process

Action	Date
Notify Draft Long Term Plan and Consultation Document	13 March 2018
Public submissions	Opened 13 March 2018 and closed on 16 April 2018
Council heard and considered submissions	29 May 2018
Adoption of Final 2018-2028 Long Term Plan	25 June 2018
Comes into effect	1 July 2018

5.2 Results of the consultation process

Council received 82 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 adopted its preferred options for addressing key issues and 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.

Rates

In the draft Plan Council proposed a rates increase of 3.51% for year one (2018/2019).

Following hearing and considering of submissions, the final rates rise for 2018/2019 will be 3.55%. Rates increases from year two onwards are outlined in PART C: Council’s Financial Strategy.

Key issues

Below is a summary of the final options included in this Plan. Other options consulted on are available in the relevant activity statements.

Issue	Description	Amount
Renewals backlog for our water assets & replacement Greymouth water reservoir	DEFERRED RENEWALS: Council has a backlog of renewals in our water supply network and additional funding is required to start addressing these on a prioritisation basis. We would be caught up with the backlog around year 14 (2032).	Increase funding by \$40,000 per annum every year from rates, ie cumulative increases (0.25% rates increase 2018/2019). <i>[Council’s preferred option]</i>

Issue	Description	Amount
	GREYMOUTH WATER RESERVOIR: The current water reservoir is aged and on seismic hazard land. Council intends to build one new water reservoir in year one, to be located on land not classed as a seismic hazard.	Approximate cost is \$540,000. Council will fund \$140,000 from existing reserves and borrow \$400,000 (to be repaid by rates, 2018/2019 - 0.26% rates increase). <i>[Council's preferred option]</i>
Significant deferred renewals for our stormwater assets	<p>Detailed condition assessments of stormwater pipes have resulted in the useful service lives of some different pipe materials being extended, however they do confirm significant deferred renewals for this activity, namely due to:</p> <ul style="list-style-type: none"> The re-purposing of combined sewer/stormwater pipes as stormwater only has significantly increased our network (many of these are older pipes); Ageing and deteriorating pipes; and The previous low renewal rates due to Council's focus on other prioritised projects, ie wastewater upgrades, compliance with Drinking Water Standards. <p>There are concentrated pockets of renewals required in Cobden, Blaketown and Greymouth, with smaller areas in Runanga, Dunollie, Taylorville and Dobson.</p> <p>Additional funding is required to start addressing the backlog on a prioritisation basis. We would be caught up with the backlog around year 24.</p>	Increase funding by \$40,000 per annum every year from rates, ie cumulative increases (0.25% rates increase in 2018/2019). <i>[Council's preferred option]</i>
Deferred renewals in Land Transport - bridges	<p>Around 29% of our bridges are beyond the industry recommended useful life, however they are considered to be in at least a fair condition according to regular maintenance inspections. We also have a number of bridges coming up for renewal/replacement over the life of our Infrastructure Strategy.</p> <p>Council needs to start addressing the deferred renewals in this activity to continue to be able to provide the same level of service, as well as plan for future bridge replacements/renewals, which can be costly. With increased funding, this backlog will be cleared by year 21.</p>	Increase rate funding by \$30,000 (plus inflation) in year one and then an average increase of \$240,000 per annum (including inflation) for years 2-10 (annual increases range from \$77,000 to \$345,000, including inflation), with an overall increase of rates revenue of \$2.2 million by year ten - this money will be applied to deferred renewals in bridges (0.2% rates increase in 2018/2019). <i>[Council's preferred option]</i>

Other issues

Issue	Description	Amount
Financial sustainability of the Port	<p>User fees do not fully fund the Port and Council has had to borrow for the balance of the operating costs – the current Port debt is approximately \$1.9 million.</p> <p>In 2014 Council reintroduced rate funding to the Port (\$38,000 in 2014/2015) and as part of the last LTP, it committed to a financial strategy for the Port of increasing rate funding to the Port of \$40,000 per annum, every year.</p>	Council will be continuing with the current strategy of increasing funding to the Port on a year by year basis. In 2018/2019 this will be \$40,000 (0.25% rates increase). <i>[Council's preferred option]</i>

Issue	Description	Amount
Future of History House Museum	The History House Museum building in Gresson Street was closed in February 2017 due to earthquake prone safety concerns. The temporary exhibition at 130 Mackay Street is proving very popular. No provision was made in the Draft Plan for an increase to the existing Museum service or any additional costs, ie earthquake strengthening works of Gresson Street or fit-out works for a new location (final permanent location to be determined).	Council, noting that a final decision as to the location of History House will be taken in September 2018, agreed to provide funding of \$140,000 to be used towards upgrading existing facilities or towards establishing an alternative site. This amount will be loan funded via rates.

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

Submitter/Project	Description	Amount	Funded from
GNS Science Group	Contribution towards the cost of a geo-thermal feasibility study.	\$10,000	Economic Development Reserve
Greymouth Boating Club	Development of tar sealed area and carpark at Grey River boat ramp.	\$10,000	Infrastructure Renewal Reserve
Landowners, High Street, & Tasman Street	Stormwater upgrades on Tasman Street.	\$191,000	Loan funded from rates, drawn down over three years from year two
Greymouth Business & Promotions Association	Working with the BPA on projects to be agreed upon by Council.	\$30,000	Existing Economic Development budget
Grey District Waitangi Day Community Picnic	Funding for picnic for next three years.	\$15,000	2017/2018 surplus
Greymouth SPCA	Additional funding for desexing of cats and kittens.	\$3,000	2017/2018 Discretionary Fund
Greymouth Aerodrome	Improvements to the events area established at the Greymouth Aerodrome.	\$100,000	2017/2018 surplus
Fairy lights	Re-establishment of fairy lights in Greymouth CBD.	\$28,000	2017/2018 surplus
Whitebait panels	Installation of whitebait interpretation panels on the floodwall.	\$5,000	2017/2018 surplus
Signs	Contribution towards new "untamed natural wilderness" signs in the Grey District.	\$10,000	2017/2018 surplus
Croesus Road upgrade	Proposed Croesus Road upgrade to provide vehicle access to the Blackball end of the Pike 29/Paparoa Great Walk (currently under construction). <i>Note: Council has included this project in year 1, however this is contingent on receiving external funding for the entire cost. The assumption for this Plan is that the project will qualify for NZTA financial assistance (58% of cost), with the remainder to be funded from the Provincial Growth Fund (central Government), which Council has submitted an application to. If Council is unsuccessful in securing the funding, then Council will need to consider other solutions to provide limited vehicle access.</i>	\$3,480,000	Proposed to be funded from NZTA financial assistance and central Government Provincial Growth Fund

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

Issue	Description
Proposed extension of kerbside recycling collection	Council will not be proceeding with extending the current kerbside recycling collection area. Clean recyclables will continue to be allowed to be disposed of free of charge at the McLeans Recycling Centre and Resource Centres at Blackball, Moana and Nelson Creek.

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 2018-2048

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 2018/2019 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 proposed fees and charges Council intends to set for the 2018/2019 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 2015–2025 Grey District Long Term Plan.

This **Grey District 2018-2028 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 2018 to 30 June 2028 and explains what Council intends to do and what the cost will be. The final version is the product of extensive public consultation, including seeking public input on this original draft version.

The first year of the Plan (2018/2019) is also the Annual Plan for that year (ie there will be no separate Annual Plan produced for 2018/2019). The LTP 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/November 2017. 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+. 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 2016 Resident Satisfaction Survey have been included in this LTP as measures of some of our non-financial performance targets.

Full results from Resident Satisfaction Surveys are 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.

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



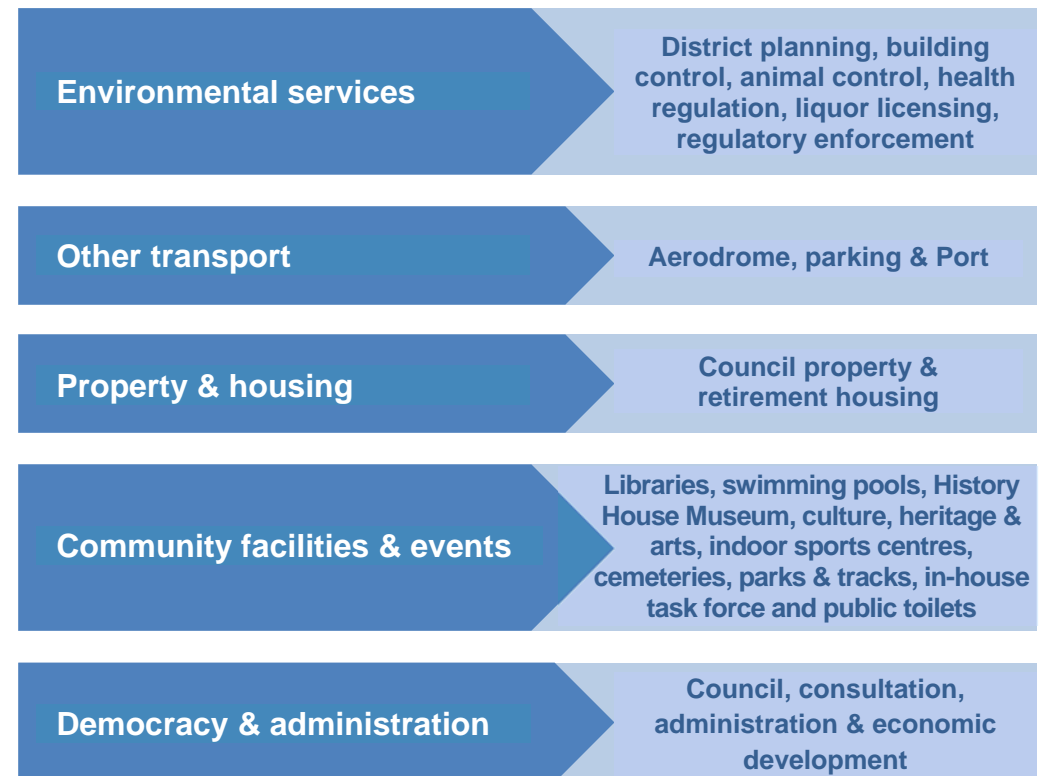
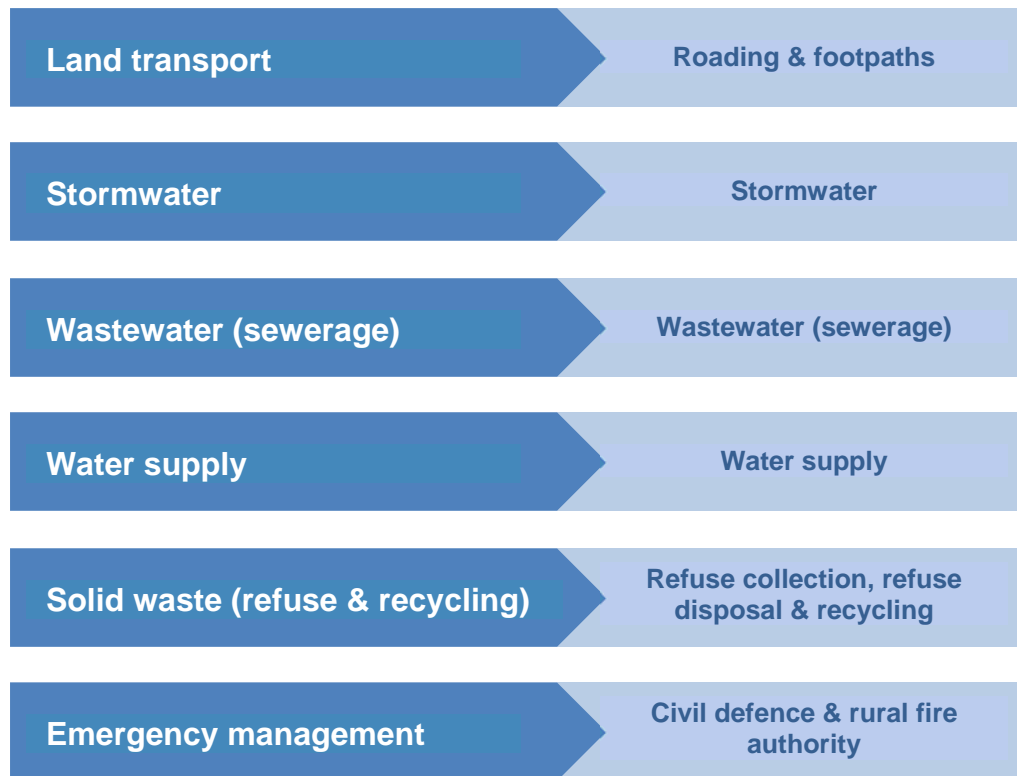
6.8 Grouping of Council activities (Groups of Activities – GOA)

Council is involved in a wide range of activities, and to provide information on each in detail in this LTP 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 more or less the same as they were in the 2015-2025 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 over the long term.

The Grey District has a higher percentage of people aged 65 years and over - 16% - compared with 14.3% of the total New Zealand population.

The next Census is due to take place in March 2018.

Population at a glance

	as at date (last census)	Grey District	West Coast	New Zealand
Estimated current 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

The latest population projections were released by Statistics New Zealand in February 2017. The overall themes are:

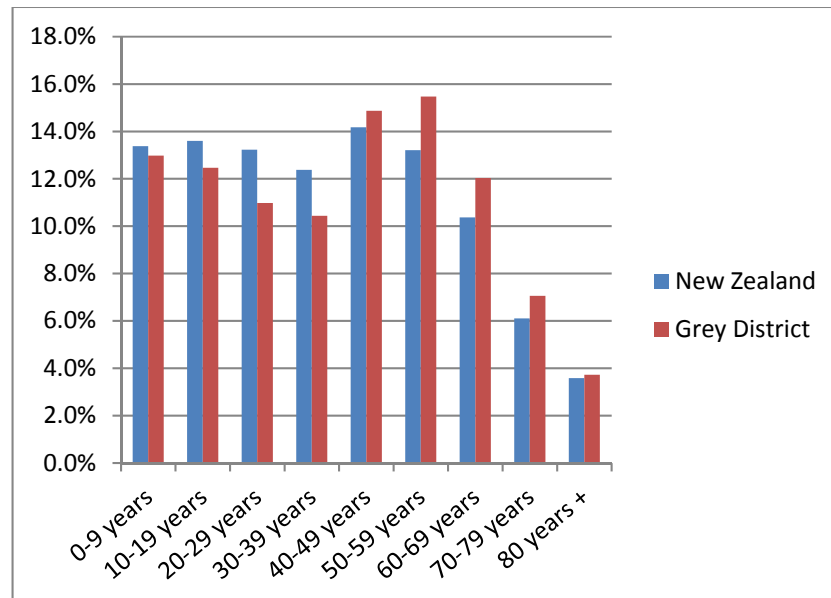
- The population growth rate will slow in nearly all regions, cities and districts between 2013 and 2043.
- All areas will be home to more people aged 65+ in 2043.
- Deaths will increase relative to births in almost all areas as the population ages.

Population projections (medium) ex stats.govt.nz

	Current	2023	2033	2043
New Zealand	4,242,048	5,157,900	5,595,000	5,923,100
West Coast	32,148	32,500	31,900	30,600
Grey District	13,371	13,550	13,250	12,600

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. 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.

Our District has faced some tough times in recent years, including mine and business closures, severe weather events and the global economic recession. We've also had to comply with earthquake prone buildings legislation, as well as the changing face of consumerism turning more and more to online shopping.

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 no growth

As mentioned previously, the projections for the Grey District and the West Coast are mostly static and even declining. 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 are 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, which creates a dilemma in that much of the peak period infrastructure is funded from a relatively small rating base.

Growth in tourism

Tourism is booming - visitor numbers to the West Coast are predicted to break the one million figure in 2025. Whilst tourism is great for our local economy, it can bring its own challenges in terms of greater numbers of people needing to use our infrastructure. Areas where this may impact include car parks, toilets, refuse/recycling, water supply and more.

Central Government is aware of these challenges and established a Tourism Infrastructure Fund (TIF) of \$100 million over four years for the development of tourism-related public infrastructure. Council has to compete with other regions to access this funding, as well as provide a 50% (flexible) contribution towards the project and fund on-going costs, ie maintenance, once the facility is built.

We have already had two successful applications to this fund (Cobden and Blackball toilets) and will keep monitoring where the needs are for new facilities and submit applications to the TIF fund.

Community economic development

In 2013 Council developed a Community Economic Development Strategy designed to improve our quality of life and attract people to live, work, play and invest in the Grey District. 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 strengths and weaknesses of the Grey District, five Strategic Themes have been identified for the District over a ten year timeframe. Those strategic themes are:

- Our unique identity
- Our compelling destination
- The Heart of the West Coast

- Our home
- Our talent

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. The Strategy has a long term focus and therefore implementation of the various projects is planned to take place over several years. The Strategy was last reviewed in 2015 and many of the projects identified in the Strategy are already under action or have been completed. The Strategy is due to be reviewed shortly.

Council is also committed to working with the three other councils in the West Coast region and Development West Coast on any regional economic development opportunities that arise. We will also make applications to the Government’s Regional Economic Development Fund when appropriate.

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 what seems like more frequent natural disasters, ie the Christchurch earthquakes, Kaikoura earthquakes, flooding events etc.

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, and Cobden;
- 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 Penguin stocks.

Environmental standards and pressures

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

- A carbon credit regime on emissions from landfills from 2012; 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.

With regards to urban flooding, our stormwater renewals programme includes provision to replace with larger capacity pipes, thus increasing the potential reticulation in places where these renewals have been carried out.

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.

However we are well aware that affordability is a key issue for our community and it remains a balancing act of what Council can provide and what the community is prepared to, and what they can afford to, pay for. This is covered in more detail in our Financial Strategy.

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.

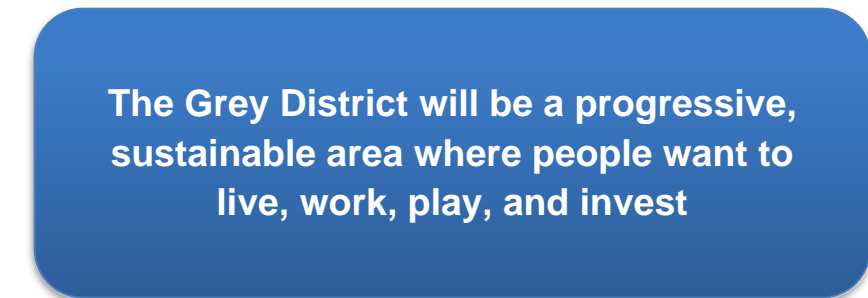
Council decided to give greater focus to what it can achieve towards the on-going and future wellbeing of the district, by either providing the service directly or facilitating in the provision of the service from other agencies. The Council termed this as their *Strategic Vision for the Grey District*. 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:



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

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

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

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

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 and reviewed in 2015.

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 tables below summarise the relationship between what Council does and the wider outcomes. As can be seen, not all of the outcomes can be directly achieved by Council.

The 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 Parking
	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 History House Museum Arts, Culture and Heritage Parks and Reserves Economic Development
	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. <i>Note: The funding of TWC is currently under review as per the West Coast Economic Development Action Plan 2017.</i> 	<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)
	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	Council owns and provides a range of recreational facilities including: <ul style="list-style-type: none"> • Westland Recreation Centre • Parks • Reserves (including walking tracks) • Coastal pathway • Spring Creek Pool • Libraries Council also facilitates recreation through a range of events organised through Sport Canterbury (West Coast office)	<ul style="list-style-type: none"> • 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, Culture & Heritage	Provide or facilitate provision of a range of arts, cultural and heritage services/facilities	Council owns and provides a range of arts, cultural and heritage facilities including: <ul style="list-style-type: none"> • History House Museum • Pioneer library Council also facilitates art, culture and heritage through a range of events organised through Regent Theatre and provides financial support to the West Coast Society of the Arts.	<ul style="list-style-type: none"> • History House Museum • 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 • History House Museum • 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 Museum • Spring Creek Swimming Pool, Runanga • Westland Recreation Centre 	<ul style="list-style-type: none"> • Libraries • History House Museum • Swimming pools • Sports stadium & gym

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 have their own unique funding requirements and challenges. You can read more about the groups of activities we are involved in Part E: What Council Does – Groups of Activities.

This financial strategy sets the overall direction for the Council’s finances over the next ten years. It also outlines the key issues that Council has considered when setting the financial parameters of funding sources and how the funds raised are used.

Any decisions by Council have an impact on the future, so a key part of this Strategy is to highlight possible future implications of decisions made by Council.

2 Context and strategic issues

The following commentary provides context to the financial planning undertaken by Council and outlines the specific strategic issues affecting the Grey District.

2.1 Significant new infrastructure spend at an end

Council has, in recent years, spent a considerable amount of money on capital expenditure (new capital projects and replacing existing assets); over \$135 million has been spent since 2006. We have had to bring our wastewater schemes up to modern day compliance requirements, ensure our water supplies meet NZ Drinking Water Standards and have created new community assets such as swimming pools, gym and stadium and Town Square in our CBD. A summary of the larger projects include:

Aquatic Centre	\$10 million (<i>subsidies and donations received</i>)
Westland Recreation Centre	\$11 million (<i>mostly funded through fundraising and subsidies</i>)
Wastewater treatment plants	\$43 million with work on-going in Greymouth scheme (<i>subsidies received of varying levels for individual schemes</i>)

Water supply upgrades	\$5 million with work on-going for the Runanga/Dunollie/Rapahoe supply (<i>subsidies received of varying levels for individual schemes</i>)
Town Square and Tainui Shared Street	\$1.9 million (<i>subsidies received of \$1M</i>)

We are not planning to spend large amounts of money over the next 30 years, barring emergencies or changes in standards, ie Drinking Water Standards.

Our key priority is to now maintain and renew the assets we have and continue to provide existing levels of service.

More information on our plans with regards to infrastructure can be found in PART D: Infrastructure Strategy.

2.2 Council debt

We have borrowed a moderate amount of money over the past few years for new infrastructure and our debt is near the top of Council’s self-imposed limits. Council’s debt has increased from \$5.6 million in 2015 to \$30.4 million by June 2017.

We are comfortable with the level of debt Council holds and Council believes the delivery of a capital programme of over \$135 million with an increase of debt of \$24.8 million has been a good result for our district and community. There is still plenty of capacity to borrow within the existing limits if required for unforeseen events or emergencies.

Some examples where we would consider increasing our debt includes:

- Unforeseen infrastructure works, ie critical failures.
- Sudden changes in standards we must comply with, ie increases in Drinking Water Standards following the Havelock Water Inquiry.
- Emergencies, ie natural disasters etc.
- Smoothing the financial impact of large renewal expenditure, eg urgent or costly bridge replacements.

Renewals and operating expenditure are not funded by new borrowings, apart from the following exceptions:

1. Roothing bride renewals. Individual bridge replacements can be costly for the larger bridges, and in some cases, the cost of one bridge replacement can exceed our total renewal budget for all of land transport. In these cases Council will loan fund the cost, repaying the loan over a relatively short period

(i.e. less than 10 years). This is to spread the cost over a few years, smoothing out the rate revenue required from year to year.

2. Port operating deficits. This Plan continues the existing strategy of reducing Port operating deficits through an increase in revenue. For many years Port deficits were funded via proceeds from land sales and no direct rate revenue input. With the proceeds from sale of land being a diminishing resource, Council was required to address the issue by introducing a rate revenue input into the Port, as well as increasing the revenue input of Port users. Both these revenue sources increase further over the life of the Plan. In the short term, until revenue increases to cover operating expenditure, the deficit is funded from short term borrowing, to be repaid once revenue exceeds expenditure.
3. Greymouth water reservoir. Given the larger investment in one year, this project is loan funded to smooth the required rate funding.

It is our intention to reduce the level of overall debt Council has over the life of this Plan.

2.3 Static growth

Statistics NZ forecasts are for our population to more or less remain static over the coming years. There may be pockets of our community which could increase slightly, likely to be balanced by declines in other areas. More information on this can be found in PART F:2: Key assumptions applied in the preparation of this Plan.

2.4 Affordability

Council is well aware that affordability is a key issue for our community; we have to balance the needs and wants of the community with the ability and willingness to pay for the services and activities it provides.

We also need to ensure that we don't put our heads in the sand when it comes to making decisions affecting our District in the sole interest of keeping rates low. Addressing issues now may cost in the short term but will save larger financial headaches later. An example of this is starting to address deferred renewals now rather than continue to let them build up.

2.5 Vulnerability to natural hazards

The Grey District, being close to the sea and the Alpine Fault and in a high rainfall zone, is susceptible to natural hazards such as flooding, earthquakes, tornados and more. The impacts of natural disasters can be significant and impose substantial unbudgeted costs on the Council.

2.6 Deferred renewals

As signalled in our Infrastructure Strategy, we are focussing on starting to address deferred renewals in our Water Supply, Stormwater and Land Transport activities. Failure to address these could have serious implications, both financial and impacting on the service provided.

It should also be noted that whilst we are starting to address the backlog of renewals, it will take many years to fully remedy the problem and in the meantime Council and the community will carry some risk in the form of failures, increased maintenance costs, potential impact on levels of service provided etc. Please refer to PART D: Infrastructure Strategy for more details.

2.7 The world around us

Like most of New Zealand, the Grey District is influenced by external factors – national and international, environmental, economic and political. Future changes in interest rates, international markets and legislation, as well as natural hazards and climate change, have the ability to impact on the Council's finances.

2.8 Running at a deficit

Council has reported some reasonable surpluses over the last several years. However, when you take away the large subsidies and grants for capital projects, Council has actually been running at a deficit. This is not a major concern in the short term but is something Council is looking at addressing over the next ten years to reduce these deficits.

3 Financial goals

The Council’s goals for managing its finances are outlined in the following table. These financial goals have been set to reflect where the Council wants to be in 2028 and they focus on the following:

1	Working towards reducing annual deficits.
2	Increasing rates above inflation each year to address significant issues, ie deferred renewals.
3	Recognising affordability is an issue for our community, cap annual rates increases at 4.5% in any given year.
4	Decreasing debt over the life of this Plan.
5	Retaining capacity to borrow for unforeseen events (such as natural disasters). Debt levels to be kept within our policy limits.

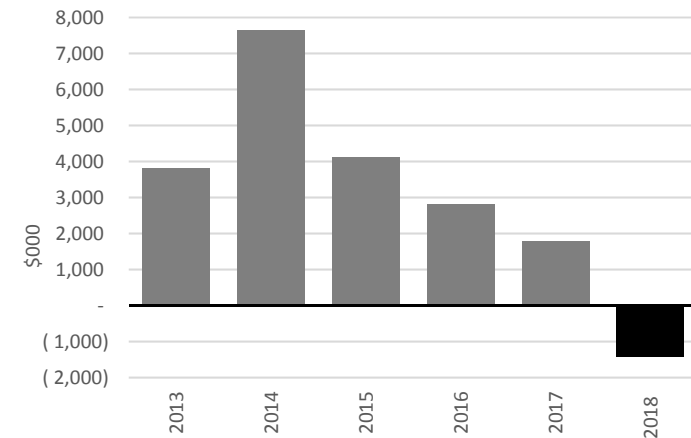
The challenge for this Council and community is to raise enough revenue to meet the current cost of providing services to the District and keep the Council in a sound financial position to face any challenges in the future.

Some of our activities will continue to run at a deficit. We explain more about deficits below.

3.1 Running at a deficit

Council has reported some reasonable surpluses over the last several years as shown in the following graph.

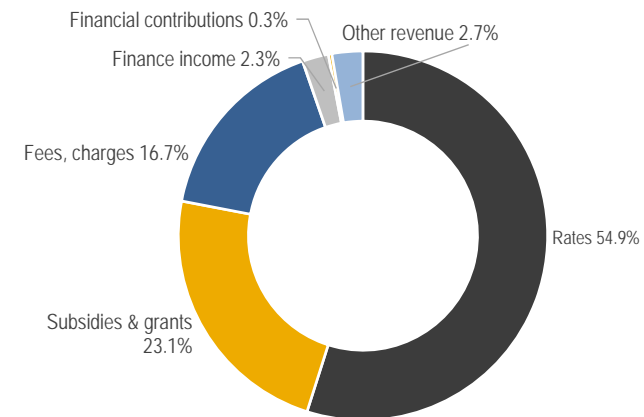
Figure C-1: Council surplus / (deficit): 2013 – 2018



However, with an organisation the size of Council that is involved in many different activities, it is difficult to look at one figure – ie 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 as shown in Figure C-2.

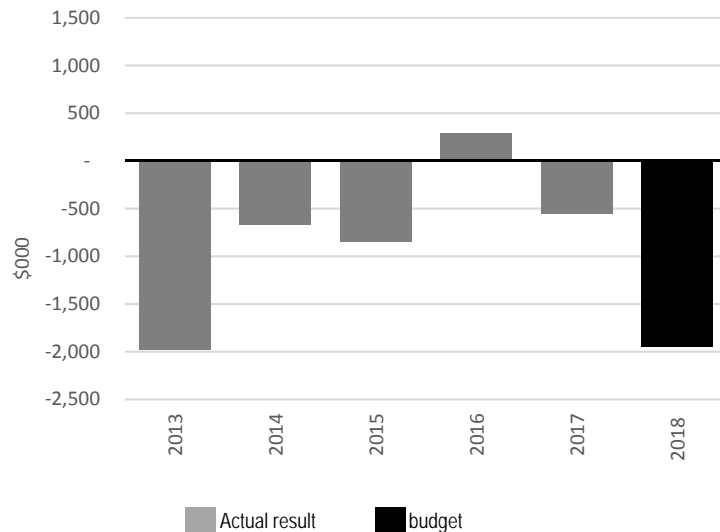
Figure C-2: Sources of Council revenue: 2015 – 2017 actual result and 2018 budget.



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 take 'one off' items of revenue and expenditure away, a more accurate representation is that we have actually been running in deficit over the past five years. This is not a major concern in the short term and Council have deliberately chosen to do this over the past years as we prioritised expenditure across the Council activities whilst trying to balance this with the community's ability to absorb rate increases.

Figure C-3: Council deficits: 2013 – 2018 (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', eg 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.

What is 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 – now and 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, ie 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 (ie cost to replace the asset) and the second is the asset's useful life. It is 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; or
- 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 Council sets its revenue to fund all operating expenditure (including depreciation), it is referred to as a balanced budget.

A deficit may indicate that a Council 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

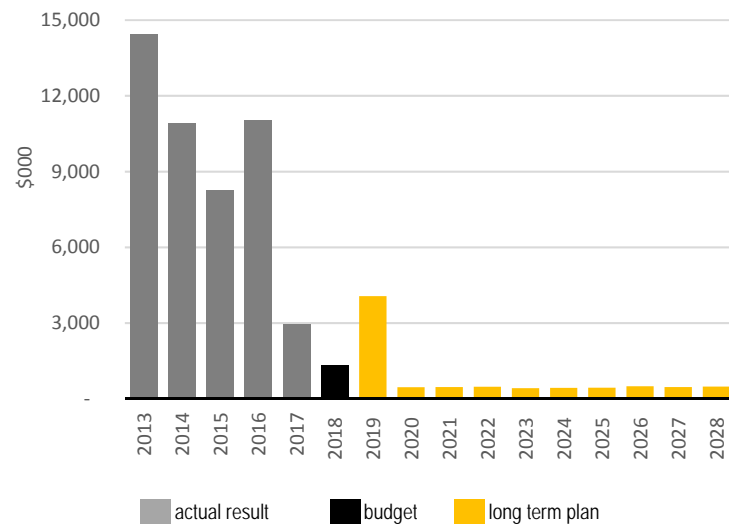
at higher levels than are required for future replacement or that 'catch up' renewals are provided for because not enough had been funded in the past.

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 building the Grey District Aquatic Centre (now upgraded to the Westland Recreation Centre). We have spent around \$135 million on capital works, a significant amount.

Whilst external contributions from grants and subsidies were 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. This effectively meant Council continued to not fully fund depreciation; notably the investment in renewals was less than the depreciation expense. In the 2015-2025 Long Term Plan we signalled that we were going to start addressing the funding shortfalls and this LTP continues to follow that theme.

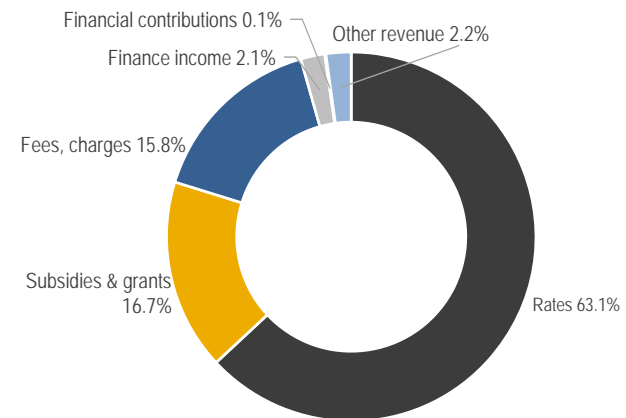
Figure C-4: Capital expenditure to meet additional demand or to improve the level of service



With the period of high capital investment in upgrading services now at an end, Council must look to address its responsibilities in maintaining the levels of service established and collecting a fair share of revenue from those who benefit from the services. The exception for new capital expenditure is Year 1 (2019) where Council has included the proposed upgrade for Croesus Road (Blackball), however this is contingent on receiving external funding for the entire cost.

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.

Figure C-5: Budgeted sources of Council revenue: 2019 - 2028



4 Our Strategy

This section outlines Council’s strategy for meeting its financial goals and addressing its strategic issues.

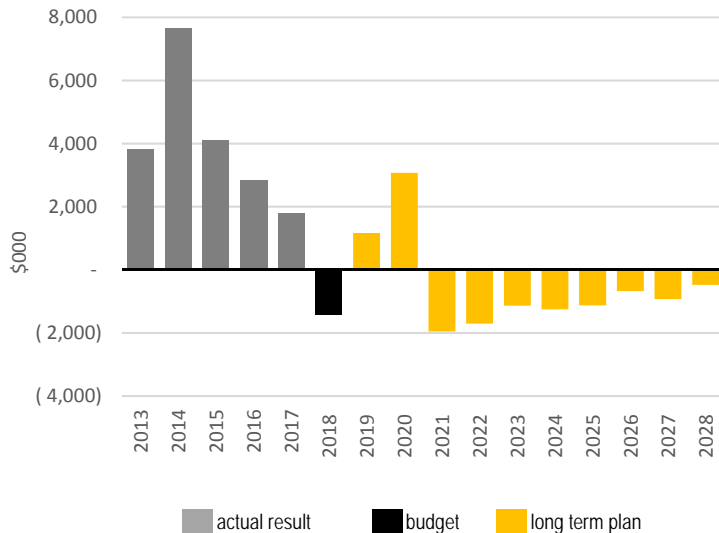
4.1 Working towards reducing annual deficits

As already referred to, despite recent actual recent financial results being an operating surplus for Council, when we exclude one-off capital grants the result would have been a deficit. As we have minimal new capital projects during this LTP which attract large capital grants (years 1 and 2), we are therefore forecasting on-going deficits over the next ten years.

These deficits are a result of Council not raising enough revenue to cover all expenditure, namely depreciation (refer to previous explanation of depreciation).

The strategy, however, is to gradually address this over the next ten years, working towards reducing Council’s annual deficits over the life of this Plan. The following graph summarises how this will be achieved across the whole of Council. Beyond the life of this Plan the deficits will continue to reduce until such time Council will be running in surplus.

Figure C-6: Council surplus/deficits



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

- Stormwater
- Water Supply
- Land Transport
- Port

Other activities will continue to run in deficit, notably

- Wastewater
- Sports Stadium (including swimming pools)

We discuss each of these further below.

Stormwater

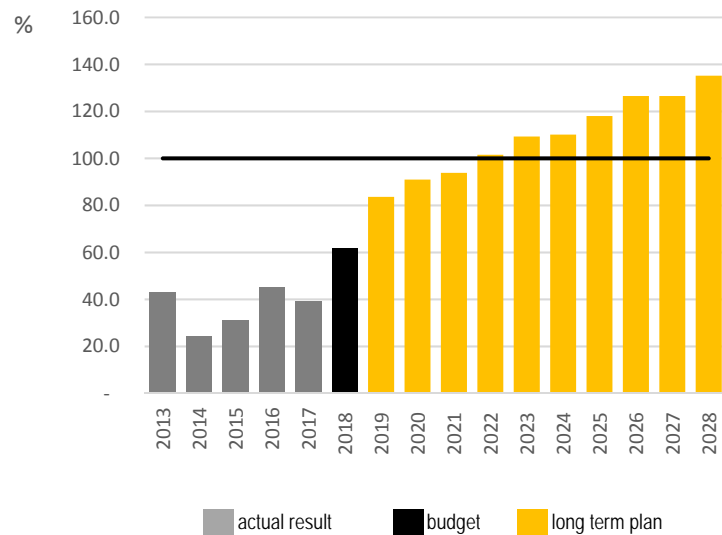
The 2015-2025 LTP began addressing the annual deficit this activity has previously been run at. This Plan will continue in the same manner, increasing rate input every year of this Plan for the purposes of addressing the renewals backlog which has been confirmed by recent condition assessments. It is noted there are pockets of significant deferred renewals in parts of the District and some areas are serviced by a reduced capacity reticulation, thus increasing the risk of flooding and damage to properties and businesses.

Council will increase rates input to this activity by the amount of approximately \$40,000 per annum (equivalent to 0.25% rates increase in year one), year on year, ie cumulative increases.

The below graph demonstrates the current funding deficit of the activity and how this will move to a position of funding surplus by year four. Council will, from there on, raise annual revenue (ie rates) at a greater amount than total annual expenditure to allow it to address the renewals backlog that has been created whilst the activity has been under funded (refer to infrastructure strategy to see detail of timeframe addressing renewal backlog).

Refer to the Stormwater section in PART D: Infrastructure Strategy and PART E: What Council Does – Groups of Activities for more information.

Figure C-7: Depreciation funded for Stormwater activity



Water supply

Over recent years Council has upgraded a number of water supplies to meet current drinking water standards. The remaining supply to be upgraded is Runanga-Rapahoe, which, at the time of writing this Strategy, is on track to be completed by 30 June 2018.

Council has received advice that following the Havelock North Drinking Water Inquiry, an increase in required Drinking Water Standards is “more likely” than less likely. While there are no details as to what this could involve, it is assumed the outcome will be that all water supplies will be required to be treated.

At present all supplies in the Grey District, with the exception of Runanga/Rapahoe, are treated with chlorination and UV filter. The Runanga/Rapahoe water supply has UV screening but the absence of chlorination (due to community preference) has the potential of secondary contamination, ie as a result of pipe breaks etc. As any potential changes are not yet confirmed, we have not made any provision in this Plan, however Council acknowledges that should any increase be legislated, it will incur an additional cost on the Runanga/Rapahoe community in the form of a higher targeted rate. However, it should be noted that the Runanga supply could be connected to the Greymouth (chlorinated) supply at very little capital cost if this was legislated.

It is not known if any proposed Drinking Water Standards changes will require an increase in the level of treatment. If they do, it will mean increased targeted rates for properties connected to the remaining water supply schemes in the Grey District. As there are details on this, no provision for this has been included in the LTP.

Deferred renewals

Condition assessments for our water supply network are almost complete and results to date have confirmed that 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).

Council will increase rates input to this activity to address deferred renewals by the amount of \$40,000 (equivalent to 0.25% rates increase in year one) per annum, year on year, ie cumulative increases.

Renewal of Greymouth water reservoir

The Greymouth water reservoir at Omoto, having been constructed in 1904, is now over 100 years old and beyond is intended useful life. As well as requiring renewal, it is currently located on land which has been identified as a high seismic hazard. In the event of a major earthquake, it would be very likely that the reservoir would be damaged and we would lose our main water storage for the Greymouth supply.

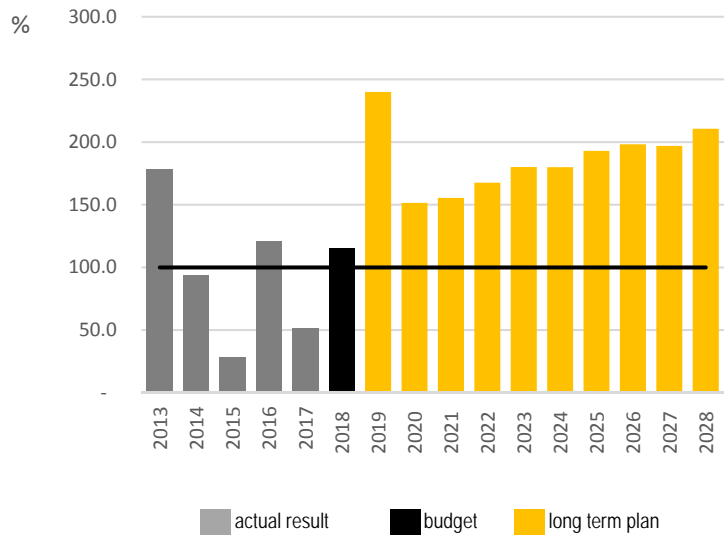
Council has a long term goal of replacing the one reservoir with three smaller reservoirs in different locations around the District. At this stage Council has only committed to the replacement of one smaller reservoir in year one due to available funding and other priorities.

Replacement of one reservoir is estimated to cost \$540,000. Council is planning on funding \$140,000 from existing reserves and loan funding \$400,000 to be repaid from rates (equivalent to 0.26% rates increase in year one).

Due to the backlog of renewals to be addressed, Council will be funding this activity in surplus.

Refer to the Water Supply section in PART D: Infrastructure Strategy and PART E: What Council Does – Groups of Activities to see detail of timeframes for addressing the renewal backlog.

Figure C-8: Depreciation funded for Water Supply activity



Land Transport

The financial assistance Council receives from the New Zealand Transport Agency (NZTA) has decreased from 62% to the current rate of 58%. As part of the 2015-2025 Long Term Plan, Council resolved to stick with the existing road programme, finding efficiencies to make the programme fit within the financial constraints rather than increasing rate input into the activity during the first four years.

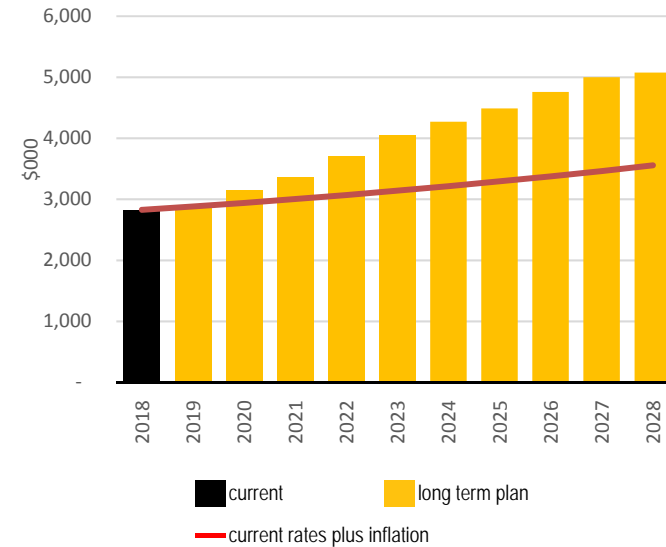
There are significant deferred renewals with regards to our bridges, some of which could potentially represent the requirement for significant expenditure. Based on the recommended useful life of structures, 61 bridges (29%) are beyond their useful life, however based on maintenance inspections most of these structures are in at least a fair condition. We have also recently carried out a seismic capacity review of our bridges and the results of this study, together with condition assessments, asset age and use will assist Council to identify where structure components require replacing and/or where full bridge replacements are necessary on a prioritisation basis.

The influence of increased truck loads also needs to be taken into account when considering full and partial bridge replacements and/or the need to post bridges with weight or speed restrictions for safety reasons.

Several bridge replacements are signalled in our renewals programme. We will increase rate funding to this activity by \$30,000 (above inflation) in year one

(equivalent to 0.2% rates increase for 2018/2019) and then an average increase of \$240,000 per annum (including inflation) for years 2-10 (annual increases range from \$77,000 to \$345,000, including inflation), with an overall increase of rates revenue of \$2.2 million by year ten. The proposed rate funding, relative to assumed inflation, is shown in Figure C-9.

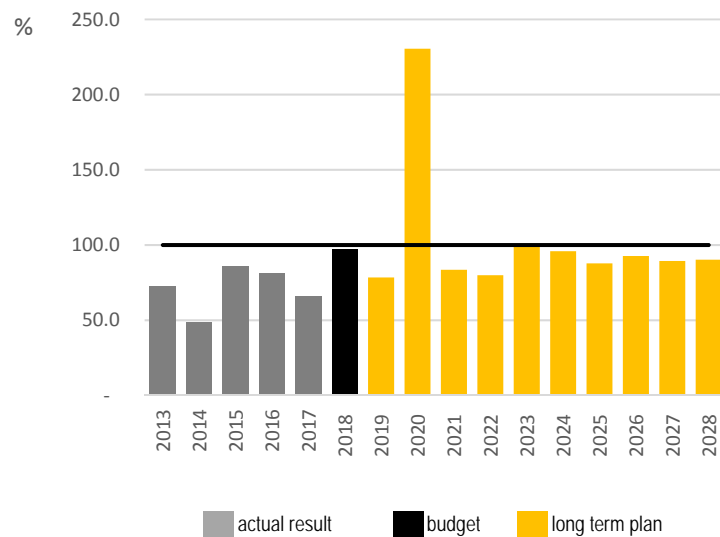
Figure C-9: Proposed rate funding for Land Transport activity



This, together with the NZTA subsidy will give Council the required revenue to carry out some of the more significant renewals/replacements within the term of this plan.

Refer to the Land Transport section in PART D: Infrastructure Strategy and PART E: What Council Does – Groups of Activities to see detail of timeframes for addressing the renewal backlog.

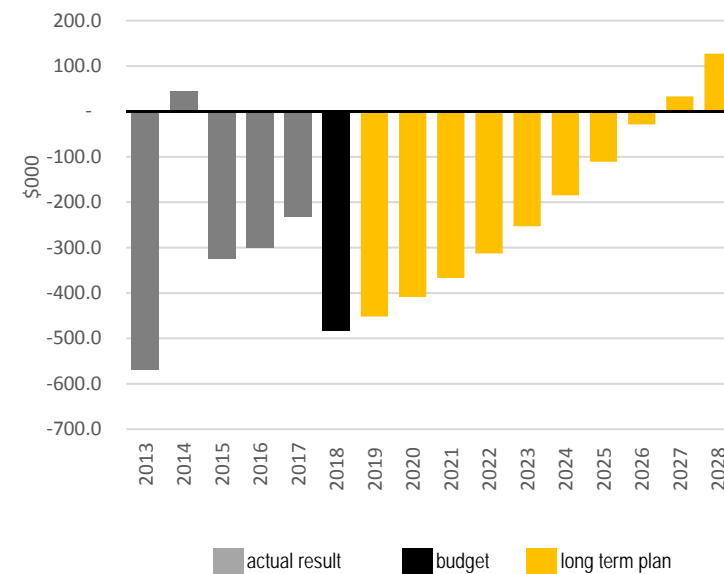
Figure C-10: Depreciation funded for Land Transport activity



Port

For the last two Long Term Plans the Port has been 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 and with no more significant value assets available to sell, Council, at the last LTP, began reintroducing rate funding to this activity to start addressing the Port deficits.

Figure C-11: Port surplus/deficit



The Port has run at a deficit for many years¹ and continues to until year eight of this Plan. As referred to earlier, until revenue (including rates revenue) increases to cover operating expenditure, the deficit is funded from short term borrowing, to be repaid once revenue exceeds expenditure. Debt will continue to increase until year eight, when the debt will begin to be repaid from the operating surpluses. Based on this strategy, debt will peak at approximately \$3.2 million in year six reducing to approximately \$2.7 million by year 10. Current Port debt is approximately \$1.9 million.

Council intends to continue increasing rate funding to this activity by \$40,000 per annum (plus inflation), year on year (equivalent to 0.25% in year one). There is also an expectation of additional revenue from port users of approximately \$25,000 per annum (plus inflation). By year ten of the Plan the rates revenue input into the Port increases from the current amount of \$190,000 to \$750,000. User fee revenue increases from current amount of \$190,000 to \$460,000.

While this doesn't balance the books until later in the Plan, Council considers this to be a prudent approach because it takes into account intergenerational equity

¹ Note 2014 includes revenue received from insurance claims. Without these, the actual result would have been a deficit.

(spreading the costs and the benefits over several generations) and affordability of these services to our community.

Refer to the Other Transport section in PART E: What Council Does – Groups of Activities for activity information.

Sports Stadiums (including 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 facilities.

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

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

Given the current community is meeting the ratepayer input and was responsible for the external fundraising (which does not show as on-going annual revenue), Council is signalling that the depreciation will not be fully funded and therefore the activity budget is not balanced.

We are signalling to meet all the anticipated maintenance and renewal costs, as well as existing loan repayment commitments associated with plant items at the facilities.

Our financial strategy is that any future replacement will be almost entirely funded externally (like the existing facility), ie through fundraising, grants, and donations.

Wastewater

In recent times Council has invested a large amount in the development and upgrade of sewerage schemes (Greymouth 2004–2018+, Blackball scheme reticulation and treatment facility in 2008 and Taylorville/Dobson/Kaiata 2013–2018). This not only relates to the provision of a better service but also mitigates the associated health risks that were facing these 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.

Deferred renewals

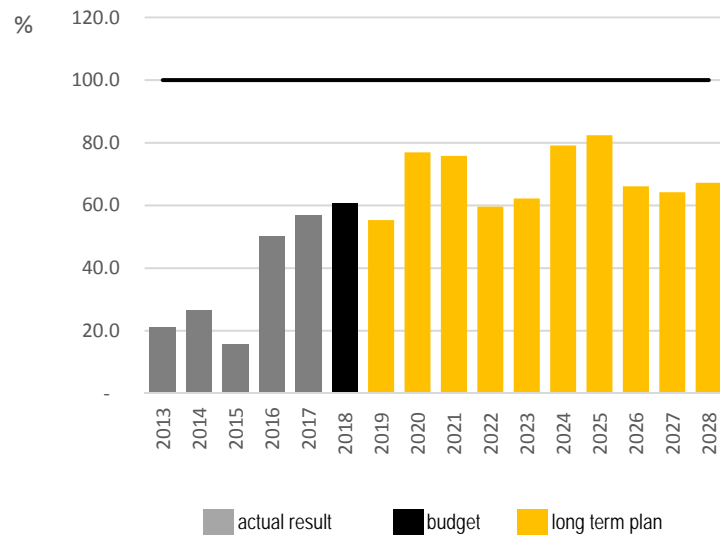
As part of the 2015-2025 Long Term Plan, Council commissioned condition assessments to be carried out on our wastewater network. While there are some deferred renewals in the Wastewater activity, Council is choosing to focus on addressing the more significant needs in the Water Supply, Stormwater and Land Transport activities. We have focussed on our Wastewater assets over the last 10-20 years and overall the age profile means most of the Wastewater assets do not require significant attention at this stage. Council continues to fund Wastewater renewals at equivalent levels to previous years.

There is no plan to significantly increase rate funding to this activity at present apart from what has already been addressed for the Runanga scheme. We will continue to address prioritised deferred renewals within our existing budgets. It is planned to revisit the allocation of additional funding towards deferred renewals for the Water Supply and Stormwater activities around year ten and start to apply part of this funding towards Wastewater. The profile of deferred renewals for Stormwater, Water Supply and Wastewater is detailed in the Infrastructure Strategy. This funding strategy will be reviewed periodically, at a minimum as part of each future LTP.

Runanga/Dunollie sewerage scheme

Portions of the sewerage scheme servicing the townships of Runanga and Dunollie has failed before the end of its intended useful life and requires 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. These works continue to be addressed in this LTP, with the worst affected areas prioritised first.

Figure C-12: Depreciation funded for Wastewater activity



Refer to the Wastewater section PART D: Infrastructure Strategy and PART E: What Council Does – Groups of Activities to see detail of timeframes for addressing any renewal backlog.

Summary

The Strategy Council is proposing in this Plan is what Council believes best strikes a balance between the required levels of investment to continue to provide the current levels of service with the community’s ability to pay. If the funding doesn’t increase and Council increase the investment into renewals, then levels of service would decrease as well as the likelihood Council would need to increase what it spends on maintenance. With the increased investment of renewals, current levels of maintenance expenditure are expected to continue given the Council is still carrying a significant level of deferred renewals for 20 years plus.

4.2 Debt

As referred to earlier Council has increased its total borrowings considerably over the past few years for new infrastructure and our debt is towards the top of Council’s own self-imposed limits. By June this year Council expects to owe approximately \$30 million² – or about \$3,500 per ratepayer. Refer to graphs below on Council debt levels as compared to the self-imposed borrowing limits.

We are comfortable with the level of debt Council holds and there is still capacity to borrow if required for unforeseen events or emergencies. Some examples where we may need to increase our debt includes:

- Unforeseen infrastructure works, ie critical failures.
- Sudden changes in standards we must comply with, ie increases in Drinking Water Standards following the Havelock Water Inquiry.
- Emergencies, ie natural disasters etc.
- Smoothing the financial impact of large renewal expenditure, eg bridge replacements.

Renewals and operating expenditure are not funded by new borrowings, apart from the following exceptions:

1. Roading - bridge renewals. Individual bridge replacements can be costly for the larger bridges, and in some cases the cost of one bridge replacement can exceed our total renewal budget for all of land transport. In these cases Council will loan fund the cost, repaying the loan over a relatively short period (i.e. less than 10 years). This is to spread the cost over a few years, smoothing out the rate revenue required from year to year.
2. Port operating deficits. This Plan continues the existing strategy of reducing Port operating deficits through an increase in revenue. For many years Port deficits were funded via proceeds from land sales and no direct rate revenue input. With the proceeds from sale of land being a diminishing resource, Council was required to address the issue by introducing a rate revenue input into the Port, as well as increasing the revenue input of Port users. Both these revenue sources increase further over the life of the Plan. In the short term,

² Note June 2018 debt expected to be lower than forecast in 2018 Annual Plan largely due to the new landfill capacity being developed at McLeans being smaller than originally provided for in the Annual Plan.

until revenue increases to cover operating expenditure, the deficit is funded from short term borrowing, to be repaid once revenue exceeds expenditure.

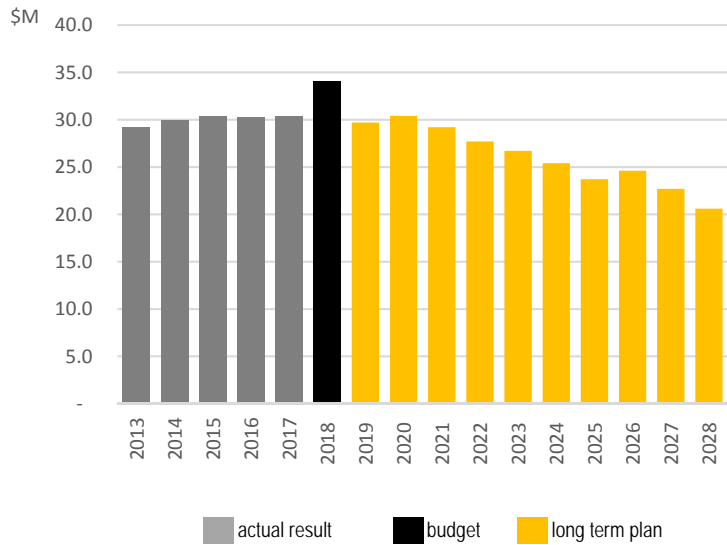
- Greymouth water reservoir. Given the larger investment in one year, this project is loan funded to smooth the required rate funding.

It is our intention to reduce the overall level of debt Council has over the life of this Plan.

Given the large investments required to address our renewals backlog, we believe it is best to approach this by increasing rates revenue and addressing the renewals backlog over an extended period. The alternative of trying to address a larger value of the deferred renewals by increasing debt would add the burden of meeting loan repayments to addressing ongoing asset renewal requirements.

Spreading the work on deferred renewals over a number of years is also believed to be more cost effective for contractors to deliver, rather than trying to address a large volume of work in a short period of time.

Figure C-13: Total overall debt



Council sets borrowing limits in its Liability Management Policy, which 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 following two graphs illustrate the impact of the forecast borrowing in this Plan against the liability policy limits.

Figure C-14: Debt servicing (finance) costs as a percentage of total revenue

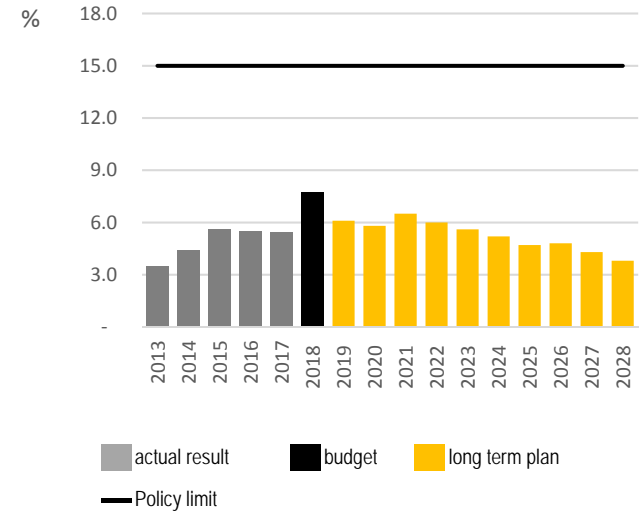


Figure C-15: Total debt per ratepayer

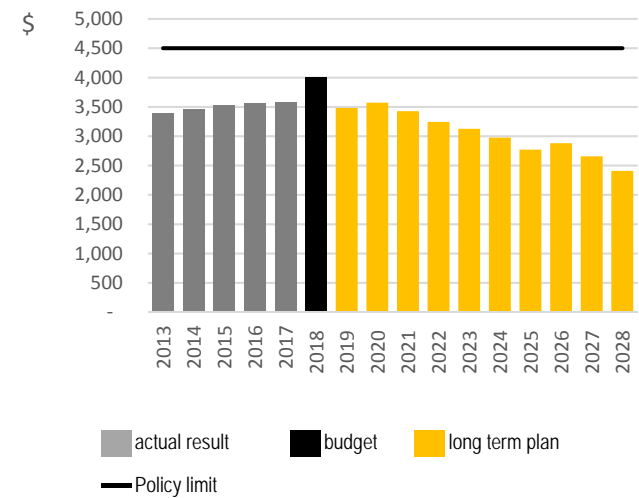
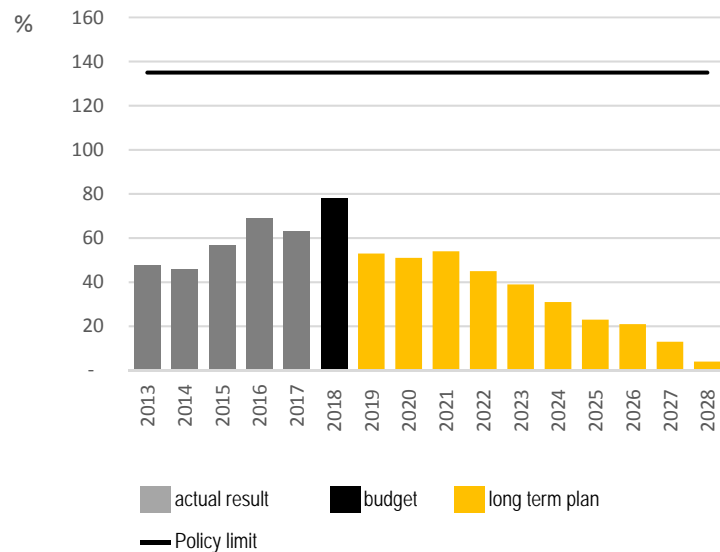


Figure C-16: Net debt as a ratio of total revenue



In the event of a significant unforeseen event (such as a natural disaster), it is possible 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.

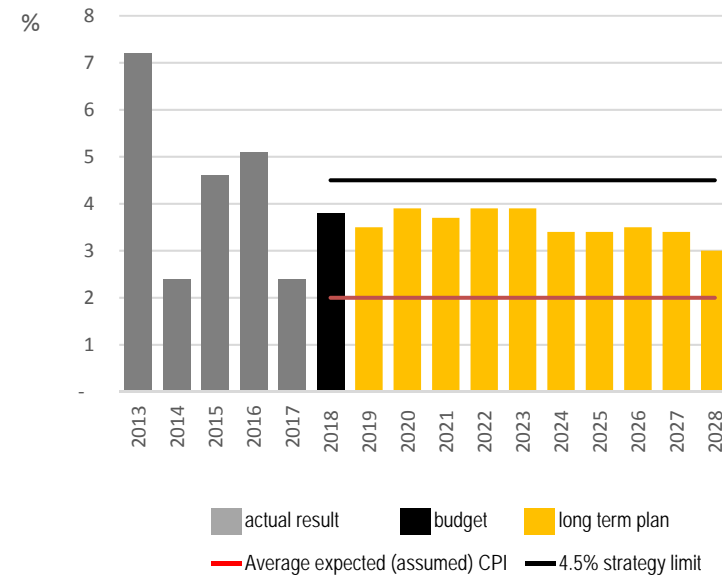
Other key financial data related to debt in this Plan

Total new loans borrowed in the ten years of this Plan	\$ 8.3 million
Total debt repaid in the ten years of this Plan	\$ 17.8 million
Total finance (interest) costs in the ten years of this Plan	\$ 16.4 million

4.3 Rates

To achieve the goal of reducing Council's annual deficits means rates need to increase greater than Council's costs increase, ie above inflation.

Figure C-17: Rate increases



For rate increases to be lower or aligned 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.

Figure C-18: Total Rate Revenue

Taking into account the strategy limit of rate increases to be no higher than 4.5% per annum, the following graph illustrates total forecast rate revenue compared against the upper limit.

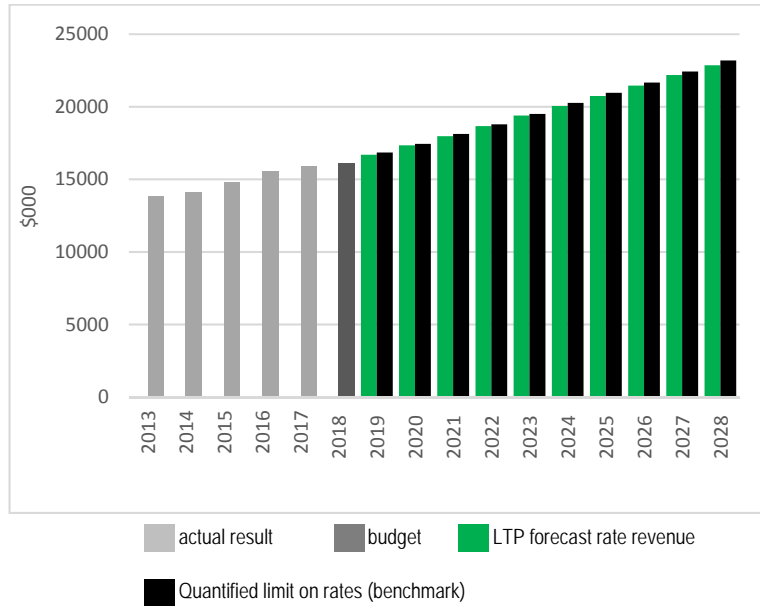
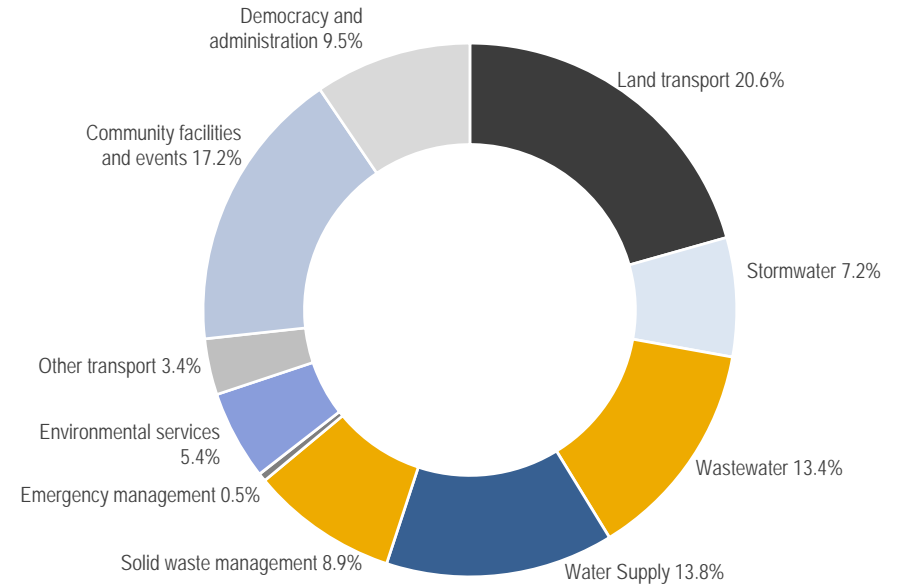


Figure C-19: How your rates are spent – total rates revenue 2019 - 2028



5 Impact on level of service

5.1 Changes to levels of service

Council provides our community with good quality local infrastructure and local public services as well as cost effective regulatory functions. This financial strategy is designed to maintain the current level of services, facilities and regulatory functions provided by the Council.

5.2 Maintaining levels of service

Council has an extensive level of information about its significant assets. Council is continually looking to improve the quality and accuracy of the information we have. 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.

Given Council’s strategy to address the deferred renewals over 20+ years, there is an on-going risk present that assets will fail before they are replaced. This risk reduces over time as Council clears the deferred renewals.

5.3 Capital expenditure to maintain levels of service

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

Council is signalling in this Plan to spend:

	This LTP	<i>As signalled in previous LTP</i>
Replacing and renewing assets	\$ 81.5 million	<i>\$ 61.4 million</i>
Building new assets	\$ 8.2 million	<i>\$ 15.8 million</i>
TOTAL	\$89.7 million	<i>\$77.2 million</i>

The detail of this is contained in PART E: What Council Does – Groups of Activities.

6 Other funding sources

6.1 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 \$5.6 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 to large scale emergency event to meet any immediate cash flows required to supply resources.

6.2 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, ie not used as part of delivering Council services. The majority of these sales relate to freeholding of leasehold sections that Council owned. This also aligns 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 has signalled 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.

6.3 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 2018/2019 similar cover is budgeted to cost approximately \$590,000. This includes 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. Council has used this reserve from time to time to fund responses to and recovery from emergency events.

For the purposes on this Plan, we have assumed that our insurance cover will continue to cost a similar amount with modest savings to be achieved from:

- Partaking in a wider buying group of NZ local authorities for insurance brokerage and insurance placement.

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

7 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.

	2019 LTP Year 1	2020 LTP Year 2	2021 LTP Year 3	2022 LTP Year 4	2023 LTP Year 5	2024 LTP Year 6	2025 LTP Year 7	2026 LTP Year 8	2027 LTP Year 9	2028 LTP Year 10
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Total revenue	29,654	32,148	28,124	28,830	29,886	30,958	31,621	32,812	34,103	35,119
Total operating expenditure	28,492	29,077	30,082	30,537	31,027	32,212	32,751	33,487	35,035	35,599
Net surplus / (deficit)	1,162	3,071	(1,958)	(1,707)	(1,141)	(1,255)	(1,130)	(676)	(932)	(480)
FINANCIAL PRUDENCE OF FORECAST UNBALANCED BUDGET										
Items being addressed over the longer term as a part of the financial and infrastructure strategies										
Land transport depreciation (part of)	(933)	-	(826)	(1,041)	(6)	(245)	(738)	(459)	(746)	(704)
New Wastewater schemes depreciation (part of)	(470)	(243)	(269)	(448)	(419)	(249)	(210)	(404)	(459)	(420)
Port deficits	(452)	(409)	(367)	(313)	(253)	(185)	(111)	(29)	-	-
Items specifically not funded										
Greymouth floodwall depreciation	(74)	(74)	(74)	(74)	(74)	(74)	(74)	(74)	(74)	(74)
Stadium depreciation	(636)	(608)	(625)	(605)	(1,021)	(1,092)	(1,083)	(1,074)	(1,153)	(1,143)
Net surplus / (deficit) - excluding the above expenditure items not funded	3,726	4,405	203	774	633	590	1,086	1,364	1,500	1,861

7.1 Why is Council not fully funding this expenditure in this plan?

Land transport depreciation (part of)

As outlined in Council's Infrastructure Strategy, Council's current renewal investment (expenditure) is less than the annual depreciation expense. Council raises revenue (rates and NZTA financial assistance) to fund the renewals and given depreciation is higher than renewals, this activity subsequently runs at a loss (deficit).

Council is increasing the revenue (rates) applied to the Land Transport activity over the life of this Plan and the strategy is that this increase will continue beyond this Plan until the activity is fully funded and the backlog of renewals is dealt with.

This is a longer term strategy that Council aims to balance the needs of continuing to provide the current levels of service balanced with the community's ability to pay (affordability).

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.

Council believes this approach to be prudent as it:

1. Continues to address all the required wastewater renewals over the next ten years; and

2. Once the funding for stormwater and water supply renewals has been fully addressed, Council intends to start diverting this funding towards wastewater renewals, which will bring the activity into surplus over the long term.

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 one to five will be met from Council borrowing, with the increases in revenue used to repay debt from year seven onwards. Council considers this the most prudent approach.

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.

Sports Stadiums depreciation (part of)

The recently built Westland Recreation Centre/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.

Summary

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.

This Plan sets out that, over the longer term, Council will fully address the backlog of renewals. As set out in this document, when this happens will differ between Council asset classes of Land Transport, Stormwater, Water Supply, and Wastewater. This is based on Council prioritising which renewals should occur ahead of others and when, for example, the backlog of Water Supply renewals has

been fully addressed, more funding will be focussed/diverted towards Wastewater renewals.

Over the long term the funding (ie rates revenue raised) will reach a sustainable level where on-going increases are no longer required. This is beyond the ten year life of this Plan and will ultimately be determined by a future Council and community.

PART D: Infrastructure Strategy 2018-2048

1 Infrastructure overview

1.1 Our infrastructure

Grey District Council owns and manages \$438 million of infrastructure assets (*Replacement Cost - 2017 valuation*).

Council is responsible for the management of the roading network, networks and associated infrastructure for water, wastewater and stormwater, the Port, one aerodrome situated in Blaketown 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.

Infrastructure breakdown

Water	Three separate water schemes ³ 205km pipes Nine reservoirs 12 pump stations Delivering over 2.6 billion of litres of water a year to 5,569 businesses and households
Wastewater	Six wastewater schemes and treatment plants 39 pumping stations 190km pipes Servicing 5,858 properties
Stormwater	Five pump stations 128km urban stormwater pipes
Land Transport	610km road (61% sealed) 105.7km footpaths Port Aerodrome

³ With the last three years, separate community schemes for Dobson-Taylorville and Stillwater have been connected to the Greymouth Scheme

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.

Table D-1: Grey District Council's infrastructure value (depreciated replacement cost - 2017 values)

Water Supplies	\$41,585,500	9%
Wastewater	\$69,664,610	16%
Stormwater	\$68,387,230	16%
Land Transport	\$258,625,250	59%

1.2 Current position

Council has outlaid a significant amount of capital expenditure in recent years, over \$135 million since 2006. We have had to bring our wastewater schemes up to modern day compliance requirements, ensure our water supplies meet NZ Drinking Water Standards and have created new community assets such as swimming pools, gym and stadium and Town Square in our CBD. A summary of the larger projects include:

Aquatic Centre	\$10 million (<i>subsidies and donations received</i>)
Westland Recreation Centre	\$11 million (<i>mostly funded through fundraising and subsidies</i>)
Wastewater treatment plants	\$43 million with work ongoing for the Greymouth scheme (<i>subsidies received of varying levels for individual schemes</i>)
Water supply upgrades	\$5 million with work ongoing for the Runanga/Rapahoe supply (<i>subsidies received of varying levels for individual schemes</i>)

Town Square and Tainui Shared Street

\$1.9 million (*subsidies received of \$1M*)

Because Council had prioritised spending on these projects, hard decisions had to be made on what was spent in other areas to ensure that we could continue to provide our services without passing on unaffordable rates increases to the community. As is often the case in large businesses and organisations, this prioritisation included deferring the issue of addressing the funding of required renewals in the future.

However, this has only ever been a short term solution as the renewal requirements continue to accumulate, leading to what is known as deferred renewals (also commonly called renewals backlog).

What are deferred renewals?

Council assets, like any asset, have a specific useful life. The useful life of assets are calculated using a combination of:

- Industry best practice
- Our own previous experience of using the same or similar assets
- Specific environmental conditions where the asset is located which may extend or reduce the useful life
- Amount of use
- Type of use

Once an asset has reached the end of its useful life, then it is expected that it will require replacement (renewal) if Council is going to continue to provide that service. If we use the asset beyond the end of the useful life, then this is known as deferred renewal (also commonly referred to as renewal backlog or renewal deficit).

Our asset information and useful lives are based on the best information we have to hand and Council has made reasonable progress in recent years increasing the quality and reliability of the information. Understandably however, a useful life is never going to be an exact science (measure) for each asset. Some may not last as long; others will last longer. In addition to this, there are areas of the asset database where assumptions and estimates are applied, which introduces uncertainty in some areas.

It is fair to say however that when an asset fails before the end of its planned useful life, this is unexpected and not an ordinary occurrence. An asset that fails when in use beyond its planned useful life could not be considered unexpected. Continuing to use assets beyond their assessed useful life represents a risk to the

Council and community that these assets may fail. Long-term deferring of asset renewals can lead to more breakdowns and service disruption, substandard services and, in the end, failure of services

Why do deferred renewals happen?

Deferring expenditure has become a part of business for many organisations, particular those with tight budgetary restraints. Local authorities in rural areas are regularly faced with tough decisions about maintaining networks of assets as populations decline. Not all assets can be easily relocated or used for a different purpose, eg water. When budget restraints are necessary, deferring renewals is usually the first options considered.

However, in the case of Councils, we also have an obligation to maintain our infrastructure as failure to do so could result in a significant health risk for our community and could have adverse effects on our reputation when it comes to tourism etc.

Why hasn't Council addressed this earlier?

Over previous years Council has been 'sweating its assets' (a term used to describe a way of extending the use of an asset beyond its useful life) in the interests of keeping rates rises down and using funds to complete other prioritised and expensive capital projects. This approach increases the risk of unexpected disruptions to service delivery.

So what are we going to do about it?

Council has known for some time that there is likely to be a renewals backlog but didn't have accurate data about the actual condition of our assets. A key focus of our 2015-2025 LTP was to try and gain a better understanding of the actual condition of our infrastructure. Therefore, over the last three years, Council has undertaken a considerable amount of work carrying out 'condition assessments' of our underground assets. These condition assessments give us a greater understanding on how long we can expect the assets to serve their purpose (ie useful life) and greater certainty/comfort that the information relied on for planning purposes is accurate and appropriate.

It should be noted that underground assets present their own challenges in assessing condition and obtaining reliable data is often costly. Without digging up these assets, there will always be an element of uncertainty, which can influence how well asset maintenance can be planned. Although we already had asset management plans and infrastructure databases and managed them actively, "we only know what we know" and much of the previous information we had before the condition assessments were carried out was unreliable.

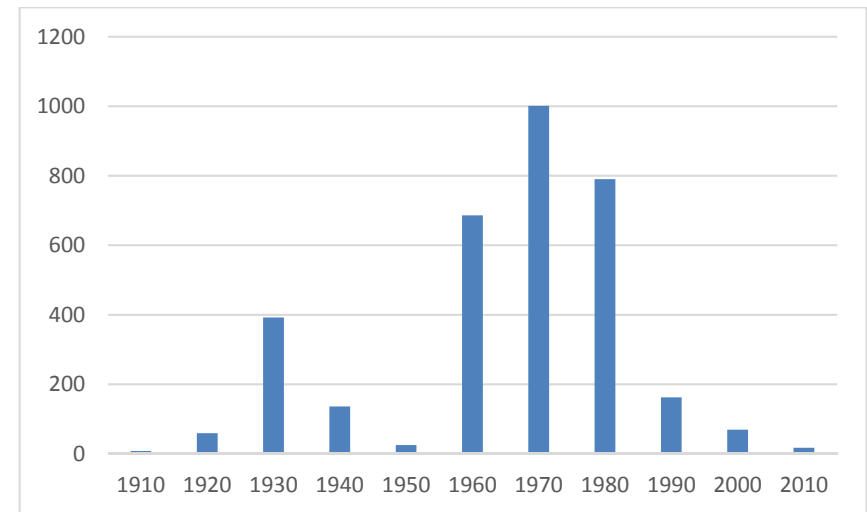
The outcome of these condition assessments have confirmed that we are indeed facing deferred renewals in the Water Supply, Wastewater, Stormwater and Land Transport activities, some of them significant.

Now that Council has improved information on the condition of its assets, it is time to start addressing renewing our infrastructure to ensure we continue to provide good quality and reliable services to our community. Using the information from our condition assessments, we now plan to:

- Prioritise the most critical areas requiring replacement; and
- Consider the most appropriate solutions for replacing/renewing (eg maybe a pipe can be relined rather than replaced in its entirety).

When assets will require renewal/replacement is determined by the original install date plus its useful life. Because historically there have been periods of more intensive infrastructure development (eg post second world war, 1960's/1970's high growth era), the total value of assets reaching their end of useful life varies from year to year and generation to generation. Some years there may be a large volume; some years not so much. For example, a large number of new road bridges were built in the Grey District in the 19060's/1970's. We therefore have a respective large portion of the bridges nearing their end of useful lives in a short period. The following graph illustrates the total length of bridges constructed by decade that are still in use in the Grey District. Note the peak in the 1930's (all of which are now beyond their intended useful life) and then subsequent peak in the 1960's, 1970's and 1980's.

Figure D-2: Bridge length (metres) constructed by decade



This trend is typical across all of our infrastructure assets, and we go in to more detail on this below.

These 'infrastructure renewal waves' represent a large challenge for the Council as the requirement to maintain current levels of service by maintaining and replacing assets needs to be balanced with the community's ability to pay. Council may have to consider borrowing money to "smooth" the impact of large infrastructure renewals. Please refer to our Financial Strategy for more information.

What are the implications of not starting to address deferred renewals now?

If we don't get serious about starting to address this now, we run the risk of breakdowns, service disruption, extra costs for ongoing maintenance and potentially total failure of our services.

We are fully aware that finding the balance between funding and required maintenance is incredibly challenging. The data obtained from the condition assessments means we now have the information we need to accurately and reliably plot the useful lives of our assets. This puts us at the stage where we need to find the appropriate balance between budgets and the maintenance and renewals that are required.

How will this be funded?

We will increase rate funding to the Water Supply, Stormwater, Wastewater (after year 10) and Land Transport activities on a year by year basis to start addressing deferred renewals. We note that this approach will still carry some risk to Council and the community, i.e. higher ongoing maintenance costs, risk of asset failure, but believe this is a more prudent and realistic approach rather trying to fund all required renewals in a shorter space of time.

Refer to the relevant sections for the Water Supply, Wastewater, Stormwater and Land Transport activities for more information.

1.3 Land Transport overview

In terms of value, the road network represents over half of our infrastructure. This activity includes the road surface, footpaths and bridges.

Key issues facing this activity

Bridges	Some of our bridges have reached the end of their recommended useful life and we need to start planning for the necessary renewals/replacements. We also need to take into account works or replacements required for seismic reasons or to increase load capacity for heavier legal truck loading.
Road Surfaces	We currently do not renew our road surfaces (ie resealing) as often as recommended/suggested by industry best-practice. Current funding allows for approximately 7% of the network to be resealed annually as opposed to industry practice of 10% - 15% annually.
Footpaths	The condition of footpaths in the District are often a key issue for our community. Whilst we budget for a certain amount of renewals per annum, they often fall short of community expectations.

Plan for the future

- Council plans to maintain existing levels of service with regards to the Land Transport activity and does not envisage any increases in the service it provides.
- Deferred renewals will start to be addressed on bridges (renewals or replacements for structures that are at the end of their service life) with data

from condition assessments used to prioritise renewal works to where the most critical need is.

- Once a number of the deferred bridge renewals have been addressed, start applying additional funding towards surface renewals from year 10.
- We will continue to carry out our current level of footpath renewals with works prioritised to areas deemed as having the most critical need.

Funding

We will increase rates input into this activity to address the above key issues.

The increased funding will initially be allocated towards deferred renewals in bridges for the first nine years. We plan on redistributing the increased funding going solely to bridges in years 1-9 between bridges and road/street surface renewals from year ten.

It should be noted that Council receives financial assistance from the New Zealand Transport Agency (NZTA) for certain types of works. Bridge renewals or replacements receive a subsidy from NZTA whereas footpath renewals do not. It makes financial sense for Council and is more beneficial to the community for money to be targeted towards projects which receive the highest subsidy, thus generating more money to spend.

Please refer to PART D: Section 4 – Land Transport for full details on this activity.

1.4 Water Supply overview

There has been significant investment in the water supply network over the last decade. Upgrades to treatment facilities have been carried out with the aim of meeting the NZ Drinking Water Standards.

Key issues facing this activity

Deferred renewals	We have been carrying out condition assessments on our water supply network and whilst these are still to be completed, information to hand confirm we have deferred renewals which need to be addressed.
Water reservoir replacement	The Greymouth water supply reservoir at Omoto is past its useful life and is currently located on land which has been identified as a high seismic hazard.

Plan for the future

- Once treatment plant upgrades are complete (expected to be done by 30 June 2018), the main focus over the next 30 years is expected to be on maintaining

and renewing the existing water infrastructure to meet current drinking water standards.

- Deferred renewals will start to be addressed, with data from condition assessments used to prioritise renewal works to where the most critical need is.
- Council intends to increase its focus on leak detection and repair for water supplies, which will provide a better level of service to consumers.
- If deemed necessary, carry out Stage II treatment for the Greymouth water supply. This would be considered necessary if we no longer comply with requirements set by the Ministry of Health. The situation is being closely monitored and as it is not an issue at present, it has not been included in the LTP.
- While still a renewal as the asset is past its useful life, Council needs to replace and relocate the Greymouth Reservoir for resilience reasons.
- There is potential to extend the existing Greymouth water supply to Kaiata (subject to the necessary agreements with the developer and Ministry of Health) and we will consult separately on this issue if the matter proceeds. This has not been provided for in this Plan.
- 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, including the outcome of the Havelock North Drinking Water Inquiry. Refer to PART D: Section 5 – Water Supply for more details.

Funding

- We will increase rates input into this activity to address deferred renewals.
- Replacement and relocation of the Greymouth water reservoir is planned to be funded by existing reserves and borrowings (to be repaid by rates).

Please refer to Part D: Section 5 – Water Supply for full details on this activity.

1.5 Wastewater overview

There has been significant investment in the wastewater network over the last decade. Upgrades to treatment facilities have been carried out with the aim of achieving resource consent compliance for treated wastewater effluent discharges.

Key issues facing this activity

Deferred renewals

While there is a level of deferred renewals applicable to this activity, they are not as significant as those in the water supply and stormwater activity.

Plan for the future

- The main focus over the next 30 years is expected to be on maintaining and renewing the existing wastewater infrastructure to meet resource consent conditions.
- The Runanga sewerage system was previously found to have parts of the network in very poor condition and the majority of the network requires replacement. Council commenced these upgrades in 2012 and will continue to carry out staged replacement over the next 10-20 years.
- Enhanced UV disinfection of the treated Greymouth effluent discharge at Johnston Street will be carried out if deemed necessary. At present we are meeting the discharge requirements of our Resource Consent, but if we can no longer do so, we will need to consider the required upgrade works. No funding for these works have been included in this plan.

Funding

- Deferred renewals in the water supply and stormwater activities are considered bigger priorities than wastewater at present so there is not planned to be any increase in rate funding to this activity for the next ten years. This will be reviewed at the next LTP.

Please refer to PART D: Section 6 – Wastewater for full details on this activity.

1.6 Stormwater overview

Since 2008 the total length of stormwater pipe networks has increased from 84.5km to 129km. Most of this increase is in the Blaketown, Cobden and Greymouth areas, where existing combined stormwater-sewer pipes have become dedicated stormwater only pipes.

The now dedicated stormwater pipes are ageing and condition assessments have confirmed that due to focussing on upgrading our wastewater treatment plants in previous years, we now face significant deferred renewals in this activity.

Key issues facing this activity

Deferred renewals	We have carried out condition assessments on our stormwater network and these have confirmed there are significant deferred renewals which need to be addressed.
Climate change	The effects of climate change mean there is potential for flooding events in increasing numbers and volume for which our existing stormwater network cannot cope.

Plan for the future

- The main focus over the next 30 years will be on renewing the stormwater infrastructure on a prioritisation basis using information collected from the condition assessments, as well as maintaining the network we currently have.
- When renewing stormwater infrastructure, where possible we will replace existing pipe sizes with bigger diameter sizes, thus increasing capacity and addressing effects of climate change. This will be an increase in the level of service provided.

Funding

We will increase rates funding to this activity to address significant levels of deferred renewals. Failure to address this issue would have serious implications, including the potential for critical failure and extensive damage to property.

Please refer to PART D: Section 7 – Stormwater for full details on this activity.

1.7 Current data on our assets

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.

As at the time of writing this Plan, we have completed condition assessments for the wastewater and stormwater assets and have almost completed the condition assessments for water supplies.

As already stated, condition assessments carried out to date confirm there are renewals backlogs (also known as deferred renewals) in the Water Supply, Stormwater, Wastewater and Land Transport activities. Changes from estimated useful lives to actual useful lives of pipes have been included in this Plan and they are more or less as assumed for the last LTP.

The outcome of the condition assessments mean we now have better information about the actual useful lives of our assets than we did before. This information has been used to determine the levels of deferred renewals we are facing. However, whilst we have based our Strategy on the best information available, there is still some level of uncertainty about the data which may mean that the financial forecasts could end up being materially different.

In the last three years Council has carried out a review of the seismic capacity of bridges. The results of this study has been used to develop a prioritisation list for renewals/upgrades of bridges included in the long term plan and will be used to prioritise future renewal plans.

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.⁴

Whilst this is the desired approach, Council is also constrained by affordability as is discussed in this strategy and also the Financial Strategy. Council has to consider all its desired objectives across all its activities when it prepares its budgets. Realistically, for instance, optimal levels of funding for renewals cannot always be achieved.

Over the long term Council’s aim is to achieve lowest long term costs, however it has to, as a trade-off across all its activities, accept higher risks and, for instance,

⁴ International Infrastructure Management Manual – Version 3.0 2006 p 1.10

increase operational and maintenance costs while it works towards achieving lowest long term costs.



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. We have also incorporated factual data obtained from the detailed condition assessments which have been carried out.

The useful lives are consistent with the assumptions applied to valuing each asset category and were determined by experienced and qualified asset valuers. Renewals have currently been determined by assessing condition using the age, material and local knowledge.

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

2 Purpose of this Strategy

The Local Government Act 2002, Amendment Act 2014 (passed on 7 August 2014) requires local authorities to develop an Infrastructure Strategy covering a minimum period of 30 years. The purpose of the Strategy is 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 (AMPs). It is also intended to align with the Council’s Financial Strategy.

2.1 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;
- A community with an average income significantly lower than the national average; and
- Increasing demand on infrastructure from tourists.

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. As part of renewals programmes Council will be considering the resilience of asset component replacements and also the capacity (e.g. storm water systems).

Future demand

With the exception of the emerging upwards trend in tourism numbers, overall, economic and social changes are not expected to drive any significant changes in demand for services.

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 commercial-industrial changes or a ratepayer desire for expansion of the

networks. An emerging demand issue is the forecast increase in tourism for the West Coast.

Table D-3: Grey District visitor/tourism forecasts 2016-2021

	2016	2021	% increase
Visitors	200,000	289,000	44%

Source: www.westcoast.co.nz

Two potential activities where tourism is predicted to impact on infrastructure services are roads and water supplies (refer to relevant sections below for more detail).

2.2 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 District community outcomes, as detailed in each asset management plan. However, the primary focus of the roading, stormwater, water supply and wastewater (sewerage) activities is supporting economic activity and protecting property. Water supply and wastewater services to urban, commercial and industrial customers not only 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 Significant issues

3.1 Issue 1: Deferred renewals

Possibly the most significant issue facing our infrastructure into the future is what we call deferred renewals. This applies to the Water Supply, Wastewater, Stormwater and Land Transport activities.

How will we address this?

We have carried out condition assessments over the past three years and this information, along with what we already knew (refer 1.2 – Current position), means we now have improved information about the actual expected life of our assets. Using the information from our condition assessments, we now plan to:

- Prioritise the most critical areas requiring replacement; and
- Consider the most appropriate solutions for replacing/renewing (eg maybe a pipe can be relined rather than replaced in its entirety).

How will this be funded?

We will increase rate funding to the Water Supply, Stormwater, Wastewater (from year ten onwards) and Land Transport activities on a cumulative year by year basis to start addressing deferred renewals, using the accurate data we now have to do so on a prioritisation basis.

While there are some deferred renewals in the Wastewater activity, Council is choosing to focus on addressing the more significant needs in the activities listed in the paragraph above. We have focussed on our Wastewater assets over the last 10-20 years and are currently addressing the urgent renewal needs in Runanga/Dunollie – these works are ongoing. Overall the age profile means most of the Wastewater assets do not require any significant attention over the first ten years of this strategy. We will continue to address prioritised deferred renewals within our existing budgets.

It is planned to revisit the allocation of additional funding towards deferred renewals for the Water Supply and Stormwater activities around year ten and potentially introduce the Wastewater activity in the funding split. This will be continuously reviewed, notably at the next LTP.

The following two graphs illustrate the level of deferred renewals forecast over the next 30 years, comparing:

1. What the backlog (deferred renewal) looks like based on current levels of renewal investment; versus

2. What the backlog (deferred renewal) looks like based on the planned increased levels of renewal investment.

Figure D-4: Forecast deferred renewals with existing funding level – all infrastructure

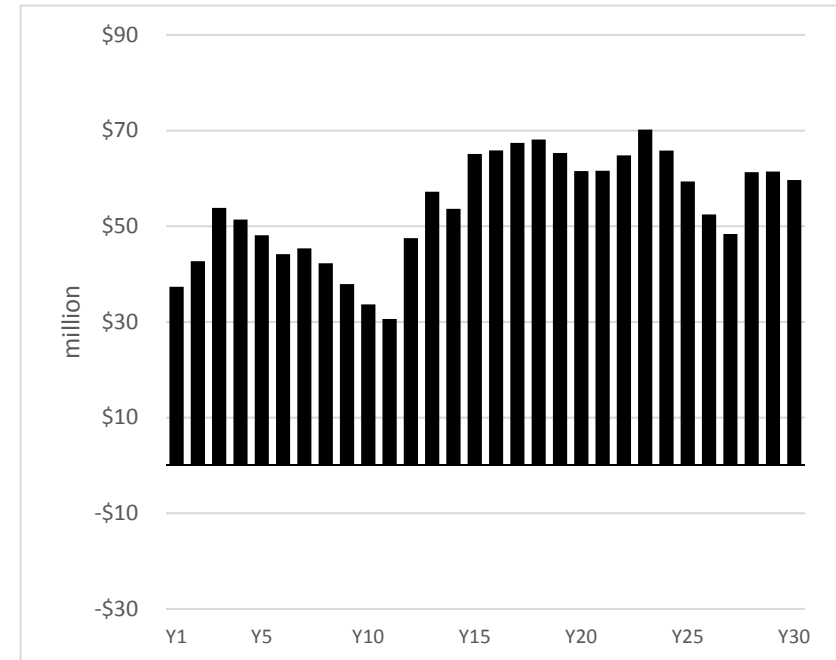
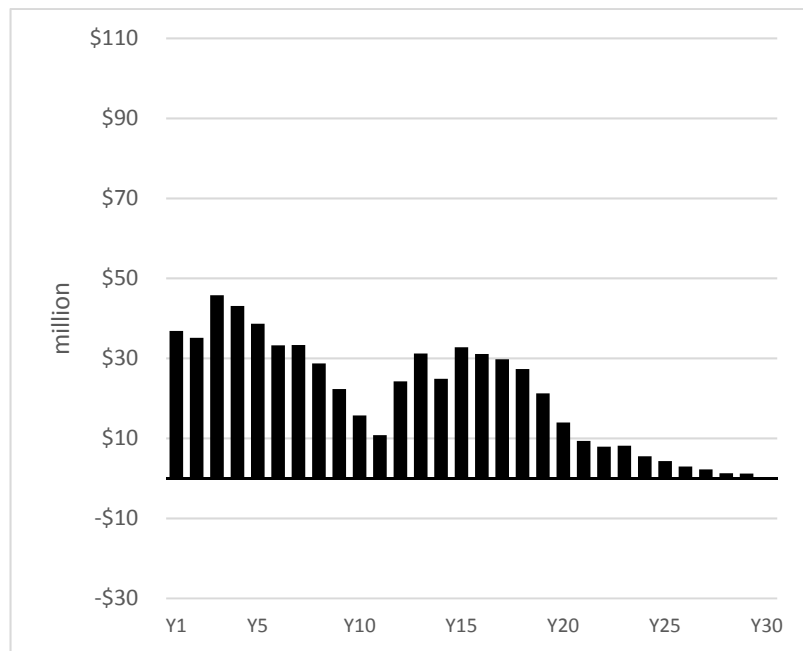


Figure D-5: Forecast deferred renewals with planned increased funding – all infrastructure



Note: Where the deferred renewals goes into a negative amount (below the line), this effectively means that Council is in a position to start setting funds aside for future renewals (based on the longer term requirements).

3.2 Issue 2: Water storage

The Greymouth water reservoir is currently located on land which has been identified as a high seismic hazard. In the event of a major earthquake, it would be very likely that the reservoir would be damaged and we would lose our water storage capacity for the Greymouth supply.

The reservoir, having been constructed in 1904, is also now over 100 years old and past its original intended useful life.

How will this we address this?

We are proposing to replace and relocate the reservoir to a new and safer location.

At present the Greymouth reservoir at Omoto has a capacity of approximately 3,400 cubic litres. Council has a long term goal of replacing the one reservoir with three smaller reservoirs in different locations around the District.

Council has agreed to fund the replacement of one reservoir in year one. This only replaces part of the capacity of the existing Omoto reservoir. Whilst this doesn't cause any immediate short term issues so long as the existing Omoto reservoir can remain in service, the longer term provision of additional reservoirs will need to be addressed.

How will this be funded?

Per above, Council has agreed to fund the replacement of one reservoir in year one. The cost to do this is approximately \$540,000. Council is proposed to contribute \$140,000 from existing reserve funds and loan fund the remaining \$400,000. This will mean an increase in rates of 0.26% for year one.

Additional reservoirs (not provided for) would be expected to cost similar amounts each.

3.3 Issue 3: Affordability

Affordability will continue to be a significant issue as wastewater schemes and water supply treatment schemes have received central government subsidies for the installation to meet legislative requirements (Health Act and Resource Management Act). The new or enhanced schemes would not have been affordable for ratepayers without the subsidies. Therefore a significant issue for the district will be how to afford replacing these scheme components when they come up for renewal without subsidy.

How will we address this?

Council plans on address this over the longer term by putting aside enough money for replacement when the time comes (i.e. continuing rate increases for wastewater and water supply treatment schemes over the long term). We will also lobby Central Government for any subsidies which may be available at the time.

We have recognised the issue of affordability for our community in our Financial Strategy and whilst rates are forecast to rise each year above inflation to address our significant issues, they are capped at a rise of no more than 4.5% in any given year.

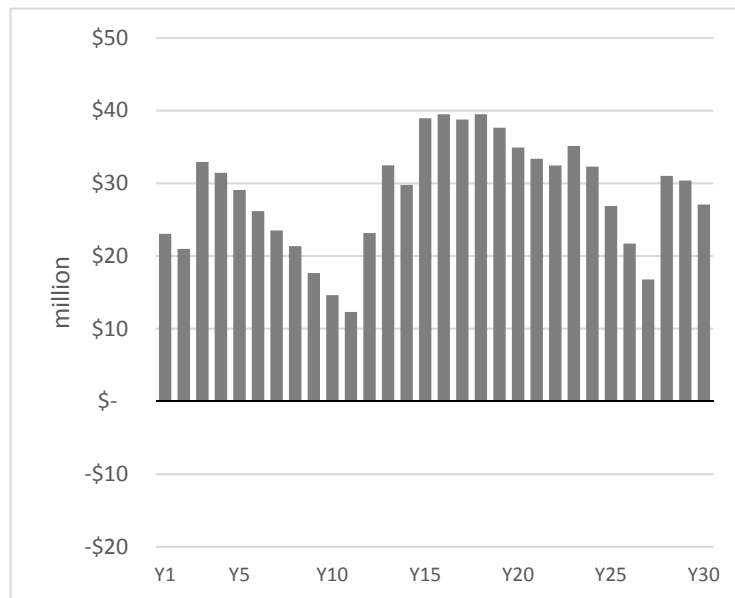
4 Land Transport

4.1 Background

In terms of value, the road network represents over half of the Grey District infrastructure. This activity includes the road surface (pavement), structure, road signs/street lights, footpaths and bridges.

Our road network of 610 kilometres with a current total replacement cost of \$258.6 million⁵, is generally in fair condition relative to the national average. The following graph summarises the backlog of renewals and how they will grow over the next 30 years if Council continues with its current level of renewal funding.

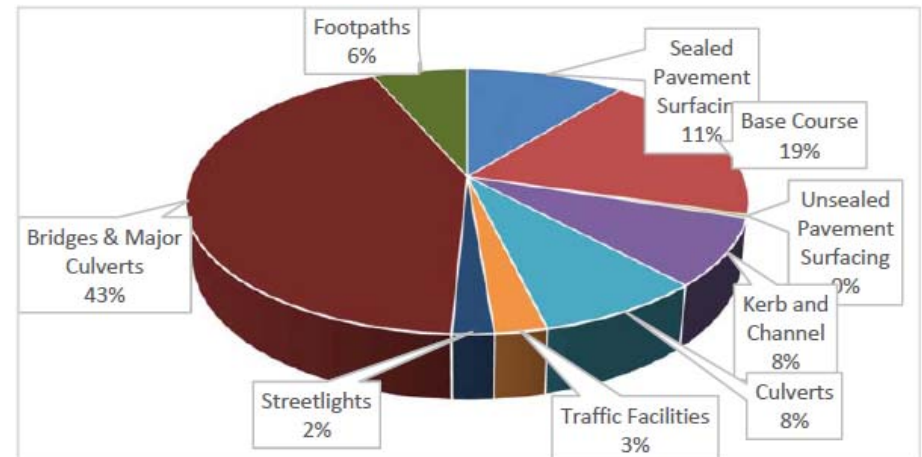
Figure D-6: - Forecast renewals backlog with existing funding level



The road formation and sub-base materials are normally not replaced when renewing the asset so this reduces the replacement cost of the asset to \$149.8

million. Of this figure the biggest asset component is bridges, which makes up (43%) as presented in the following chart.

Figure D-7: Asset replacement cost, \$149.8 million



Bridges

There are 211 bridges in the Grey District maintained by Council. Some key points to note are:

- There are six single lane structures carrying between 500 to 2,000 vehicles per day that could be considered for upgrading to two lane structures, if the replacements are also economic.
- Based on 2017 maintenance inspections, which included timber drilling investigations, seven bridges/structures are in a poor condition. Further assessment of these structures is required to decide if maintenance works can improve their condition or if replacement should be considered. The following actions are or should be taken:
 - Carew Creek, Sawyers Creek and Range Creek required repair works to spalling concrete. These bridges are under constant monitoring.

⁵ Valuation to 30 June 2017

- Seven Mile Creek, Rapahoe – weight restrictions have been imposed, 2,500kg maximum load.
- Potts Creek No. 3, Sadlers Access Road – Either impose weight restrictions or strengthen the bridge to Class 1 loading capacity.
- Two cattle underpasses at Nicholas Road, Taramakau Settlement – impractical to impose weight restrictions as these are used by milk tankers. Either remove and replace with cattle stops or new underpasses.
- Sixty one (61) structures (29%) are beyond the industry recommended useful life, however maintenance inspections indicate most of these structures are in at least a fair condition.

Most of the bridges on the network were constructed between 1930’s and 1990’s as shown in Figure D-8. A substantial part of the bridge inventory will be coming to the end of its expected life within this 30 year period (refer Figure D-9). 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.

Council has recently completed a seismic capacity review of its bridges. The results of this study, together with condition assessments, asset age and use will assist Council to identify where structure components require replacing and/or where full bridge replacements are necessary.

Council has also recently completed an assessment of increased truck loads (50 MAX and High Productivity Motor Vehicles), which is an increasing trend on its road networks. The influence of increased truck loads is also taken into account when considering full and partial bridge replacements and/or the need to post bridges with weight or speed restrictions for safety reasons.

The age profile of the bridges in Council’s inventory is shown in Figure D-8 below.

Figure D-8: Age profile versus total length (metres) of BRIDGES

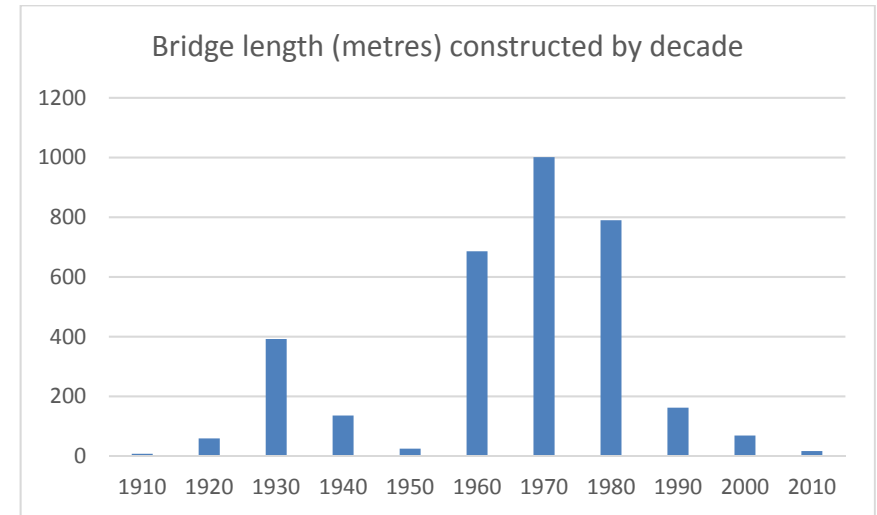
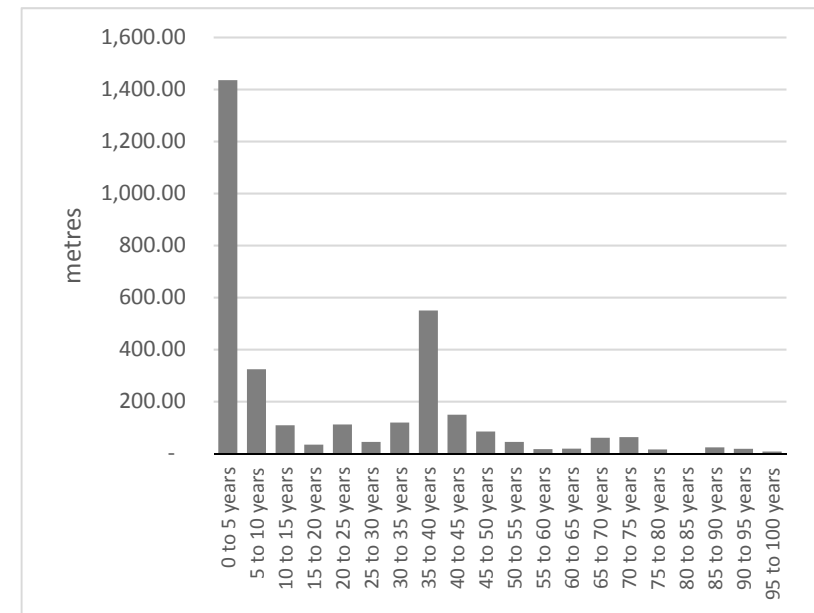


Figure D-9: Remaining useful life by total length (metres) of BRIDGES



Bridge replacement can be significant one-off cost items. It is also noted that the age profile of Council’s bridges shows a cluster over 50 years old, which is pointing to an upcoming potential renewals demand.

The following bridges are currently included in our renewals programme:

<p>Rough & Tumble Bridge and Deep Creek No. 1 Bridge, both situated on Bell Hill Road</p>	<p>Both bridges are currently rated as “Good”, however the reasoning behind replacement is that they are both hardwood structures that have exceeded their useful design lives and were due for replacement in 1995 and 1996 respectively. The road itself is a strategic link that is becoming increasingly used as an alternative route for heavy transport because it provides something of a “short cut” for vehicles travelling from the Grey Valley to Rotomanu and vice versa. There has also been recent dairy expansion carried out through Haupiri which has caused this route to become more popular with the tanker drivers.</p>
<p>Moonlight Creek Bridge, Atarau Road</p>	<p>Due to age, over dimension and overweight restrictions and increasing use of this route from heavy traffic including 50MAX and HPMV’s.</p>
<p>Rough River Bridge, Atarau Road</p>	<p>Due to age, over dimension and overweight restrictions and increasing use of this route from heavy traffic including 50MAX and HPMV’s. This bridge is jointly funded with Buller District Council as it is a boundary bridge. It is likely that the management of the bridge will be transferred back to Buller District Council in the near future.</p>
<p>Stillwater Overbridge, on Stillwater to Blackball Road</p>	<p>Due to age, over dimension and overweight restrictions and increasing use of this route from heavy traffic including 50MAX and HPMV’s.</p>

Bridge renewal funding continues to be provided for after the above priority replacements are addressed, with the actual bridges to be replaced still to be determined based on bridge assessments carried out in the future.

For all of the above bridges at least annual bridge inspections are carried out. In addition to considering replacement future work is proposed to assess if the bridge lives and their components can be extended.

Council will need to consider carefully how to schedule these replacements to avoid significant financial impacts. This can be achieved by staggering replacements and considering loan funding over shorter terms to smooth the financial impact if required. Refer to our Financial Strategy for the implications of this.

Footpaths

Council’s footpath network of 105.7km, 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.

It is important to continue to ensure our footpaths remain fit for purpose, especially given the Grey District has an increasing ageing population

Council sets a budget each year for footpath renewals, however our programme of renewals often falls short of community expectations. As part of the 2017/2018 Annual Plan Council agreed to increase the footpath renewals budget by \$40,000 in response to submissions from the public. No further increases have been included in this Plan.

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 two trends have been identified:

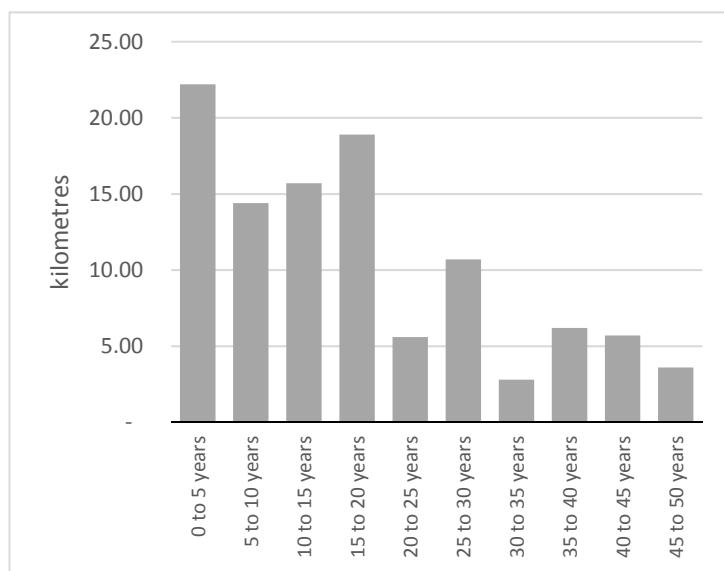
- Based on a review of resource consent application and the Census information, including normally resident population and dwellings, **rural residential development** has occurred and is likely to continue to occur in the following Census areas: South Beach-Camerons, Barrytown, Marsden-Hohonu, Arnold 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.
- **Tourism growth**, including new or developing attractions. Examples are new tourist parking and public toilet facilities in Cobden and the Pike 29 Great Walk (currently being developed by the Department of Conservation). These developments are likely to increase pressure on networks which may need upgrading. Over the life of the Plan a feasibility study will determine upgrade options for the Croesus Road which gives access to the Pike 29 Great Walk. Refer to the Land Transport activity statement for more information.

Our focus when it comes to footpaths will be on sustaining and maintaining the current levels of services. We are not looking at providing any extensions to levels of service provided.

Whilst there is a lot of public interest in the issue of footpaths and potentially merit to extend the service in some areas of the District, Council has to prioritise where its limited budget is spent.

The below graph shows the profile of footpaths reaching the end of useful life over the next 50 years. Approximately 5% of footpaths based on inventory length are older than their useful life, however the inventory is incomplete and there are footpaths in urban areas older than the original intended useful life. An improvement on the AMP is to complete full inventory of footpath asset components.

Figure D-10: Remaining useful life by total length (km) of FOOTPATHS

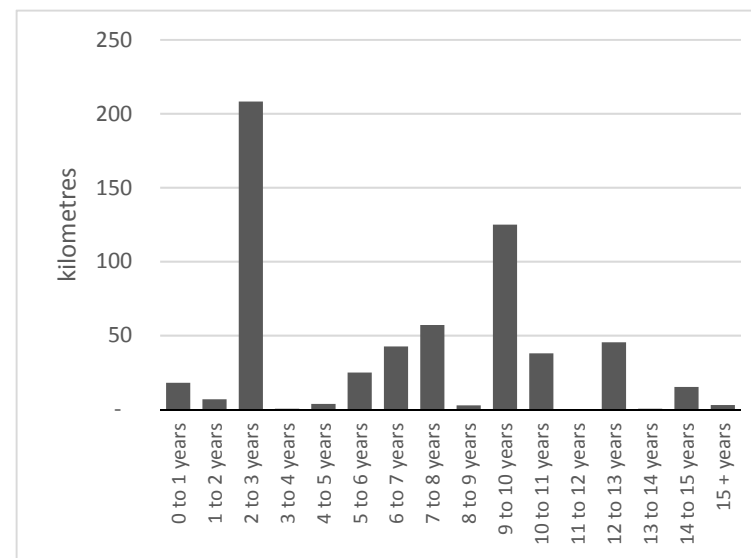


Road and street pavements

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 remaining useful life profile of sealed pavement surfaces as shown in Figure D-11 shows that Council has a large portion of the network due of renewal over the next three years (39%). This is consistent with the current recent practice of renewing less of the sealed network (around 7% annually), compared to current industry practice which is renewing around 10-15% of the surface asset component annually. This is for chip seal surfaces. This practice of Council 'sweating the asset' has been introduced to accommodate recent funding reductions.

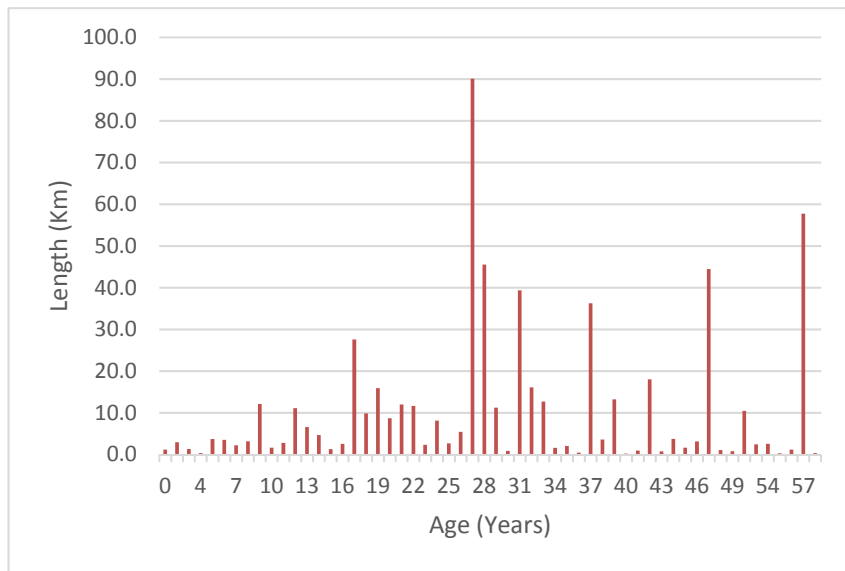
Council also has a small volume of asphalt concrete road surfaces where the surface lasts between 25 to 30 years depending on traffic mix and volumes. As discussed elsewhere in this Strategy, options for the future include, where possible, extending seal age to manage funding reductions.

Figure D-11: Remaining useful life by total length (km) of SEALED PAVEMENT SURFACES



The age profile for pavement structures as shown in Figure D-12 indicates significant construction activities took place up until the early 1990's (likely to be development phases), whereas from around the 1990's work has been more focused on renewing (pavement rehabilitation) 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.

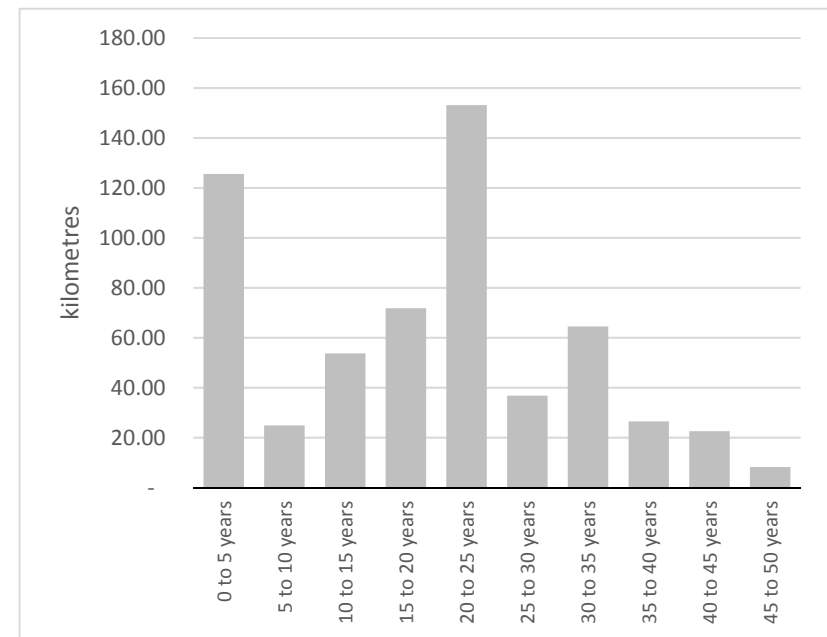
Figure D-12: Age profile - PAVEMENT STRUCTURE



We need to ensure we continue with sufficient levels of pavement rehabilitation to maintain the integrity of the pavement from age deterioration and traffic use effects into the future. As shown in Figure D-13, 79% of Council’s pavement structure is due for renewal within the life of this Strategy.

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. An improvement area is to carry out more investigation of the actual condition and performance of the pavement structure in order to review proposed future funding levels.

Figure D-13: – Remaining useful life by total length (km) of PAVEMENT STRUCTURE



NZTA Financial Assistance

The financial assistance Council receives from the New Zealand Transport Agency (NZTA) has decreased from 62% to the current rate of 58%. It is not expected to decrease further, however it should be noted that NZTA review their rates every five years. In the 2015-2025 LTP Council signalled it intended to maintain current rate funding and keep with the existing roading programme by reducing expenditure and/or finding efficiencies.

We will increase rate funding to this activity to start addressing deferred renewals.

It should be noted that Council receives financial assistance from the New Zealand Transport Agency (NZTA) for certain types of works. Bridge renewals or replacements receive a subsidy from NZTA whereas footpath renewals do not. It makes financial sense for Council to target its money to where it receives the highest subsidy, thus generating more money to spend.

4.2 Key issues and how we will address them

The following options formed part of Council's consultation with the community on the Draft Plan. Council's preferred option (shaded red) was adopted by Council and has been included in the Final Plan and budgets.

ISSUE	OUR PLAN	BENEFITS	COST	TIMELINE
<p>Deferred renewals for bridges.</p> <p>Based on the recommended useful life of structures, 61 structures (29%) are beyond their useful life (although most currently considered to be in at least a fair condition).</p>	<ol style="list-style-type: none"> Using information from seismic review and data from truck load assessments to create prioritisation list for renewal/replacement. Investigate where structural components need replacing versus full bridge replacement. Increase funding to this activity, i.e. rates, financial assistance. Consider loan funding over the shorter term to smooth the effects of large capital expenditure. 	<ul style="list-style-type: none"> Maintain existing levels of service Reduced crash/injury risk More resilient bridge network 	<p>Council intends to spend an additional \$13 million on bridge renewal/replacements over the next 10 years and continue the increased level of investment over the next 30 years.</p> <p>Increase renewal expenditure by \$30,000 (above inflation) in year one and an average of \$240,000 (including inflation) per annum in years 2-10 (annual increases range from \$77,000 to \$345,000, including inflation), with an overall increase of rates revenue of \$2.2 million by year ten).</p>	<p>Next 30 years</p>
	<p>Assumptions:</p>	<ol style="list-style-type: none"> That existing levels of service will be able to be maintained on all bridges not replaced through component replacement. Bridge replacements will qualify for NZTA financial assistance (subsidy). 		
	<p>Alternative options:</p>	<ol style="list-style-type: none"> Not replace bridges and reduce capacity (weight) and speed on bridges. 	<ul style="list-style-type: none"> Reduces Council requirement to fund renewals. Indirect cost by impacting on transport operators, which will have an economic impact on the District. 	
<p>Road surface (sealed pavement) renewals.</p> <p>Council has a large portion of the network due of renewal over the next three years (39%).</p>	<ol style="list-style-type: none"> Extend the period in which assets are used beyond their original intended useful lives. 	<ul style="list-style-type: none"> Addresses the reality of the community's ability to pay by limiting rate increases by staging increases in renewal funding. 	<p>Council will start applying additional funding towards surface renewals from year 10, once a number of the deferred bridge renewals have been addressed (approximately minimum of \$50,000 per annum).</p>	<p>Renewal funding increased from approximately year 10</p>
	<p>Assumptions:</p>	<ol style="list-style-type: none"> That existing levels of service will be able to be maintained by extending the in-service use of road surfaces beyond their original intended useful lives. 		
	<p>Alternative options:</p>	<ol style="list-style-type: none"> Increase funding now to renew road surfaces aligned with intended useful lives. 	<ul style="list-style-type: none"> Additional rates funding of approximately \$80,000 per annum 	

ISSUE	OUR PLAN	BENEFITS	COST	TIMELINE
			will be required to start addressing this immediately.	

4.3 Other issues and options

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Community expectations of footpath renewals not meeting Council's planned programme.	1. Increase rates funding so the programme can be extended and/or more renewals carried out.	✓		
	2. Carry out renewals based on prioritisation programme where the need is deemed most critical.	✓	✓	✓
The changing function of the network over time means there are pockets of infrastructure that are no longer fit for purpose, eg age/condition of critical assets, crashes, understrength bridges (seismic resilience/heavy traffic).	1. Reinstate/maintain/increase capacity/service at sites and locations where there are confirmed gaps in levels of service, eg improve strength of existing bridges, replace if at end of economic life. Prioritise areas for renewals based on the importance of the infrastructure to consumers and other critical factors.	✓	✓	✓
	2. Maintain quality of asset components so they remain fit for purpose.	✓	✓	✓
	3. Defer renewals.	✓	✓	✓
	4. Rationalise the road network and road assets, where possible based on the One Road Network Classification to ensure funding goes to areas of greatest need.	✓	✓	✓
	5. Post bridges to reduce loading impact for safety reasons.	✓	✓	✓
	6. Use safety signage and other means (reduced posted speed limits) to reduce impact and safety issues on roads.	✓	✓	✓
	7. More cost effective materials, operations and construction methods, ie concrete line existing pipes.	✓	✓	✓
	8. Continue to lobby NZTA for increased financial assistance rates based on evidence and identified needs.	✓	✓	✓
Resilience of key roading assets, especially bridges, needs to be improved	1. Carry out upgrade works based on priorities established from condition assessments.	✓	✓	✓

<p>to mitigate potential damage from natural hazards, eg earthquakes.</p>				
<p>The increasing intensity and number of natural events impacts on the security of the network and raises the risk of isolated communities (increasing extreme events, rainfall, road closures).</p>	<p>1. Maintain network asset quality to ensure they remain fit for purpose to the best of Council’s ability.</p>	<p>✓</p>	<p>✓</p>	<p>✓</p>
	<p>2. Ensure contracting resources are available to keep roads open or reopened as soon as possible after events.</p>	<p>✓</p>	<p>✓</p>	<p>✓</p>
<p>A constrained transport network. This inhibits the potential for economic development and reliability, as well as heightening the potential for conflict between increasingly different user types in the form of crashes (eg productivity of commercial vehicles, crashes, complaints/service requests, increasing tourist traffic).</p>	<p>1. Monitor trends in the mix and volume of road users and crashes.</p>	<p>✓</p>	<p>✓</p>	<p>✓</p>
	<p>2. Develop and provide solutions where identified issues are occurring such as signage, safety improvements, widened roads, encouraging alternative transport modes (ride sharing, public transport, walking, cycling), strengthening road asset components.</p>	<p>✓</p>	<p>✓</p>	<p>✓</p>
<p>Council has adopted a Master Plan for the CBD Renewal Project. Experience with the first two stages is that it is crucially important to initially locate existing underground services in order to as much as possibly avoid delays and increased costs.</p> <ul style="list-style-type: none"> • Proposed requirement for new infrastructure • Other related underground infrastructure (power and communications) • Where will the funding come from for these works? • Funding for maintenance of new assets 	<p>1. No funds for roading works as an outcome of the CBD Renewal Project have currently been allocated for future stages.</p>	<p>✓</p>		

4.3 Implications of not addressing these issues

- Potential for critical failure if assets are not renewed/replaced in time.
- If assets are not replaced/renewed on a timely basis, we risk increased maintenance costs having to fix assets nearing or past their useful life.
- If not maintaining/renewing/replacing bridges as required, restrictions to weight or speed may have to be imposed.
- Emergency works may be expensive and Council may have to loan fund this expenditure – this will impact on Council’s debt levels and ability to borrow for other unforeseen events.
- Failures will mean a reduction in the level of service currently provided by Council, or even loss of service. Effects could include negative impacts on the economy, increased travel times, increased vehicle operating costs, more crashes etc.

- Higher cost if renewing/replacing before the end of the asset’s useful life.
- Lower resilience of older infrastructure in event of a natural disaster, eg earthquake.
- There may be safety issues if levels of service change, which could increase legal liabilities on Council and increase insurance premiums.
- Lower levels of satisfaction from users in some areas, impacting on Councils’ reputation. This is especially relevant to footpaths.
- Funding uncertainty (boundary bridges are co-funded between neighbouring Councils).

NZTA Financial Assistance

The new One Road Network Classification (ONRC) adopted by NZTA may see changes to levels of service and NZTA funding for low volume roads. Refer to the AMP for more information on the ONRC.

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.

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:

- Financial Assistance from NZTA (funding provided for events with a greater than 1:20 year return period; and
- Disaster Recovery Fund.

4.5 What we’re planning on doing

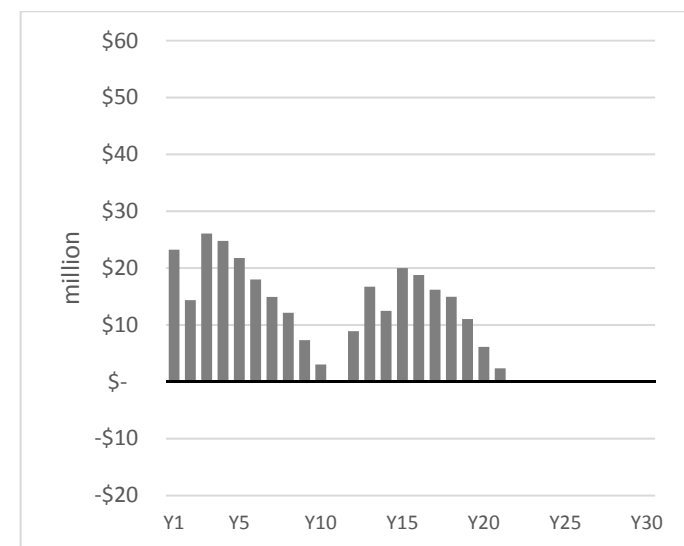
Address deferred renewals

Council is increasing funding to this activity. The increased funding will be prioritised towards deferred renewals in bridges for the first nine years. After that other asset component types will be addressed, notably pavement surface. We plan on redistributing the increased funding going solely to bridges in years 1-9 between bridges and road/street surface renewals from year ten.

We have a number of bridges currently in our renewals programme and we will be investigating the most cost effective and responsible methods of proceeding, ie replacement of structural components versus full replacements. Works will be carried out over the next ten years as the funds become available, based on critical need and a prioritisation basis.

Figure D-14 summarises the assets that have reached the end of their useful life, forecast over the next 30 years and taking into account what Council currently spends renewing (replacing) assets each year plus increased funding of \$30,000 (above inflation) in year one and then an average increase of \$240,000 per annum (including inflation) for years 2-10 (annual increases range from \$77,000 to \$345,000, including inflation). This creates an overall increase of rates revenue of \$2.2 million by year ten.

Figure D-14: Forecast deferred renewals backlog with planned increased funding



Note, where the deferred renewals goes into a negative amount (below the line) this effectively means that Council is in a position to start setting funds aside for future renewals (based on the longer term requirements).

Council already allows for a certain level of footpath renewals in the budgets. Works outside of that will be addressed on a prioritisation basis and will be dependent on available funding.

4.6 Expenditure forecasts

Figures D-15 and D-16 present 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 D-20. 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.
- Pavement rehabilitation of around 2km to km per year, mainly arterial and collector roads, with patching and resurfacing of local and low volume roads.
- Pavement resurfacing of around 37km per year, with this figure likely to be reduced to maximise seal life without detracting from the riding quality delivered by the network.
- Council is not anticipating any significant additional changes to legislation or government policy.
- Despite the increased level of renewal expenditure, Council is not forecasting an associated decrease in operational expenditure as given the sustained level of renewal backlog being carried through the majority of the 30 years existing demands on maintenance (operational expenditure) are expected to be sustained.
- 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.

Figure D-15: Annual Land Transport operating expenditure forecasts – next 10 years

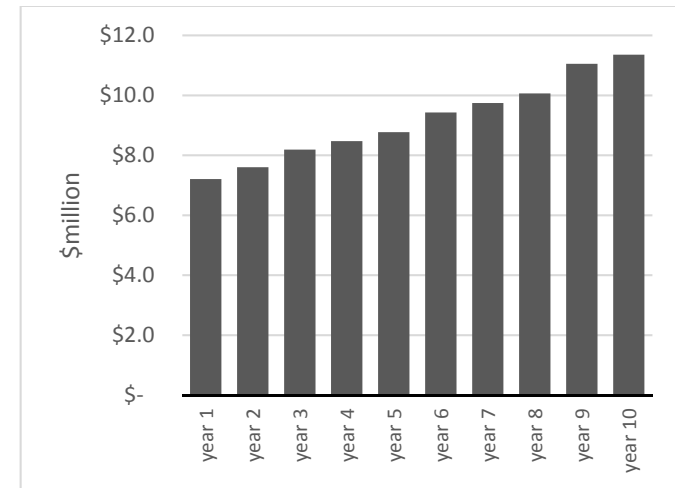
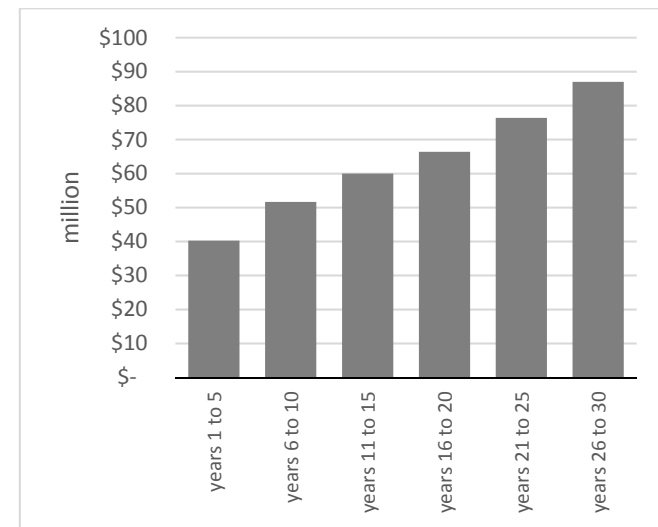
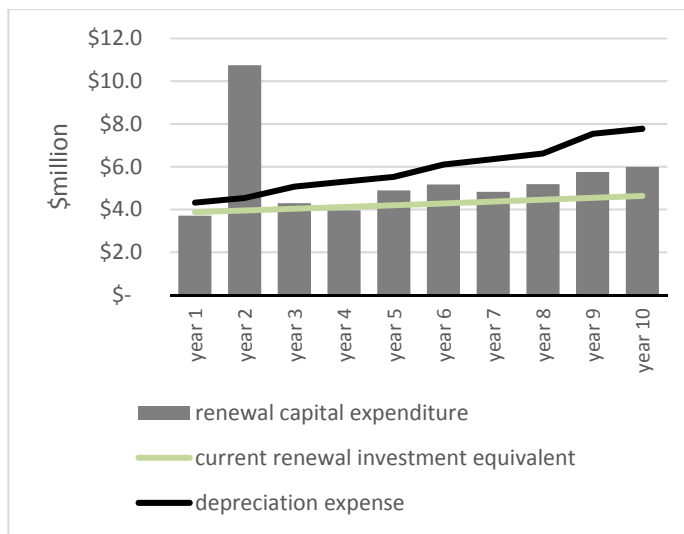


Figure D-16: Five yearly Land Transport operating expenditure forecasts – next 30 years



Capital expenditure

Figure D-17: Land Transport renewal capital expenditure – next 10 years



Note: This does not include the potential upgrade of Croesus Road.

Figure D-18: Land Transport cumulative renewals and depreciation expenditure forecasts

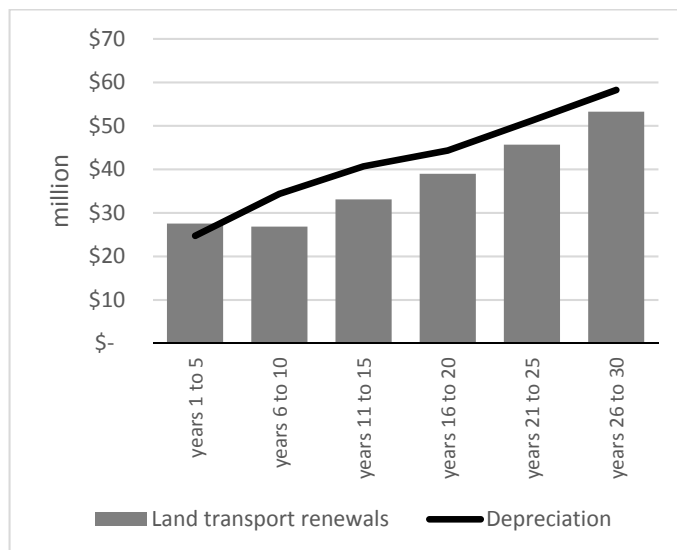
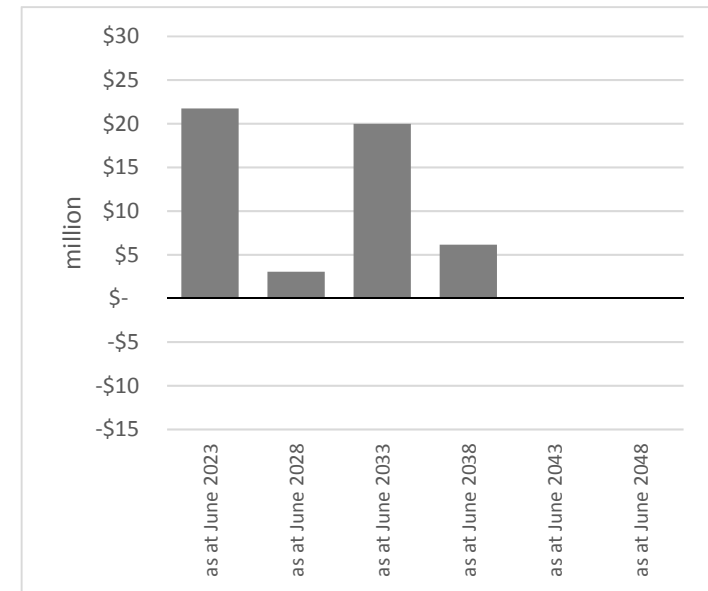


Figure D-19: Land Transport renewals backlog – five yearly



Levels of service

We are planning on maintaining existing levels of service.

Funding

Years 1-10	\$30,000 (0.2% rates increase in 2018/2019) increase above inflation in year one and then an average increase of \$240,000 per annum (including inflation) for years 2-10 (annual increases range from \$77,000 to \$345,000, including inflation) *
Years 11-20	Council has applied approximately 0.3% rate increase every year above inflation directed towards deferred renewals
Years 21-30	Council has also applied approximately 0.3% rate increase every year above inflation directed towards deferred renewals

* Together with the NZTA financial assistance, this equates to up to \$120,000 increase in renewal expenditure. It should be noted that this subsidy is provided for certain types of works only. Bridge renewals or replacements receive a subsidy from NZTA whereas footpath renewals do not. It makes financial sense for Council and is more beneficial to the community for money to be targeted towards projects which receive the highest subsidy, thus generating more money to spend.

Table D-20: Expected service lives of major road assets

Asset	Asset Life
Formation	Unlimited
Pavement structure (sealed/unsealed)	25 to 50 years
Sealed pavement surfacing	8 to 15 years
Unsealed pavement surfacing	1 to 3 years
Drainage – culverts	50 to 100 years
Traffic facilities	5 to 15 years
Streetlights	15 to 25 years

5 Water Supply

5.1 Background

Since 2008 Council has spent approximately \$5 million invested in upgrading schemes to comply with New Zealand Drinking Water Standards (NZDWS).

Connection of the Stillwater community to the Dobson-Taylorville Supply and the connection of this community to the Greymouth Supply in 2016 has resulted in a more effective, efficient and resilient water scheme with improved water quality.

At the time of preparing this Strategy, the only remaining scheme to be upgraded is the Runanga-Rapahoe treatment plant. This project is on target to be completed, or nearly complete, by 30 June 2018.

Water Supply	Compliance Date	Compliance Target Date
Runanga/Rapahoe	1 July 2014	30 June 2018

With regards to the gap between the Compliance Date and the Target Date, while legally Council has not complied with these dates, we do have Ministry of Health approved Water Safety Plans in place to manage the risks until the supply meet the requirements in full of the NZDWS.

After that time, unless there are unforeseen changes to regulatory standards (resource consent conditions at water takes or drinking water standards), or the schemes do not continue to meet current consent conditions, no major upgrades are expected in the 30 year period.

Council has received advice that following the Havelock North Drinking Water Inquiry, an increase in required Drinking Water Standards is “more likely” than less likely. While there are no details as to what this could involve, it is assumed the outcome will be that all water supplies will be required to be treated.

At present all supplies in the Grey District, with the exception of Runanga/Rapahoe, are treated with chlorination and UV filter. The Runanga/Rapahoe water supply has UV screening but the absence of chlorination, due to community preference, has the potential of secondary contamination (ie as a result of pipe breaks etc).

As any potential changes are not yet confirmed, we have not made any provision in this Plan, however Council acknowledges that should any increase be legislated, it will incur an additional cost on the Runanga/Rapahoe community.

It is not known if any proposed Drinking Water Standards changes will require an increase in the level of treatment. If they do, it mean additional costs for properties connected to the remaining water supply schemes in the Grey District. As there are no details on this, no provision for this has been included in the LTP.

Our water schemes

Council currently has three water schemes:

Greymouth	Servicing central Greymouth, CBD, Cobden, Blaketown, Karoro, Boddytown, Paroa, South Beach, Dobson, Taylorville and Stillwater
Runanga/Rapahoe	Servicing the Runanga, Rapahoe and Dunollie areas
Blackball	Servicing the Blackball community

It should be noted that Council may be asked to take over the operation and maintenance of various community run 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. No budget for this has been included.

There is potential to extend the existing Greymouth water supply to Kaiata (subject to the necessary agreements with the developer and Ministry of Health) and we will be separately consulting on this issue. This has not been provided for in this Plan.

Figure D-21: Water infrastructure and distribution

	Greymouth	Blackball	Runanga/Rapahoe
Number of connections	3,867	189	630
Bacterial compliance – treatment plant	Yes	Yes	Yes
Protoza compliance – treatment plant	Yes except Dobson & Taylorville	58%	No
Bacterial compliance – reticulation zone	Greymouth – yes Cobden – yes	Yes	Runanga – yes Rapahoe – yes
Protoza compliance – reticulation zone	Greymouth – no Cobden – yes	Yes	Runanga – yes Rapahoe - yes

The above information is for the period 1 July 2016 to 30 June 2017 is published by the South Island Drinking Water Assessment Unit.

All schemes for the compliance period met requirements for bacterial protection. While compliant, the Runanga Scheme was the highest risk as there is no disinfection systems in place.

Greymouth and Stillwater (connected to the Greymouth Scheme) were compliant for protozoa protection. Dobson-Taylorville, at the time, had no protozoa protection but is now connected to the Greymouth scheme. Runanga is not protected. Blackball is protected, however for five months of the year the level of protection was not sufficient. This was caused by a turbidity issue in the raw water bladders which is to be fixed.

Runanga distribution zone was not compliant for bacteria as there is not disinfection system currently for this supply.

An intermittent chemical non-compliance is occurring in the Greymouth Scheme. This is caused by a build-up of disinfection by-products in the distribution zone, which is happening because of high concentrations of natural organic matter in the source water. Levels fluctuate and non-compliance is intermittent. At this stage the advice is to monitor the situation to learn more about the issue in order to determine appropriate solutions. The situation may be aggravated by older-internally rougher pipes retaining build up on the inside of the pipes.

Condition of water network assets

Figure D-22 indicates the approximate date of construction and age profile of the water supply pipe network in ten year brackets.

Figure D-22: Age (years) profile of Water Supply pipes

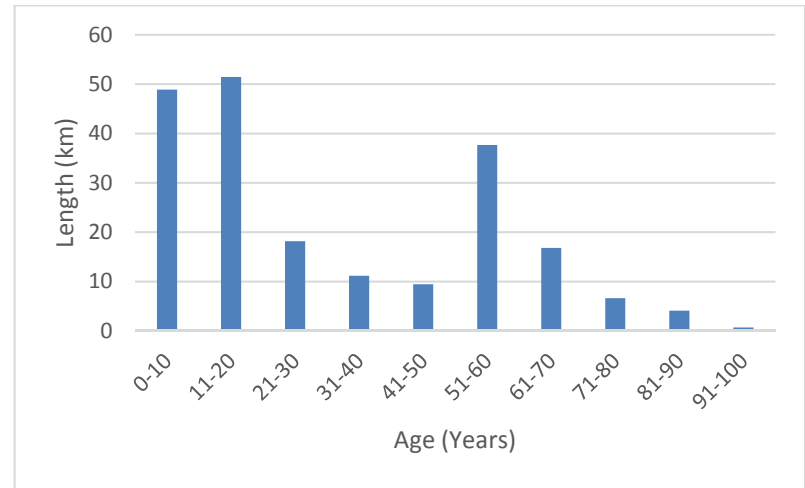
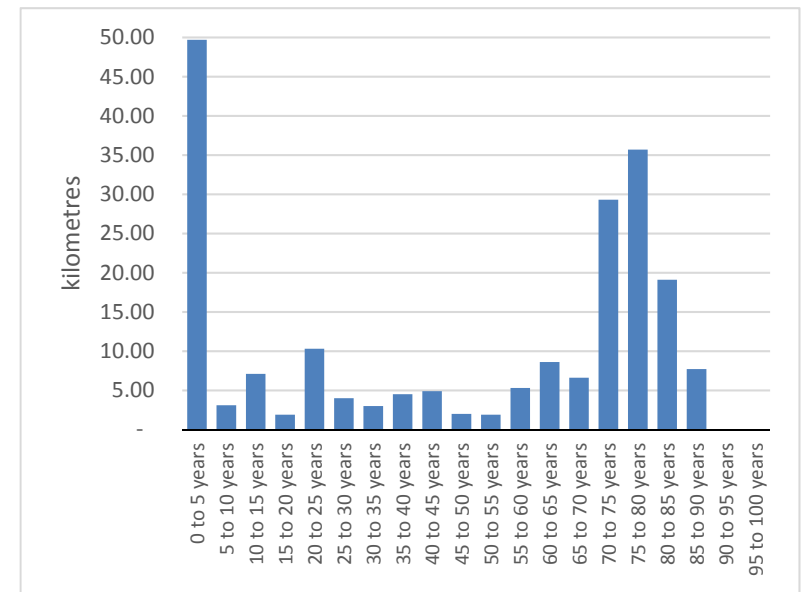


Figure D-23: Remaining useful life profile of Water Supply pipes



At the time of writing this Strategy, we are in the process of finishing off condition assessments for our water supply networks (as signalled in the 2015-2025 LTP). Preliminary results have confirmed what we already thought - that we do have a backlog of deferred renewals which will need to be addressed.

The outcome of the condition assessments will provide us with accurate and reliable asset knowledge which will be used to prioritise future renewal and replacement works.

Greymouth water reservoir

The Greymouth water reservoir at Omoto, having been constructed in 1904, is now over 100 years old and past its useful life. As well as requiring renewal, it is currently located on land which has been identified as a high seismic hazard. In the event of a major earthquake, it would be very likely that the reservoir would be damaged and we would lose our water supply.

The ideal solution would be to install more than one reservoir but at this stage Council has only committed to the replacement of one smaller reservoir in year one due to available funding and other priorities.

5.2 Key issues and how we will address them

The following options formed part of Council’s consultation with the community on the Draft Plan. Council’s preferred option (shaded red) was adopted by Council and has been included in the Final Plan and budgets.

ISSUE	OUR PLAN	BENEFITS	COST (2018 \$)	TIMELINE
Deferred renewals. The outcome from condition assessments carried out to date confirm we have deferred renewals which need to be addressed in order to maintain levels of service and avoid potential critical failures.	1. Increase funding levels, i.e. from rates, 2. Carry out upgrade works based on priorities established from condition assessments. 3. Pressure reduction to extend the life of assets where feasible and acceptable to consumers. 4. Improve efficiencies. 5. Utilise more cost effective materials, operations and construction methods.	<ul style="list-style-type: none"> Maintain existing levels of service. Help prevent critical failure of assets. 	Renewal expenditure increase by \$400,000 per annum by year 10 (i.e. \$40,000 per year increase)	Renewal backlog addressed fully by year 14
	Assumptions:	1. There will be no critical failure of infrastructure that impacts service delivery, particularly in the first 10 years whilst Council still carries a high level of deferred renewals.		
	Alternative options:	1. Clear the backlog of renewals within the first 10 years. 2. Don't fund additional renewal or fund a lower increase than signalled.	1. Approximate increase in renewal funding of \$80,000 per annum required, which would then decrease after year 10. 2. Saving on renewal budget, however indirect cost to the community	1. 10 years 2. n/a

Future demand/upgrades

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:

- Tourism growth;
- New 'wet' industry requiring water supply; 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.

			through likely decrease in level of service.	
The Greymouth water reservoir at Omoto is past its intended useful life and presently located on land which has been identified as a high seismic hazard.	1. Relocate reservoir to area not known to be high seismic hazard zones. 2. Council has a long term goal of replacing the one reservoir with three smaller reservoirs in different locations around the District. In the short term Council are proposing to build one new smaller reservoir in year one.	<ul style="list-style-type: none"> Maintain access to water supply in seismic event. More resilient infrastructure. 	\$540,000 for one reservoir.	Year 1
	Assumptions:	<ul style="list-style-type: none"> The existing reservoir will remain in service to maintain better than existing storage capacity. 		
	Alternative options:	1. Build a further two reservoirs within years 2–10 of this Plan.	\$1,080,000	Year 3 Year 5

5.3 Other issues and options

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, which is below the national standard for fire safety of 24 hours. Current demand is 1,800 litres per service connection per day*, which is significantly higher than normal residential standards of around 640 litres per service connection per day. (* Mean demand taking into account non-residential usage and leakage taken from figures for period July 2016 to June 2017. Leakage has been estimated to be a significant proportion of current demand)	1. Based on current demand, replace and double the current storage capacity from 3,400 cubic metres to 6,800 cubic metres.	✓		
	2. Current demand is higher than normal standards of and indicates a high level leakage in pipe systems - identify and fix leaks to reduce required reservoir storage capacity.	✓		
	3. Educate consumers on water conservation.	✓	✓	✓
	4. Provide information to encourage property owners to provide supplementary storage.	✓	✓	✓
	5. Accept risk of not providing adequate storage.	✓	✓	✓
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.	1. 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 2017/2018. This project is on track to be completed, or near completion, by 30 June 2018.	✓		

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
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.	1. Council is working with the developer and Ministry of Health (a significant subsidy is provisionally approved) – this project is subject to final consultation with the Kaiata community, which will be carried out separately.	✓		
Damage to water supply network components from natural hazards, eg earthquakes. This includes the existing Greymouth Reservoir which is sited on land identified as a high seismic risk.	2. Improve the resilience of schemes as budgets allow, eg:	✓	✓	✓
	o Completion of the provision of main reservoir pipeline burst valves to stop reservoirs draining water if pipelines are broken during earthquake	✓	✓	✓
	o Use flexible pipelines in replacements	✓	✓	✓
	o Bolt down all equipment and pumps	✓	✓	✓
	o Undertake longer term assessments on buildings and structures as reservoirs	✓		
	o Replace Greymouth Reservoir in new locations (also refer above)	✓		
Upgrades may be required to existing treatment plant(s) if they do not meet current or new (higher) standards.	1. Upgrades to be investigated if required. Note: No funding has currently be allowed in the budgets for any future changes.	✓	✓	✓
Requests from the community for new schemes or from developers for schemes in specific locations.	1. Council will remain receptive and support community initiatives when approached.	✓	✓	✓
	2. 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.	1. Council will continue to maintain its water supply network to the best of its ability	✓	✓	✓
	1. Revise CBD Renewal designs to accommodate existing underground infrastructure.	✓		

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
<p>Council has adopted a Master Plan for the CBD Renewal Project. Experience with the first two stages is that it is crucially important to initially locate existing underground services in order to as much as possibly avoid delays and increased costs.</p> <ul style="list-style-type: none"> Proposed requirement for new infrastructure Other related underground infrastructure (power and communications) Where will the funding come from for these works? Funding for maintenance of new assets <p>Note: Building over our pressurised pipelines is not an option.</p>	<p>2. Provide funds to relocate or protect existing underground infrastructure.</p>	<p>✓</p>	<p>✓</p>	

5.3 Implications of not addressing these issues

- Potential for critical failure if assets are not renewed/replaced in time.
- If assets are not replaced/renewed on a timely basis, we risk increased maintenance costs having to fix assets nearing or past their useful life.
- Loss of water supply for Greymouth.
- Emergency works may be expensive and Council may have to loan fund this expenditure – this will impact on Council’s debt levels and ability to borrow for other unforeseen events.
- Failures will mean a reduction in the level of service currently provided by Council, or even loss of service (outage).
- Lower levels of satisfaction from users in some areas, eg potential for lower quality of drinking water or pressure (ie colour, taste, flow rates).
- Higher cost if renewing/replacing before the end of the asset’s useful life.
- Lower resilience of older infrastructure in event of a natural disaster, eg earthquake.
- Lack of stored water available in the event of a fire fighting emergency.
- Public health/safety issues.
- Quality of drinking water won’t meet current or future drinking water standards.

Ageing pipes

There was a significant network of asbestos cement and brittle water pipes added to the networks in the 1970s, some of which is starting to require higher rates of repair - refer Table D-24 below.

Table D-24: Water Supply Pipe expected average service lives

Material	Average Age	Expected Service Life	Length (Km)	% Total
Asbestos Cement (AC)	56	50-60	44.9	21.9%
Cast Iron (CI)	72	90	10.3	5.0%
Conc Lined Ductile Iron	11	60	0.4	0.2%
Conc Lined Steel	63	60	0.6	0.3%
Copper	40	50-70	1.4	0.7%
Galvanised Steel	24	80-90	0.1	0.1%
High Density Polyethylene (HDPE)	5	80-90	3.3	1.6%
Low Density Polyethylene (LDPE)	36	80-90	16.1	7.9%

Medium Density Polyethylene (MDPE)	11	40-90	27.8	13.6%
Polyvinyl chloride - Modified (PVC-M)	13	50-90	4.8	2.3%
Polyvinyl chloride - Orientated (PVC-O)	3	80-90	13.4	6.6%
Steel	55	80-90	6.9	3.4%
Unknown	35	60-70	8.0	3.9%
Polyvinyl chloride - Unplasticized (uPVC)	18	80-90	66.8	32.6%
Totals	26		204.9	

Where a range has been shown for the expected service life, this reflects a range of factors such as ground conditions, and original installation standards for specific areas.

These ageing pipes represent a high percentage (27%) of pipework and are projected to need replacing after their estimated 50 to 60 year lifespan. Options include:

- Proactively replacing focusing in critical – high importance areas first; and
- Continuing to repair on failure until maintenance costs exceed the cost of replacement or reliability level of service targets are not met.

These works will be carried out within available budgets.

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 27% of Council water reticulation is made up of older Asbestos Cement and brittle 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.

5.4 What we’re planning on doing

Over recent years Council has upgraded a number of water supplies to meet current standards. 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.

Address deferred renewals

Council is increasing rate funding to this activity so that we can address the required renewals on a prioritisation basis. We will initially concentrate on replacing critical components.

The following two graphs illustrate the level of deferred renewals forecast over the next 30 years, comparing:

1. What the backlog (deferred renewal) looks like based on current levels of renewal investment; versus
2. What the backlog (deferred renewal) looks like based on the planned increased levels of renewal investment.

Figure D-25: Forecast deferred renewals backlog with existing funding level

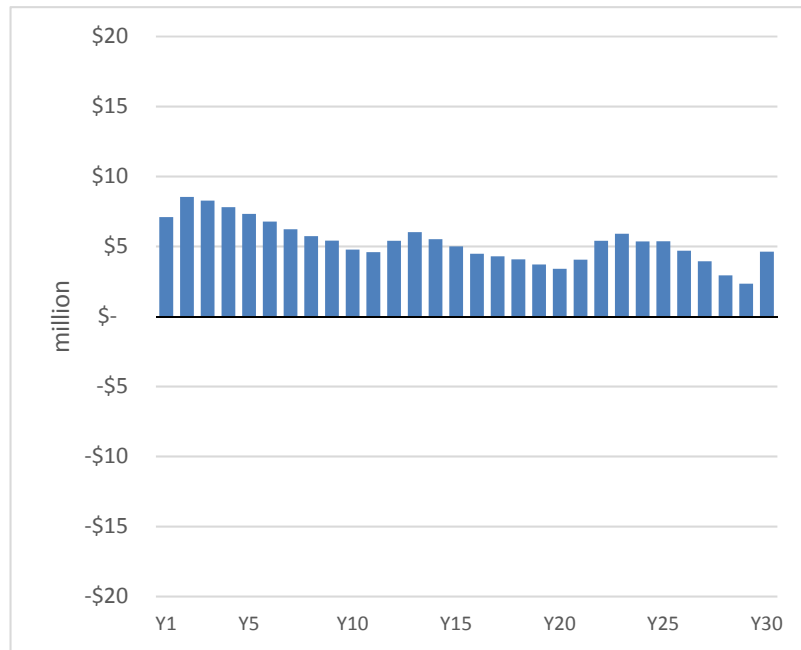
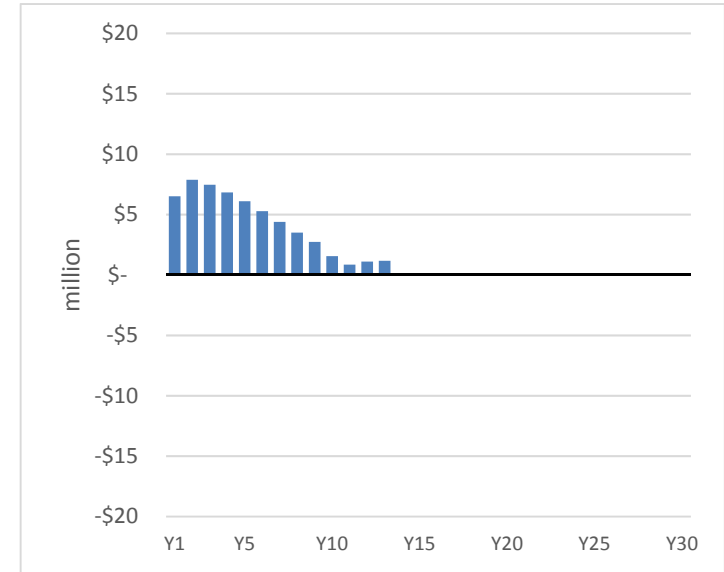


Figure D-26: Forecast deferred renewals backlog with planned increased funding



Note: Where the deferred renewals goes into a negative amount (below the line), this effectively means that Council is in a position to start setting funds aside for future renewals (based on the longer term requirements).

Comparing across the Strategy, the backlog of renewals is addressed sooner for Water Supply than for other activities. The criticality of the water supply is deemed higher than other activities and the consequences of a loss/reduction in service considered more severe.

Replace and relocate water reservoir

The existing Greymouth water reservoir at Omoto is located on land that is identified as a high seismic hazard. Built in 1904, it is also over 100 years and past its useful life. Our long term plan is to replace the single reservoir with a number of smaller reservoirs in various locations around the District. In the short term, Council has agreed to fund the replacement of one reservoir in year one of this plan.

Levels of service

Council is mostly looking to maintain existing levels of service and the required renewals will ensure we can continue to provide the existing service to consumers.

Exceptions to this include:

- Increased focus on leak detection, thus providing an improved service.
- Renewed pipes will be upgraded to meet Fire Fighting Standards.

5.5 Expenditure forecasts

The graphs on the 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:

- Further regulatory changes are unknown and any associated investment has not been budgeted for (although it has been signalled that increases to the Drinking Water Standards are “more likely” than “less likely”, these potential changes have not been included in this plan due to the lack of details available);
- Demand (quantity) will remain relatively unchanged, or at least will not increase to an extent that capacity upgrades are required. The exception could be tourism demand and this will be monitored over the first three years of the plan;
- 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;
- The financial forecasts for the first ten years 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.

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.

Other initiatives such as leak detection and repair of leaking pipes will be funded from renewals. This will improve the level of service to that community.

Figure D-27: Annual Water Supply operating expenditure forecasts – next 10 years

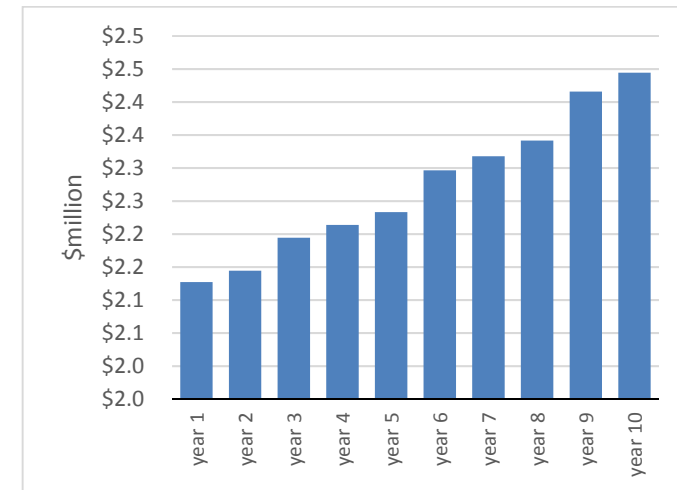
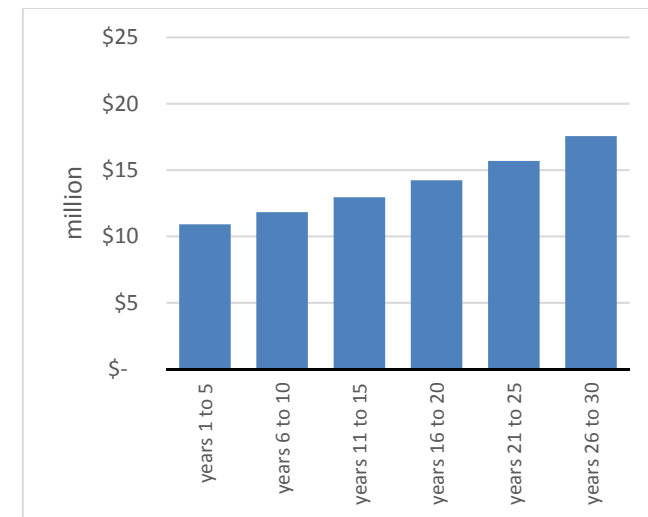


Figure D-28: Five yearly Water Supply operating expenditure forecasts – next 30 years



Capital expenditure

- There is potential to extend the existing Greymouth water supply to Kaiata (subject to the necessary agreements with the developer and Ministry of Health) and we will consult separately on this issue if the matter proceeds. This has not been provided for in this Plan.
- Replacement and relocation of the Greymouth water reservoir due to the risks identified with its current location. The ideal solution would be to install more than one reservoir but at this stage Council has only committed to the replacement of one smaller reservoir in year one due to available funding and other priorities.
- No significant new capital expenditure is planned.

Funding

Years 1-10	<p>Deferred renewals - \$40,000 (0.25% rates increase in 2018/2019) increase per annum year on year, ie cumulative increases</p> <p>Replace water reservoir – \$540,000 (\$140,000 from existing reserve funds and loan fund \$400,000 which equates to 0.26% rates increase in 2018/2019)</p>
Years 11-20	The increases cease as the backlog of renewals decrease from year to year
Years 21-30	Council continues funding renewals at levels close to that of the depreciation expense

Figure D-29: Water Supply renewal capital expenditure – next 10 years

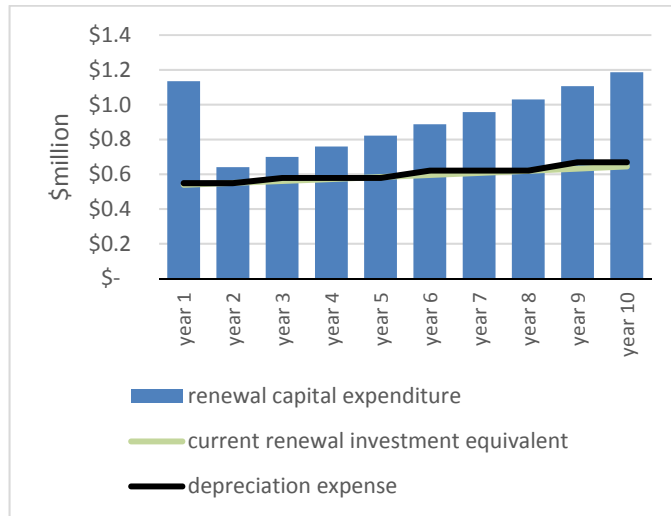


Figure D-30: Water Supply cumulative renewals and depreciation expenditure forecasts

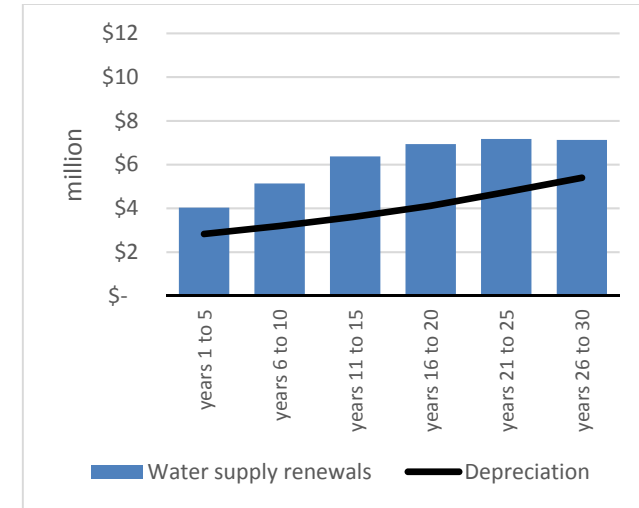
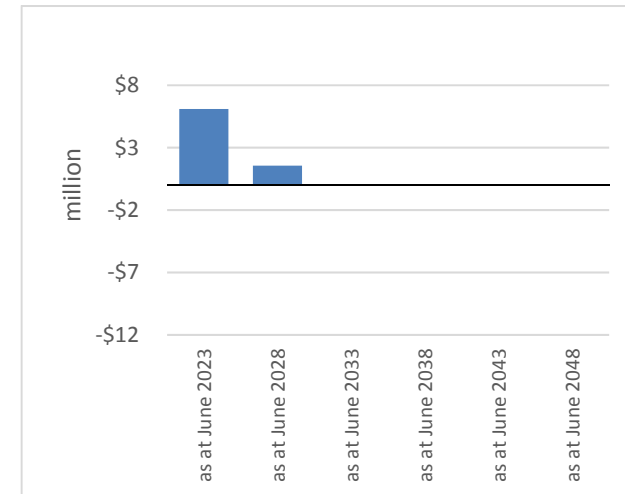


Figure D-31: Water Supply renewals backlog



6 Wastewater

6.1 Background

Many of the original wastewater schemes were constructed in the last 50 years with around 90% of the pipe network built since 1970. Figure D-32 indicates the construction periods and age profile of the wastewater pipe network.

Council has invested heavily in wastewater infrastructure with the installation of a new separated sewer reticulation and treatment facility for the Greymouth scheme (\$38 million). Council has also completed 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. Council expects to be able to continue to comply with consent conditions imposed and does not foresee any undue issues in renewing consents under current standards.

Within the last ten years, the Greymouth wastewater treatment plant has been constructed and is operational. During the same period, the existing combined stormwater and sewer pipes were replaced with new sewer only pipes. Most of this separation work is complete by the commencement of this Plan.

Individual properties within the Greymouth scheme area are required to connect to this scheme and around half of affected properties have connected to date. This figure includes Dobson, Taylorville and Kaiata communities which are now connected to the Greymouth Scheme.

To enable the Greymouth wastewater treatment plant run optimally, we need more properties connected to it. Council has been encouraging property owners to do this and this will likely become an increased focus over the next few years to improve connection rates. There is no additional budget to do this so this will have to be carried out within existing budgets.

In addition, Council has also progressively upgraded treatment facilities throughout the district over the past decade. The Moana, Karoro/South Beach & Paroa facility capacities were upgraded around ten years ago and the Blackball scheme reticulation and treatment facility (\$2 million) was constructed in 2008.

Condition of wastewater network assets

Figure D-32 below indicates the approximate date of construction and age profile of the wastewater pipe network in ten year brackets.

Figure D-32: Wastewater pipe network age profile

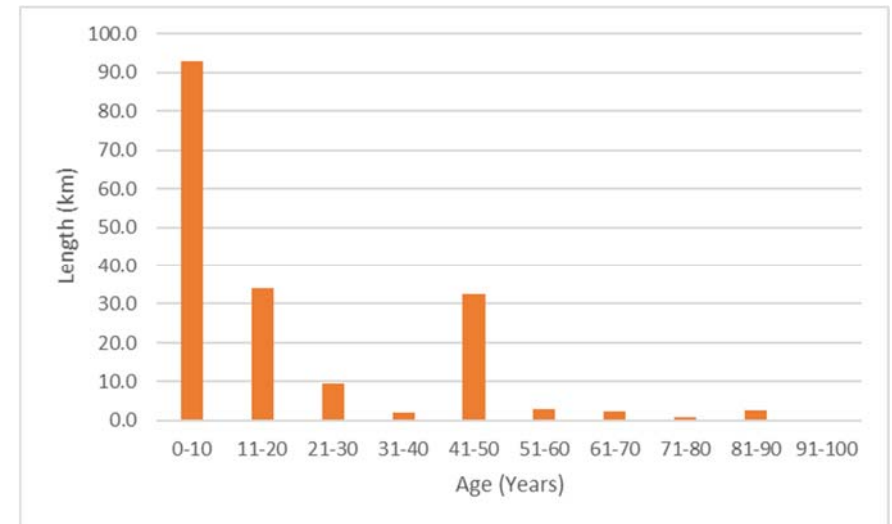
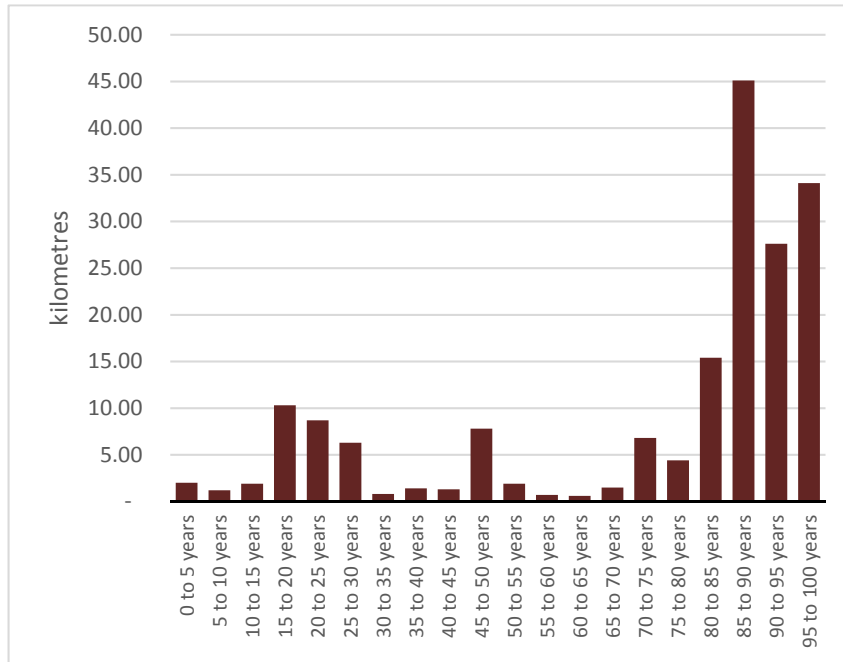


Figure D-33: Remaining useful life profile - Wastewater



Typical of many of the earlier wastewater schemes, substandard pipe material and harsh ground conditions can have adverse effects on the networks to varying degrees. In particular this affects the Runanga scheme where a combination of poor pipe material and high water levels has meant the pipes have failed earlier than expected. Major parts of the network require replacement - Council is addressing this at the moment and will continue to do so during this plan.

While there are some deferred renewals in the Wastewater activity, Council is choosing to focus on addressing the more significant needs in the Water Supply, Stormwater and Land Transport activities. We have focussed on our Wastewater assets over the last 10-20 years and overall the age profile means most of the Wastewater assets do not require attention at this stage. We will continue to address prioritised deferred renewals within our existing budgets. After ten years, the plan is to start applying more funding to wastewater renewals, noting that the appropriateness of this strategy will be reviewed as part of each subsequent LTP.

6.2 Issues and options

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
<p>Deferred renewals. The outcome from condition assessments carried out to date confirm we have a level of deferred renewals but they are not as significant as those in the water supply and stormwater activities.</p>	<p>1. Use information from condition assessments to carry out renewal works on a prioritisation basis within existing budgets in order to maintain levels of service and avoid potential critical failures.</p>	✓	✓	✓
<p>Some parts of the original 1970's sewerage schemes are nearing the end of their useful life and need replacing.</p>	<p>1. Utilise the information from the condition assessments to identify priority areas for renewals based on the importance of the infrastructure to consumers and other critical factors, eg effect on the environment if failure occurs.</p>	✓	✓	✓
	<p>2. Budget sufficient funds for timely replacement.</p>	✓		
	<p>1. Council has already budgeted funds for these works.</p>	✓		

Runanga/Dunollie network has failed earlier than expected and a major part of the network requires replacement.	2. Works are ongoing.	✓		
Council has adopted a Master Plan for the CBD Renewal Project. Experience with the first two stages is that it is crucially important to initially locate existing underground services in order to as much as possibly avoid delays and increased costs. <ul style="list-style-type: none"> • Proposed requirement for new infrastructure • Other related underground infrastructure (power and communications) • Where will the funding come from for these works? • Funding for maintenance of new assets Note: Building over our pressurised pipelines is not an option.	1. Revise CBD Renewal designs to accommodate existing underground infrastructure.	✓		
	2. Provide funds to relocate or protect existing underground infrastructure.	✓	✓	✓
Requests from the community for new schemes or from developers for schemes in specific locations.	1. Council will remain receptive and support community initiatives when approached.	✓	✓	✓
	2. Council will continue to consult with developers to determine demand and capacity requirements.	✓	✓	✓
Upgrades may be required to existing treatment plant(s) if they do not meet current or new (higher) standards.	1. Upgrades to be investigated and invested in if/as required.	✓	✓	✓
Potential legislative changes that may lead to increasing levels of treatment before discharge to the environment.	1. Council will consider any changes when proposed.	✓	✓	✓
Damage to wastewater network components from natural hazards, eg earthquakes.	1. Improve the resilience of schemes as budgets allow, e.g.:			
	o Use flexible pipelines in replacements	✓	✓	✓
	o Bolt down all equipment and pumps	✓	✓	✓
	o Undertake longer term assessments on buildings and pump stations	✓		
Wastewater is an important Lifelines component in the event of an emergency.	1. Council will continue to maintain its wastewater network to the best of its ability.	✓	✓	✓

6.3 Implications of not addressing these issues

- Potential for critical failure if assets are not renewed/replaced in time.
- If assets are not replaced/renewed on a timely basis, we risk increased maintenance costs having to fix assets nearing or past their useful life.
- Leakage of untreated discharges to properties and the environment could occur.
- Higher cost if renewing/replacing before the end of the asset’s useful life.
- Emergency works may be expensive and Council may have to loan fund this expenditure – this will impact on Council’s debt levels and ability to borrow for other unforeseen events.
- Failures will mean a reduction in the level of service currently provided by Council, or even loss of service (outage).
- Lower resilience of older infrastructure in event of a natural disaster, eg earthquake.
- Public health/safety issues.

Table D.34 - Wastewater pipes - expected average service lives

Material	Average of Age	Expected Service Life	Length (km)	% Total
Asbestos Cement (AC)	44	60-70	22.5	13%
Concrete	50	95	5.6	3%
Earthenware (EW)	51	90	12.9	7%
High Density Polyethylene (HDPE)	4	90	13.2	7%
Medium Density Polyethylene (MDPE)	13	90	2.4	1%
Reinforced Concrete Rubber Jointed (RCRJ)	12	95	0.0	0%
Steel	4	90	0.1	0%
Unknown	43	70	3.0	2%
Polyvinyl chloride - Unplasticized (uPVC)	11	90-100	120.2	67%
Totals	20		180.0	

Where a range has been shown for the expected service life, this reflects a range of factors such as ground conditions and original installation standards for specific areas.

6.4 What we’re planning on doing

Addressing deferred renewals

Deferred renewals in the water supply and stormwater activities are considered bigger priorities than wastewater at present so there is not planned to be any increased rate funding to this activity over the next ten years.

It is planned to revisit the allocation of additional funding towards deferred renewals for the Water Supply and Stormwater activities around year ten and potentially include the Wastewater activity in the funding split. This will be reviewed at the next LTP.

The following two graphs illustrate the level of deferred renewals forecast over the next 30 years, comparing:

1. What the backlog (deferred renewal) looks like based on current levels of renewal investment; versus
2. What the backlog (deferred renewal) looks like based on the planned increased levels of renewal investment.

Figure D-35: Forecast deferred renewals backlog with existing funding level

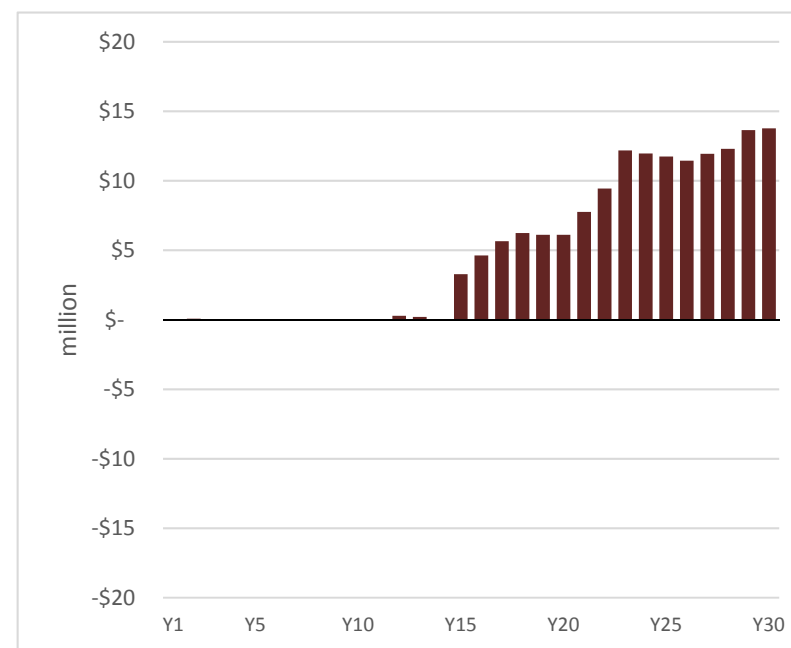
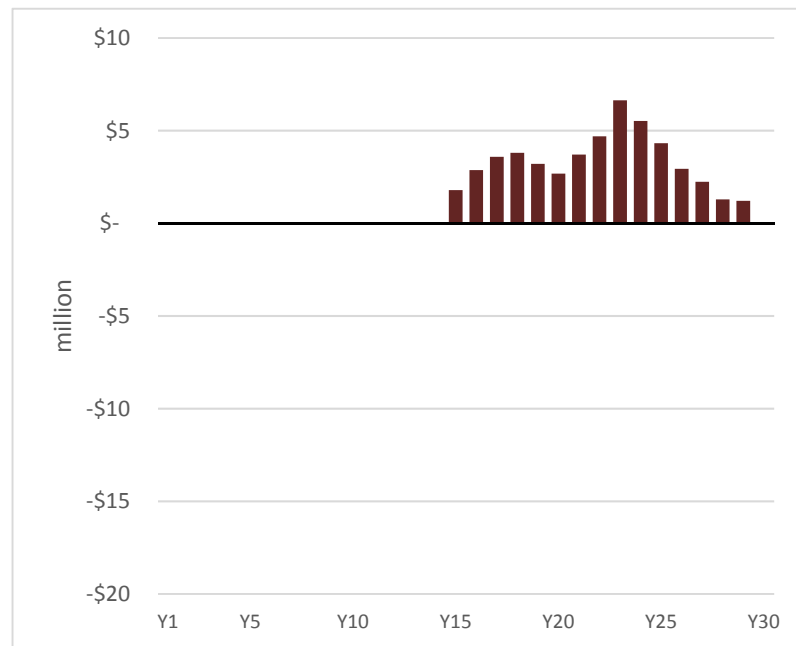


Figure D-36: Forecast deferred renewals backlog with planned increased funding (from year 10+)



Note: Where the deferred renewals goes into a negative amount (below the line), this effectively means that Council is in a position to start setting funds aside for future renewals (based on the longer term requirements).

Council plans to address deferred renewals on a prioritisation basis using information from the condition assessments within existing budgets.

Replacement reserve

Council received subsidies towards the Greymouth, Dobson, Taylorville 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.

Complete Runanga wastewater works

The Runanga wastewater network failed earlier than expected due to a combination of poor material and adverse ground conditions (ie high water levels). Major parts of the network require replacement - Council is addressing this at the moment and will continue to do so during this plan.

6.5 Expenditure forecasts

Figures D-37 and D-38 present 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. Six consent renewals are due within the timespan of the 2018-2028 Long Term Plan – refer to the AMP for more information;
- 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;

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.

Figure D-37: Annual Wastewater operating expenditure forecasts – next 10 years

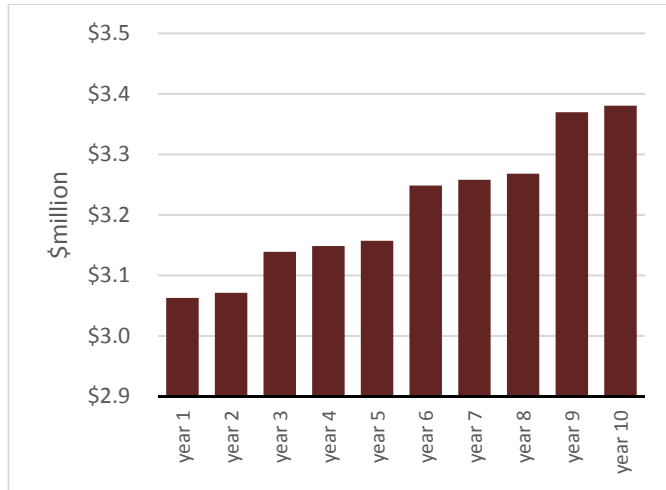
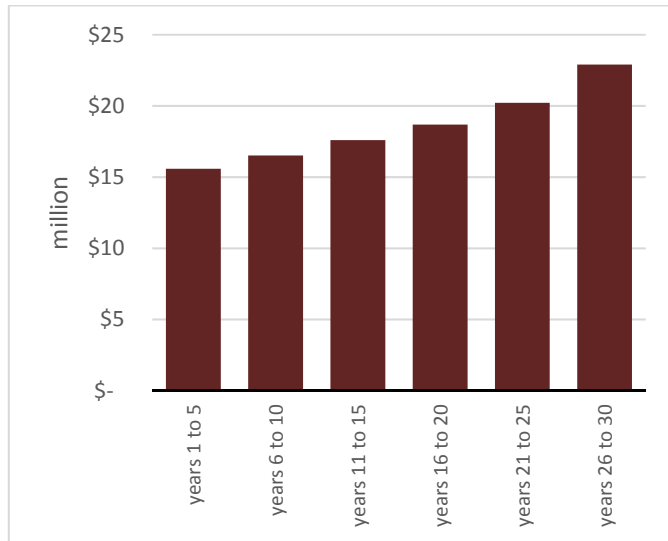


Figure D-38: Five yearly Wastewater operating expenditure forecasts – next 30 years



Capital expenditure

- 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 replacement of part of Runanga wastewater scheme.
- No significant new capital expenditure is planned.

Funding

Years 1-10	No additional funding is budgeted for in the first ten years of this plan as funding is prioritised to other infrastructure activities
Years 11-20	Council has applied approximately 0.15% rate increase every year above inflation directed towards funding 'backlog'
Years 21-30	Council has also applied approximately 0.3% rate increase every year above inflation directed towards funding 'backlog'

Figure D-39: Wastewater renewal capital expenditure – next 10 years

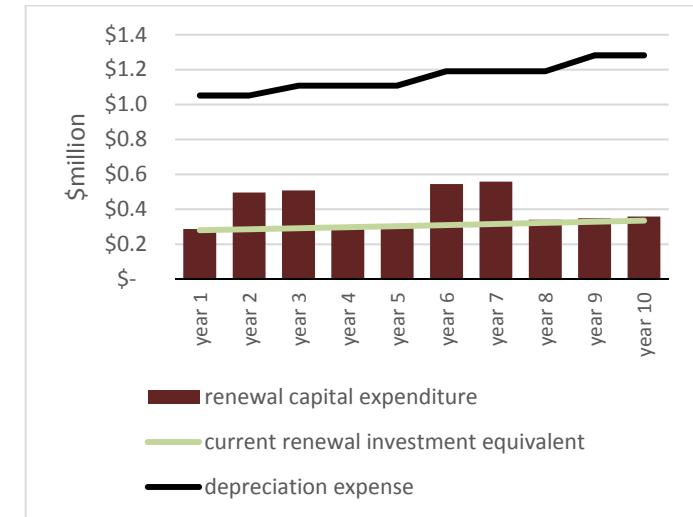
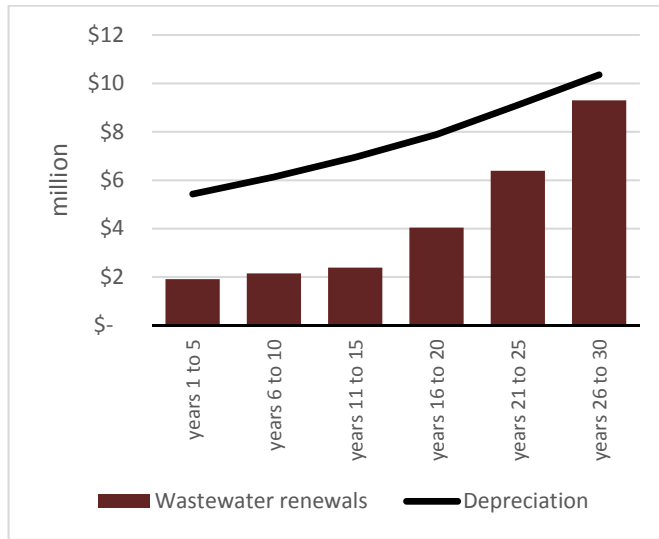


Figure D-40: Wastewater cumulative renewals and depreciation expenditure forecasts



With reference to Figure D.40, the gap between the depreciation graph and the graph of cumulative spend on renewals reflects the relatively young age of most of the network.

7 Stormwater

7.1 Background

Council provides urban stormwater networks in all of the main towns.

The Grey District enjoys high rainfall with individual rain events often involving heavy falls. It is important to ensure that flooding measures are in place in the District to deal with the disposal of any surface water accumulation and that excess flows are controlled and channelled towards waterways and that areas prone to flooding are protected.

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.

There are some older areas which do not current stormwater design standards where flooding caused by restricted reticulation capacity is a known issue. These areas include the Greymouth CBD, Petrie Avenue, Puketahi Street, Whall Street areas and the south-east Greymouth CBD.

The Greymouth CBD system is designed to cope with a 1-in-1 year on average storm. Capacity limitations of the CBD system mean it often experiences severe surface flooding during extreme rain events. However, physical constraints make it very difficult to improve the system performance without considerable capital investment.

As part of the wastewater upgrade for Greymouth, new wastewater only pipes were installed. The previously combined sewer/stormwater pipes are now dedicated stormwater pipes. This has significantly grown the stormwater network, however many of these are older pipes, especially in the Blaketown, Cobden and Greymouth areas.

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

Condition of stormwater network assets

Most of our stormwater networks have been progressively built since the 1920's, as indicated in the age profile in Figure D.42. Pipes older than 100 years exist in the Greymouth and Cobden areas and are brick arches, concrete and earthenware pipes.

Figure D-41: Age profile - stormwater pipe

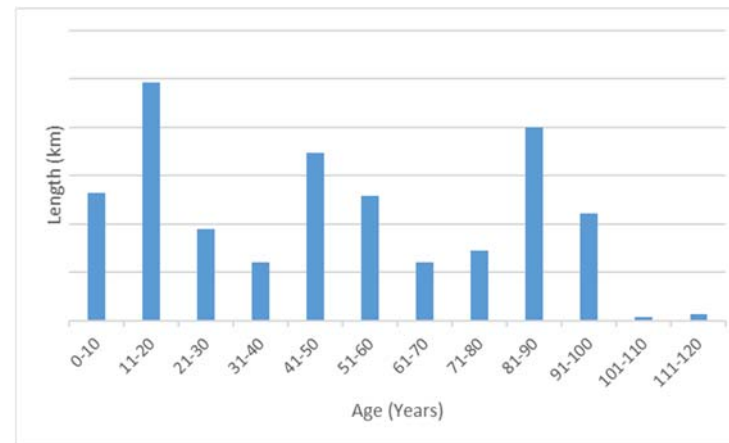
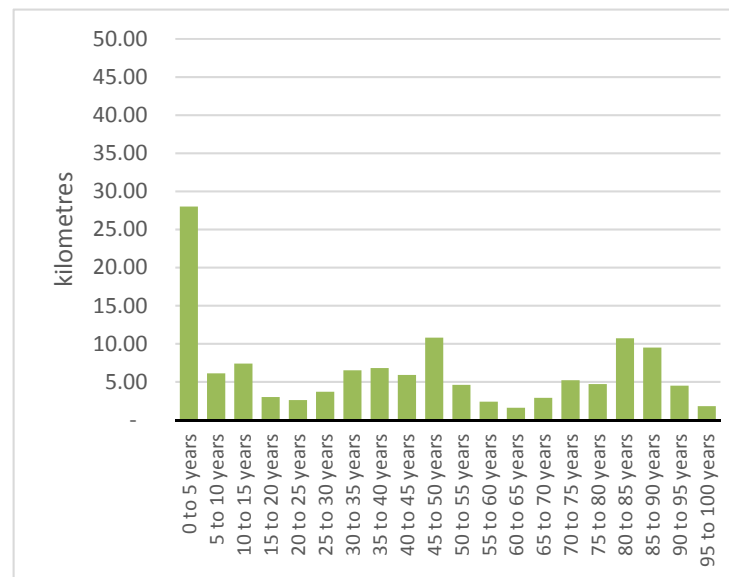


Figure D-42: Remaining useful life profile of stormwater pipes



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.

As signalled in the 2015-2025 LTP, over the past three years Council has carried out condition assessments of our stormwater network assets. These detailed condition assessments of stormwater pipes have resulted in the useful service lives of some different pipe materials being extended, however they do confirm significant deferred renewals for this activity, namely due to:

- The repurposing of combined sewer-stormwater pipes as stormwater only has significantly increased our network (many of these are older pipes);
- Ageing and deteriorating pipes; and

The previous low renewal rates due to Council's focus on other prioritised projects, ie wastewater upgrades.

Map of renewals backlogs

The following maps provides a good picture of the level of renewals required for this activity.

LEGEND:

Deferred renewals - requires addressing

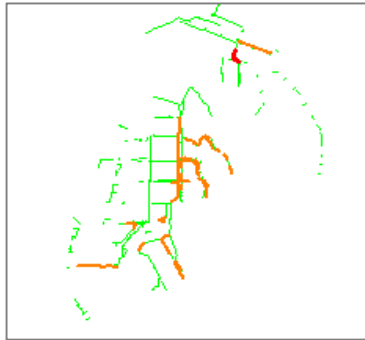
Renew within term of Infrastructure Strategy

Renew after Infrastructure Strategy

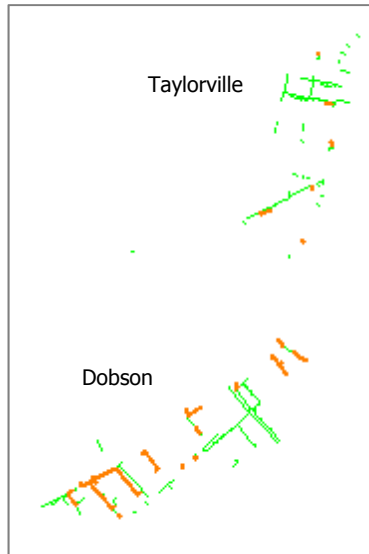
Greymouth and Cobden



Runanga/Dunollie



Taylorville/Dobson



As we now have improved asset knowledge on the condition of our stormwater network, this will be used to prioritise future renewal and replacement works so that we can start to address the most critical areas first.

7.2 Key issues and how we will address them

The following options formed part of Council's consultation with the community on the Draft Plan. Council's preferred option (shaded red) was adopted by Council and has been included in the Final Plan and budgets.

ISSUE	OUR PLAN	BENEFITS	COST (2018 \$)	TIMELINE
Deferred renewals. The outcome from condition assessments carried out to date confirm we have significant deferred renewals which need to be addressed in order to maintain levels of service and avoid potential critical failures.	1. Utilise information from the condition assessments to identify priority areas for renewals based on the importance of the infrastructure to consumers and other critical factors, e.g. effect on the environment if failure occurs. 2. Increase rate funding to this activity. 3. Improve efficiencies. 4. More cost effective materials, operations and construction methods, (e.g. concrete lining of existing pipes).	<ul style="list-style-type: none"> Maintain existing levels of service. Help prevent critical failure of assets. 	Annual renewal expenditure increase by \$400,000 per annum by year 10 (ie \$40,000 per year increase)	Renewal backlog addressed fully by year 24
	Assumptions:	<ul style="list-style-type: none"> There will be no critical failure of infrastructure that impacts service delivery, particularly in the first 10 years whilst Council still carries a high level of deferred renewals. 		
	Alternative options:	1. Clear the backlog of renewals within the first 10 years. 2. Don't fund additional renewals or fund at a lower increase than signalled.	Approximate increase in renewal funding of \$100,000 per annum required, which would then decrease after year 10. Saving on renewal budget, however indirect cost to the community through likely decrease in level of service.	10 years n/a

7.3 Other issues and options

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Stage 2 of the Greymouth stormwater upgrade has been deferred indefinitely due to budget constraints. Stage 2 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.	1. Wait for funding to become available (note: these works have not been included in this LTP but may be reconsidered for future LTP's).	✓	✓	

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Stage 1 works carried out in 2011/2012 have reduced flood risk in adjacent areas, ie Murray Street area.				
Vulnerability of buried pipes in soft ground to natural hazards such earthquakes and liquefaction.	1. Carry out upgrade works in based on priorities established from condition assessments	✓	✓	✓
	2. Carry out catchment wide assessments for storm water networks to identify capacity constraints and areas for targeted improvements. Improvements may include detention ponds, storm water pumping systems, increased pipe capacity and additional storm water networks			
	3. Managed retreat where other options are not economically feasible.			
Natural hazards and/or climate change causing backup flooding to properties. Need to consider detention ponds, stormwater pumping systems, increased pipe capacity and additional stormwater networks.	1. Funding through West Coast Regional Council (WCRC) rating districts.	✓	✓	✓
	2. Possible part funding through Council.	✓	✓	✓
	3. Allow for capacity increases as pipelines are replaced.	✓	✓	✓
	4. Fund Stages 2 and 3 of Greymouth stormwater upgrades.	✓	✓	✓
	5. Review capacity of stormwater systems in townships to cope with current and future predicted storm events. Include possible stormwater network enhancements in future LTPs.	✓	✓	✓
Requirement for improved flood protection in the lower Cobden area (in consultation with West Coast Regional Council (WCRC)).	1. Some works have already been carried out by the WCRC, which have resulted in a lower flood risk for the lower Cobden area. This situation will be monitored.	✓	✓	✓
Damage to stormwater pump stations from natural hazards, eg earthquakes.	1. Carry out resilience works as budgets allow	✓	✓	✓
	1. Provide funds to relocate or protect existing underground infrastructure.	✓		

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
<p>Council has adopted a Master Plan for the CBD Renewal Project. Experience with the first two stages is that it is crucially important to initially locate existing underground services in order to as much as possibly avoid delays and increased costs.</p> <p>Issues identified to date include:</p> <ul style="list-style-type: none"> Proposed requirement for new or upgraded stormwater infrastructure (to compensate for lowered road levels and removal of kerb and channel if these options are chosen) Effects on existing stormwater infrastructure Consequential issues relating to excavation to install new underground infrastructure such as the presence of coal tar (requiring resource consents) and unknown old underground infrastructure (power and communications) Where will the funding come from for these works? Funding for maintenance of new assets <p>Note: Building over our pressurised pipelines is not an option.</p>	<p>2. Revise CBD Renewal designs to accommodate existing underground infrastructure.</p>			
<p>Stormwater is an important Lifelines component in the event of an emergency.</p>	<p>1. Council will continue to maintain its stormwater network to the best of its ability</p>	✓	✓	✓

7.3 Implications of not addressing these issues

- Potential for critical failure if assets are not renewed/replaced in time.
- If assets are not replaced/renewed on a timely basis, we risk increased maintenance costs having to fix assets nearing or past their useful life. Some of our existing networks are quite old.
- Lower levels of satisfaction from users in some areas
- Some areas have a very low level of service, ie the CBD. There is no increase included this plan. This makes affected areas vulnerable to flooding, property damage, risks to health and safety.
- Council may be vulnerable to legal issues following flooding events
- Emergency works may be expensive and Council may have to loan fund this expenditure – this will impact on Council’s debt levels and ability to borrow for

- other unforeseen events.
- Failures will mean a reduction in the level of service currently provided by Council, or even loss of service (outage). Risks of this include flooding, property damage and health and safety issues.
- Lower resilience of older infrastructure in event of a natural disaster, eg earthquake, leading to compromised safety, property damage and increased cost.
- Lower level of capacity of existing infrastructure through incremental increases in surface runoff through climate change.
- Higher cost if renewing/replacing before the end of the asset’s useful life.
- Public health/safety issues.
- Property damage.

Age of assets

Table D-43: Stormwater pipes expected average service lives

Material	Average of Age	Expected Service Life	Length (km)	% Total
Asbestos Cement (AC)	52	60-70	3.3	2.6%
Aluflow	31	70-70	0.1	0.1%
Arch	93	110	0.2	0.1%
Brick	98	110	0.4	0.3%
Concrete	44	95	50.6	39.3%
Earthenware (EW)	73	90	31.4	24.4%
Low Density Polyethylene (LDPE)	20	70	0.0	0.03%
Novaflo	16	50	1.0	0.8%
open Channel Unlined	30	50-60	11.2	8.7%
Reinforced Concrete Rubber Jointed (RCRJ)	6	95	0.6	0.4%
Steel	36	90	0.3	0.3%
Stone	98	110	0.1	0.1%
Unknown	66	70	5.8	4.5%
Polyvinyl chloride - Unplasticized (uPVC)	17	110	23.8	18.5%
Totals	42		128.8	

Where a range has been shown for the expected service life, this reflects a range of factors such as ground conditions, and original installation standards for specific areas.

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 eight 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.

7.5 What we're planning on doing

Address deferred renewals

Council is increasing rate funding to this activity so that we can start to address the required renewals on a prioritisation basis.

The following two graphs illustrate the level of deferred renewals forecast over the next 30 years, comparing:

1. What the backlog (deferred renewal) looks like based on current levels of renewal investment; versus
2. What the backlog (deferred renewal) looks like based on the planned increased levels of renewal investment.

Figure D-44: Forecast deferred renewals backlog with existing funding level

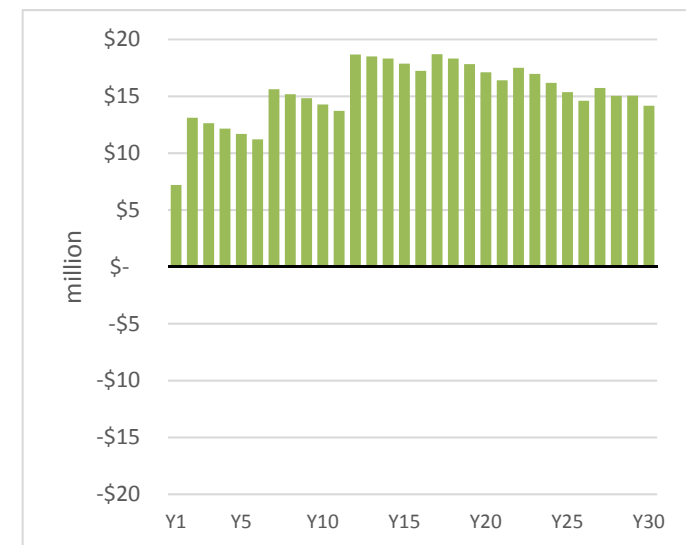
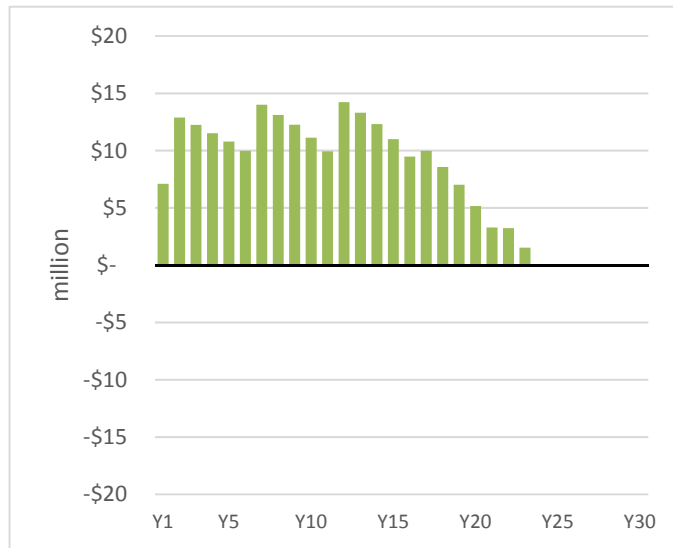


Figure D-45: Forecast deferred renewals backlog with planned increased funding



Note: Where the deferred renewals goes into a negative amount (below the line), this effectively means that Council is in a position to start setting funds aside for future renewals (based on the longer term requirements).

Address climate change

We'll be allowing for climate change effects in so much as all new/renewed stormwater infrastructure will have increased capacity to better cope with increased frequency and severity of future storm events.

7.6 Expenditure forecasts

The expenditure forecasts in Figures D-47 and D-48 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; and
- 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.

Figure D-46: Annual Stormwater operating expenditure forecasts – next 10 years

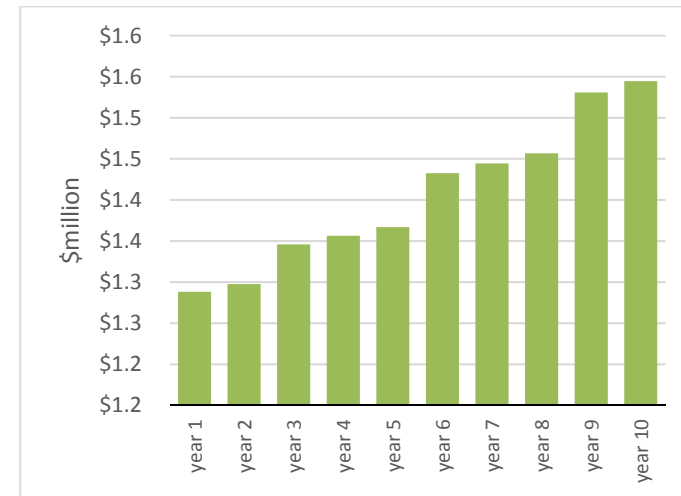
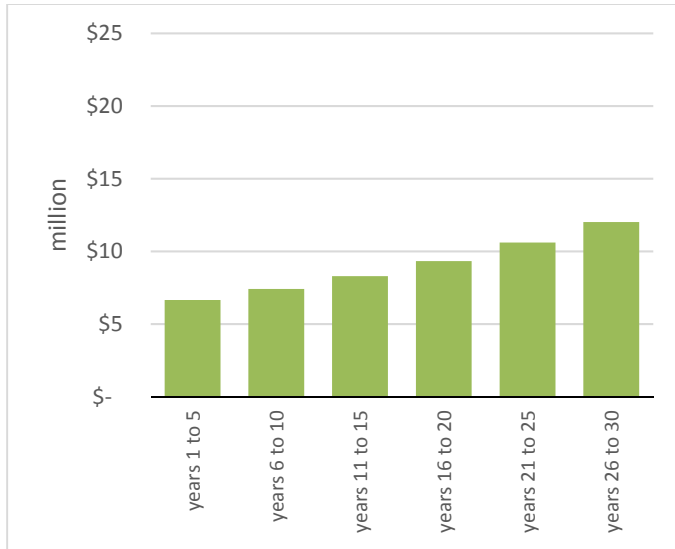


Figure D-47: Five yearly Stormwater operating expenditure forecasts – next 30 years



Capital expenditure

- Minimal capital expenditure is signalled in the Plan, **approximately \$7,000 per annum** related to new connections throughout the District, which has no material impact on the level of service.

Funding

Years 1-10	\$40,000 (0.25% rates increase in 2018/2019) increase per annum year on year, ie cumulative increases
Years 11-20	Council has applied approximately 0.25% rate increase every year above inflation directed towards addressing deferred renewals
Years 21-30	The increases cease as the backlog of renewals decrease from year to year

Figure D-48: Stormwater renewal capital expenditure – next 10 years

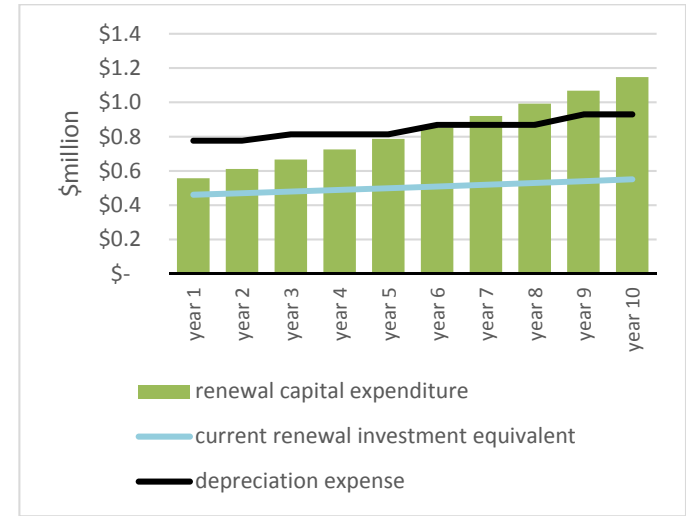
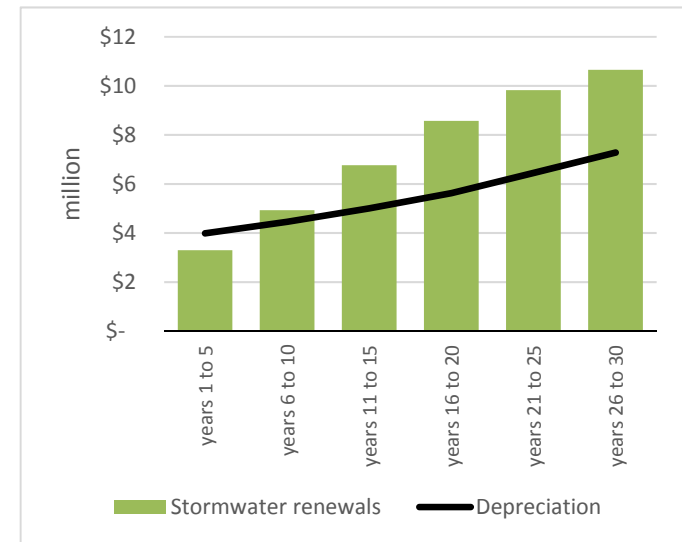


Figure D-49: Stormwater cumulative renewals and depreciation expenditure forecasts



8 Summary

8.1 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 (eg replacing pipes with more resilient materials and larger capacity (ie stormwater), widening road pavements to meet modern width standards as part of major pavement rehabilitation).
- A bigger focus on leak detection on our water supply networks will provide a better level of service to consumers.
- The exception is the road network, where changes in levels of service may occur on low volume roads as the One Network Road Classification programme is implemented.

8.2 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.

8.3 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 2017 – Land Transport, Aerodrome & Utilities Assets – September 2017 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

8.4 Financial forecasts

Our Infrastructure Strategy aligns with our Financial Strategy, which focuses on:

- Working towards a position of annual surplus;
- Increasing rates above inflation each year to address significant issues, ie deferred renewals;

- Recognising affordability is an issue for our community, capping annual rates increases at 4.5% in any given year;
- Decreasing debt over the life of this Plan; and
- Retaining capacity to borrow for unforeseen events (such as natural disasters, unexpected asset failures, or smoothing the path of large renewals). Debt levels to be kept within our policy limits

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 new 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 in the Draft 2018-2028 Long Term Plan, available on our website, www.greycdc.govt.nz.

Figure D-50: Total operating expenditure forecasts

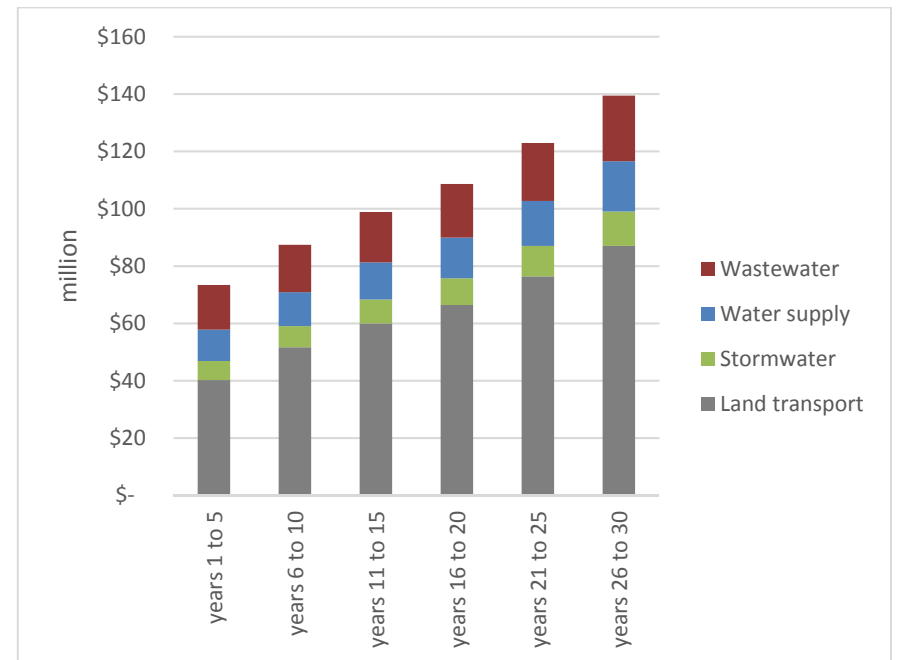
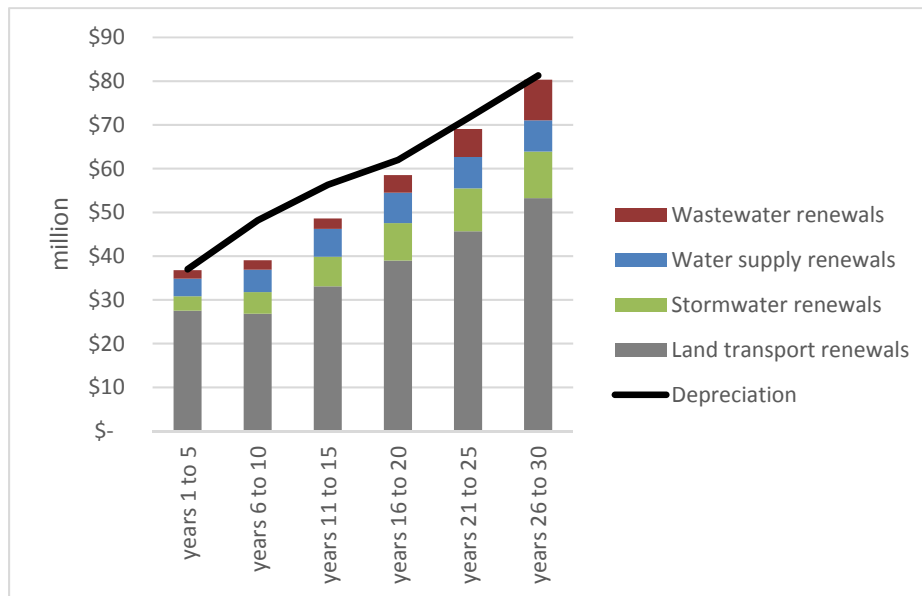


Figure D-51: Total cumulative renewals and depreciation expenditure forecasts



8.4 Funding implications

The **most likely scenario** impact on rates and charges arising from these expenditure forecasts is detailed in Council’s Financial Strategy. This also formed the basis of our consultation with the community. We note the following scenarios (Council’s preferred options) were adopted by Council and have been incorporated into this Final Plan and budgets.

Land Transport

Years 1-10	\$30,000 (0.2% rates increase in 2018/2019) increase above inflation in year one and then an average increase of \$240,000 per annum (including inflation) for years 2-10 (annual increases range from \$77,000 to \$345,000, including inflation)
Years 11-20	Council has applied approximately 0.3% rate increase every year above inflation directed towards deferred renewals
Years 21-30	Council has also applied approximately 0.3% rate increase every year above inflation directed towards deferred renewals

Water Supply

Years 1-10	Deferred renewals - \$40,000 (0.25% rates increase in 2018/2019) increase per annum year on year, ie cumulative increases Replace water reservoir – \$540,000 (\$140,000 from existing reserve funds and loan fund \$400,000 which equates to 0.26% rates increase in 2018/2019)
Years 11-20	The increases cease as the backlog of renewals decrease from year to year
Years 21-30	Council continues funding renewals at levels close to that of the depreciation expense

Wastewater

Years 1-10	No additional funding is budgeted for in the first ten years of this plan as funding is prioritised to other infrastructure activities
Years 11-20	Council has applied approximately 0.15% rate increase every year above inflation directed towards funding ‘backlog’
Years 21-30	Council has also applied approximately 0.3% rate increase every year above inflation directed towards funding ‘backlog’

Stormwater

Years 1-10	\$40,000 (0.25% rates increase in 2018/2019) increase per annum year on year, ie cumulative increases
Years 11-20	Council has applied approximately 0.25% rate increase every year above inflation directed towards addressing deferred renewals
Years 21-30	The increases cease as the backlog of renewals decrease from year to year

Summary Infrastructure – Rates

Infrastructure rates as a percentage of total 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 2.2%.

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

PART E: What Council Does: Groups of Activities

1 Land transport

Also refer to PART D: Infrastructure Strategy for more information on this activity.

1.1 Activities included in this group

Land Transport includes the following key functions:

- Council roads, including associated facilities such as street lights, cycle lanes and road signs (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	105.7
Bridges and Large Culverts	number	211
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>Deferred renewals for bridges. Based on the recommended useful life of structures, 61 structures (29%) are beyond the industry recommended useful life, however they are considered to be in at least a fair condition according to regular maintenance inspections. Council has also completed a seismic capacity review and an assessment of increased truck loads (50 MAX and High Productivity Motor Vehicles), which is an increasing trend on its road networks. We also have a considerable number of bridges coming up for renewal/replacement over the life of our Infrastructure Strategy.</p>	1. Use information from seismic review and data from truck load assessments to create prioritisation list for renewal/replacement.	✓		
	2. Investigate where structural components need replacing versus full bridge replacement.	✓	✓	✓
	3. Increase funding to this activity, ie rates, financial assistance. Consider loan funding over the shorter term to smooth the effects of large capital expenditure.	✓	✓	✓
	4. Reduce capacity (weight) and speed on bridges not being upgraded.	✓	✓	
<p>Deferred renewals for road and street pavements (surfaces). Council has a large portion of the chip sealed pavement surfaces due of renewal over the next three years (39%) and 79% due for renewal within the life of our Infrastructure Strategy (next 30 years). Refer Part D. We need to make sure we continue with sufficient levels of pavement rehabilitation to maintain the integrity of the pavement from age deterioration and traffic use effects into the future.</p>	1. Increase rates funding once a number of deferred bridge renewals have been addressed.	✓	✓	✓
<p>Community expectations of footpath renewals not meeting Council's planned programme.</p>	1. Increase rates funding so the programme can be extended and/or more renewals carried out.	✓		
	2. Carry out renewals based on prioritisation programme where the need is deemed most critical.	✓	✓	✓
<p>The changing function of the network over time means there are pockets of infrastructure that are no longer fit for purpose, eg age/condition of critical assets, crashes, understrength bridges (seismic resilience/heavy traffic).</p>	1. Reinstate/maintain/increase capacity/service at sites and locations where there are confirmed gaps in levels of service, eg improve strength of existing bridges, replace if at end of economic life. Prioritise areas for renewals based on the importance of the infrastructure to consumers and other critical factors.	✓	✓	✓
	2. Maintain quality of asset components so they remain fit for purpose.	✓	✓	✓

	3. Defer renewals.	✓	✓	✓
	4. Rationalise the road network and road assets, where possible based on the One Road Network Classification to ensure funding goes to areas of greatest need.	✓	✓	✓
	5. Post bridges to reduce loading impact for safety reasons.	✓	✓	✓
	6. Use safety signage and other means (reduced posted speed limits) to reduce impact and safety issues on roads.	✓	✓	✓
	7. More cost effective materials, operations and construction methods, ie concrete line existing pipes.	✓	✓	✓
	8. Continue to lobby NZTA for increased financial assistance rates based on evidence and identified needs.	✓	✓	✓
Resilience of key roading assets, especially bridges, needs to be improved to mitigate potential damage from natural hazards, eg earthquakes.	1. Carry out upgrade works based on priorities established from condition assessments, seismic review and load assessments.	✓	✓	✓
The increasing intensity and number of natural events impacts on the security of the network and raises the risk of isolated communities (increasing extreme events, rainfall, road closures).	1. Maintain network asset quality to ensure they remain fit for purpose to the best of Council's ability.	✓	✓	✓
	2. Ensure contracting resources are available to keep roads open or reopened as soon as possible after events.	✓	✓	✓
A constrained transport network. This inhibits the potential for economic development and reliability, as well as heightening the potential for conflict between increasingly different user types in the form of crashes (eg productivity of commercial vehicles, crashes, complaints/service requests, increasing tourist traffic).	1. Monitor trends in the mix and volume of road users and crashes.	✓	✓	✓
	2. Develop and provide solutions where identified issues are occurring such as signage, safety improvements, widened roads, encouraging alternative transport modes (ride sharing, public transport, walking, cycling), strengthening road asset components.	✓	✓	✓
	3. Maintain quality of asset components so they remain fit for purpose.	✓	✓	✓

<p>Council has adopted a Master Plan for the CBD Renewal Project. Experience with the first two stages is that it is crucially important to initially locate existing underground services in order to as much as possibly avoid delays and increased costs.</p> <ul style="list-style-type: none"> Proposed requirement for new infrastructure Other related underground infrastructure (power and communications) Where will the funding come from for these works? Funding for maintenance of new assets 	<p>1. No funds for roading works as an outcome of the CBD Renewal Project have currently been allocated for future stages.</p>	<p>✓</p>		
<p>Roading is an important Lifelines component in the event of an emergency.</p>	<p>1. Council will continue to maintain its roading network to the best of its ability.</p>	<p>✓</p>	<p>✓</p>	<p>✓</p>
<p>Road safety.</p>	<p>1. 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.</p>	<p>✓</p>	<p>✓</p>	<p>✓</p>

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

Options for community consultation

The following options formed part of Council's consultation with the community on the Draft Plan. Council's preferred option (shaded red) was adopted by Council and has been included in the Final Plan and budgets.

ISSUE	OPTION	IMPLICATIONS	COST	
<p>DEFERRED RENEWALS FOR BRIDGES</p> <p>Around 29% of our bridges are beyond the industry recommended useful life, however they are considered to be in at least a fair condition according to regular maintenance inspections. We also have a considerable number of bridges coming up for renewal/replacement over the life of our Infrastructure Strategy.</p> <p>Council has also completed a seismic capacity review and an assessment of increased truck loads (50 MAX and High Productivity Motor Vehicles), which is an increasing trend on its road networks. Council needs to start addressing these deferred renewals to continue to be able to provide the same level of service, as well as plan for future bridge replacements/renewals, which can be costly.</p> <p>DEFERRED RENEWALS FOR ROAD/STREET PAVEMENTS (SURFACES)</p> <p>Council has a large portion of the chip sealed pavement surfaces due of renewal over the next three years (39%) and 79% due for renewal within the life of our Infrastructure Strategy (next 30 years).</p>	1	<p>Stick with the status quo. Council is already funding renewals at below minimal rate.</p>	<ul style="list-style-type: none"> At the current rate of funding, the backlog of renewals/replacements will continue to grow. Eventually we will need to find large sums of money for urgent replacements. Potential decreases in levels of service provided, ie imposition of speed and/or weight restrictions. Council and the community would have to be happy to carry the associated risks. 	<ul style="list-style-type: none"> No impact on rates. Potential for impact on debt if we have to borrow for urgent replacements.
	2	<p>Increase rate funding towards deferred renewals in bridges. Increase of \$30,000 (above inflation) in year one (<i>0.2% rates increase in 2018/2019</i>) and then an average increase of \$240,000 per annum (including inflation) for years 2-10 (<i>annual increases range from \$77,000 to \$345,000, including inflation</i>).</p> <p>The results of seismic and load studies, together with condition assessments, asset age and use will assist Council to identify where structure components require replacing and/or where full bridge replacements are necessary.</p> <p><i>(Council's preferred option)</i></p>	<ul style="list-style-type: none"> Using this increase in rate funding and the NZTA financial subsidies, we plan on carrying out bridge renewals/replacements over the next ten years as the necessary monies become available, based on critical need and a prioritisation basis. We would be caught up with the backlog around year 21 (2039). Start applying additional funding towards surface renewals from year ten, once a number of the deferred bridge renewals have been addressed. 	<ul style="list-style-type: none"> \$30,000 equates to 0.2% rates increase in 2018/2019. No planned impact on debt, barring emergency works.

1.6 How we'll measure our performance

What we're measuring	How we'll measure	Target				
		Current Performance (2016/2017)	Year 1 (2018/2019)	Years 2 – 3 (2019/2020 & 2020/2021)	Years 4 – 10 (2021/2022 to 2027/2028)	Target Trend
Public satisfaction with our local roading network, including footpaths	% of residents are satisfied with Council's roading network	77%	70%	70%	70%	No change
	% of residents are satisfied with the way local roads are maintained	67%	60%	60%	60%	No change
	% of residents are satisfied with the way footpaths are maintained	55%	52%	52%	52%	No change
	Maximum number of reported local road closures due to surface flooding per year	3	15	15	15	No change
	% of customer requests responded to within 10 working days	90%	85%	85%	85%	No change
The condition of our roads and footpaths	% of roads which meet smooth roads standard	93%	90%	90%	90%	No change
	% of sealed road network resurfaced per year	6.2%	7.04%	7.04%	7.04%	No change
	% of footpaths at service standard of "fair" or better (as measured against condition ratings set in GDC Land Transport AMP)	97.2%	80%	80%	80%	No change
The safety of our roads	% of residents who agree that local roads are safe when using them	85%	80%	80%	80%	No change
	Maximum % of fatalities/serious injury crashes on local roads contributed to by road factors <i>* Most recent NZTA Road Safety Information, 2013</i>	5 fatal/serious accidents	<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"> • 2016/2017 – 5 fatal/serious crashes • 2015/2016: 2 fatal/serious crashes 	+3	Reduction > 1	Reduction > 1	Reduction > 1	No change

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.

Funding impact statement

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	2,828	2,906	3,148	3,372	3,712	4,058	4,270	4,488	4,758	4,999	5,076
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	1,617	1,396	1,429	1,455	1,487	1,522	1,558	1,595	1,635	1,678	1,723
Fees and charges	17	18	18	18	19	19	20	20	21	21	22
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	176	180	1,274	187	191	195	200	205	210	215	220
Total operating funding [A]	4,638	4,500	5,869	5,032	5,409	5,794	6,048	6,308	6,624	6,913	7,041
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	2,811	2,697	2,758	2,809	2,873	2,939	3,009	3,081	3,159	3,240	3,327
Finance costs	7	6	114	114	101	109	111	92	71	48	25
Internal charges and overheads applied	173	185	189	193	197	202	207	212	217	222	228
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	2,991	2,888	3,061	3,116	3,171	3,250	3,327	3,384	3,447	3,511	3,580
Surplus (deficit) of operating funding [A - B]	1,647	1,612	2,808	1,916	2,238	2,544	2,721	2,924	3,177	3,402	3,461
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	2,389	5,572	6,173	2,427	2,229	2,770	2,932	2,728	2,935	3,263	3,402
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(23)	(24)	1,648	(36)	(227)	93	(33)	(349)	(370)	(392)	(416)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	2,366	5,548	7,821	2,391	2,002	2,863	2,899	2,379	2,565	2,871	2,986
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	383	3,799	325	332	340	347	355	364	373	382	393
—to replace existing assets	3,802	3,391	10,423	3,960	3,613	4,540	4,814	4,457	4,806	5,366	5,598
Increase (decrease) in reserves	(172)	(30)	(119)	15	287	520	451	483	563	525	456
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	4,013	7,160	10,629	4,307	4,240	5,407	5,620	5,303	5,742	6,273	6,447
Surplus (deficit) of capital funding [C - D]	(1,647)	(1,612)	(2,808)	(1,916)	(2,238)	(2,544)	(2,721)	(2,924)	(3,177)	(3,402)	(3,461)
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.

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
INCOME											
General rates, uniform annual general charges, rates penalties	2,828	2,906	3,148	3,372	3,712	4,058	4,270	4,488	4,758	4,999	5,076
Targeted rates (including targeted rates for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants (operating and capital)	4,006	6,968	7,602	3,882	3,716	4,292	4,490	4,323	4,570	4,941	5,125
User charges and regulatory income (consent fees, infringements etc...)	17	18	18	18	19	19	20	20	21	21	22
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Other income	222	227	1,322	236	241	246	252	258	265	271	278
Total income	7,073	10,119	12,090	7,508	7,688	8,615	9,032	9,089	9,614	10,232	10,501
EXPENDITURE											
Staff costs	-	-	-	-	-	-	-	-	-	-	-
Operating & maintenance costs	2,811	2,697	2,758	2,809	2,873	2,939	3,009	3,081	3,159	3,240	3,327
Finance costs	7	6	114	114	101	109	111	92	71	48	25
Internal charges and overheads applied	173	185	189	193	197	202	207	212	217	222	228
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	3,812	4,318	4,551	5,016	5,168	5,327	5,839	6,027	6,198	7,029	7,174
Total expenditure	6,803	7,206	7,612	8,132	8,339	8,577	9,166	9,411	9,645	10,540	10,754
Surplus (deficit) of activities	270	2,913	4,478	(624)	(651)	38	(134)	(321)	(31)	(308)	(253)

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

Council has included the proposed upgrade for Croesus Road (Blackball) in year 1, however this is contingent on receiving external funding for the entire cost. The assumption for this Plan is that the project will qualify for NZTA financial assistance (58% of cost), with the remainder to be funded from the Provincial Growth Fund (central Government). Council has submitted an application to the Provincial Growth Fund but at this stage a final decision has not been made. The proposed Croesus Road upgrade is to provide vehicle access to the Blackball end of the Pike 29/Paparoa Great Walk which is currently under construction. If Council is unsuccessful in securing the funding, then Council will need to consider other solutions to provide limited vehicle access.

Apart from the above, 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

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO IMPROVE THE LEVEL OF SERVICE											
On-going minor safety improvements and miscellaneous	306	306	312	319	326	333	341	349	358	367	377
Croesus Road upgrade	-	3,480	-	-	-	-	-	-	-	-	-
Miscellaneous new capital	77	13	13	13	14	14	14	15	15	15	16
	383	3,799	325	332	340	347	355	364	373	382	393

Significant renewal projects

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Annual Plan	LTP Year 1	LTP Year 2	LTP Year 3	LTP Year 4	LTP Year 5	LTP Year 6	LTP Year 7	LTP Year 8	LTP Year 9	LTP Year 10
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
CAPITAL EXPENDITURE - TO REPLACE EXISTING ASSETS											
General bridge renewals (including components)	244	294	300	307	314	321	653	918	1,179	1,645	1,777
Replacement of assets after severe weather	488	457	466	477	487	498	510	523	536	550	564
Rough & Tumble Bridge Renewal	-	-	-	-	-	-	705	-	-	-	-
Deep Crk NO1 Bridge Renewal	-	-	-	-	-	844	-	-	-	-	-
Stillwater Railway Overbridge	-	-	-	425	-	-	-	-	-	-	-
Rough River Bridge Renewal (Atarau Rd)	-	-	5,197	-	-	-	-	-	-	-	-
Moonlight Creek Bridge Replacement	-	-	1,767	-	-	-	-	-	-	-	-
Footpath renewals	-	239	244	249	255	260	266	273	279	286	294
General renewals	3,070	2,401	2,449	2,502	2,557	2,617	2,680	2,743	2,812	2,885	2,963
	3,802	3,391	10,423	3,960	3,613	4,540	4,814	4,457	4,806	5,366	5,598

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 may change within the first ten years of the AMP as they review their rates every five years.
- 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

Also refer to PART D: Infrastructure Strategy for more information on this activity.

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.

It also maintains and operates flood pump stations at Johnston Street and Tarry Creek Greymouth as part of the Greymouth Flood Scheme on behalf of the Greymouth Flood Scheme Committee (a joint Grey District Council and West Coast Regional Council committee).

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.

OUTCOME	CONTRIBUTION
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 (metres)	Stormwater Pump Stations (number)	Flood Scheme
Ahaura	1,031.28		
Blackball	1,286.57		
Blaketown	9,977.51	1	Greymouth Scheme
Cobden	20,354.88	1	Greymouth Scheme
Dobson/Taylorville	5,432.74		
Greymouth	58,655.37	2	Greymouth Scheme
Iveagh Bay	1,618.23		
Karoro	6,967.72		
Moana	4,774.12		
Runanga	11,33.97		
Rural	3,317.02		
South Beach/ Paroa	4,010.45	1	Jacks Road - Paroa
Stillwater	2.49		
Total	128,795.35	5	

Since 2008 the total length of stormwater pipe networks has increased from 84.5km to 128.8km. 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

New capital works and upgrades to the capacity of existing systems will also be considered by Council where there is a demonstrated technical need.

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+)
Deferred renewals. The outcome from condition assessments carried out to date confirm we have significant deferred renewals which need to be addressed in order to maintain levels of service and avoid potential critical failures.	1. Utilise information from the condition assessments to identify priority areas for renewals based on the importance of the infrastructure to consumers and other critical factors, e.g. effect on the environment if failure occurs.	✓	✓	✓
	2. Increase funding levels, ie from rates, transfer funds between activities, Club scheme.	✓	✓	✓
	3. Improve efficiencies.	✓	✓	✓
	4. More cost effective materials, operations and construction methods, (e.g. concrete lining of existing pipes).	✓	✓	✓
	5. Alternate design solutions such as detention ponds and underground storage.	✓	✓	✓
Stage 2 of the Greymouth stormwater upgrade has been deferred indefinitely due to budget constraints. Stage 2 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. Stage 1 works carried out in 2011/2012 have reduced flood risk in adjacent areas, ie Murray Street area.	1. Wait for funding to become available (note: these works have not been included in this LTP but may be reconsidered for future LTP's).	✓	✓	
Vulnerability of buried pipes in soft ground to natural hazards such earthquakes and liquefaction.	1. Carry out upgrade works in based on priorities established from condition assessments	✓	✓	✓
	2. Carry out catchment wide assessments for storm water networks to identify capacity constraints and areas for targeted improvements. Improvements may include detention ponds, storm water pumping systems, increased pipe capacity and additional storm water networks	✓		
	3. Managed retreat where other options are not economically feasible.	✓		
Natural hazards and/or climate change causing backup flooding to properties. Need to consider detention ponds, stormwater pumping systems,	1. Funding through West Coast Regional Council (WCRC) rating districts.	✓	✓	✓
	2. Possible part funding through Council.	✓	✓	✓

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
increased pipe capacity and additional stormwater networks.	3. Allow for capacity increases as pipelines are replaced.	✓	✓	✓
	4. Fund Stages 2 and 3 of Greymouth stormwater upgrades.	✓	✓	✓
	5. Review capacity of stormwater systems in townships to cope with current and future predicted storm events. Include possible stormwater network enhancements in future LTPs.	✓	✓	✓
Requirement for improved flood protection in the lower Cobden area (in consultation with West Coast Regional Council (WCRC)).	1. Some works have already been carried out by the WCRC, which have resulted in a lower flood risk for the lower Cobden area. This situation will be monitored.	✓	✓	✓
Damage to stormwater pump stations from natural hazards, eg earthquakes.	1. Carry out resilience works as budgets allow	✓	✓	✓
Council has adopted a Master Plan for the CBD Renewal Project. Experience with the first two stages is that it is crucially important to initially locate existing underground services in order to as much as possibly avoid delays and increased costs. Issues identified to date include: <ul style="list-style-type: none"> Proposed requirement for new or upgraded stormwater infrastructure (to compensate for lowered road levels and removal of kerb and channel if these options are chosen) Effects on existing stormwater infrastructure Consequential issues relating to excavation to install new underground infrastructure such as the presence of coal tar (requiring resource consents) and unknown old underground infrastructure (power and communications) Where will the funding come from for these works? Funding for maintenance of new assets Note: Building over our pressurised pipelines is not an option.	1. Provide funds to relocate or protect existing underground infrastructure.	✓		
	2. Revise CBD Renewal designs to accommodate existing underground infrastructure.			
Stormwater is an important Lifelines component in the event of an emergency.	1. 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.

Options for community consultation

The following options formed part of Council’s consultation with the community on the Draft Plan. Council’s preferred option (shaded red) was adopted by Council and has been included in the Final Plan and budgets.

ISSUE	OPTION	IMPLICATIONS	COST
<p>As signalled in the last LTP, over the past three years Council has carried out condition assessments of our stormwater network assets. These detailed condition assessments of stormwater pipes have resulted in the useful service lives of some different pipe materials being extended, however they do confirm significant deferred renewals for this activity, namely due to:</p> <ul style="list-style-type: none"> The repurposing of combined sewer/stormwater pipes as stormwater only has significantly increased our network (many of these are older pipes); Ageing and deteriorating pipes; and The previous low renewal rates due to Council’s focus on other prioritised projects, ie wastewater upgrades, compliance with Drinking Water Standards. <p>We need to start addressing this renewals backlog to prevent serious implications.</p>	<p>1 Stick with the status quo. Council is already funding renewals at a minimum rate.</p>	<ul style="list-style-type: none"> The current rate of funding means the backlog of renewals/replacements will continue to grow. Eventually we will need to find large sums of money for urgent replacements. Increased risk of flooding in extreme weather events, particularly those areas with reduced capacity to drain away the excess water. Council and the community would have to be happy to carry the associated risks. Risk of critical asset failure of stormwater infrastructure if not properly maintained and replaced as necessary, which could decrease levels of service. Increased cost maintaining assets already in poor condition. 	<p>No impact on rates or debt.</p>
	<p>2 Increase rate funding by \$40,000 per annum, year on year (ie cumulative increases), to start addressing deferred renewals on a prioritisation basis. <i>(Council’s preferred option)</i></p>	<ul style="list-style-type: none"> We would be caught up with the backlog around year 24 (2042). At this rate we are only starting to address the issues and it will take time to remedy. There will still be some risk associated with this option. 	<ul style="list-style-type: none"> \$40,000 equates to 0.25% rates increase in 2018/2019. No planned impact on debt, barring emergency works.
	<p>3 Increase rate funding by \$100,000 per annum, year on year, to start addressing renewals on a prioritisation basis.</p>	<ul style="list-style-type: none"> We would be caught up with the backlog around year ten (2028), thus addressing the issues quicker than option 2. There will still be some risk associated with this option. 	<ul style="list-style-type: none"> \$100,000 equates to 0.6% rates increase in 2018/2019. No planned impact on debt, barring emergency works.

2.6 How we'll measure our performance

What we're measuring	How we'll measure	Target				Target Trend
		Current Performance (2016/2017)	Year 1 (2018/2019)	Years 2 – 3 (2019/2020 & 2020/2021)	Years 4 – 10 (2021/2022 to 2027/2028)	
Customer satisfaction	% of residents are satisfied with the overall stormwater service	68%	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: 7,676	Total complaints: 28 Per 1,000 properties: 3.6	Total complaints: 30 Per 1,000 properties: 4.0	Total complaints: 30 Per 1,000 properties: 4.0	Total complaints: 30 Per 1,000 properties: 4.0	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	75%	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>	Nil	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: 7,676 <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. 	Nil	Total floors: 2 Per 1,000 properties: 0.26	Total floors: 2 Per 1,000 properties: 0.26	Total floors: 2 Per 1,000 properties: 0.26	No change
	Maximum number of local road closures due to surface flooding per year (dependent on number of storm events per year)	3	15	15	15	No change
	Median response time to attend a flooding event	Nil	3 hours	3 hours	3 hours	No change
Stormwater discharges are managed without adversely	Number of abatement notices	0	2	2	2	No change
	Number of infringement notice	0	1	1	1	No change

What we're measuring	How we'll measure	Target				Target Trend
		Current Performance (2016/2017)	Year 1 (2018/2019)	Years 2 – 3 (2019/2020 & 2020/2021)	Years 4 – 10 (2021/2022 to 2027/2028)	
affecting the receiving environment	Number of enforcement orders	0	Nil	Nil	Nil	No change
	Number of successful prosecutions	0	Nil	Nil	Nil	No change
	Total for all enforcement actions	0	3	3	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.

Funding impact statement

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	1,077	1,083	1,153	1,226	1,302	1,376	1,453	1,534	1,620	1,709	1,804
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]	1,077	1,083	1,153	1,226	1,302	1,376	1,453	1,534	1,620	1,709	1,804
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	348	327	333	342	350	359	367	376	386	395	406
Finance costs	39	39	42	44	47	46	44	42	41	39	37
Internal charges and overheads applied	144	147	150	153	156	160	164	167	171	176	180
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	531	512	524	540	554	564	574	586	598	610	623
Surplus (deficit) of operating funding [A - B]	546	571	629	686	748	812	879	948	1,022	1,099	1,181
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	86	(14)	46	43	40	(25)	(27)	(28)	(30)	(32)	(34)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	86	(14)	46	43	40	(25)	(27)	(28)	(30)	(32)	(34)
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	180	8	71	72	72	8	9	9	9	9	10
—to replace existing assets	452	549	603	658	717	778	843	911	983	1,058	1,137
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	632	557	675	729	788	787	852	920	992	1,067	1,147
Surplus (deficit) of capital funding [C - D]	(546)	(571)	(629)	(686)	(748)	(812)	(879)	(948)	(1,022)	(1,099)	(1,181)
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.

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
INCOME											
General rates, uniform annual general charges, rates penalties	1,077	1,083	1,153	1,226	1,302	1,376	1,453	1,534	1,620	1,709	1,804
Targeted rates (including targeted rates for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants (operating and capital)	-	-	-	-	-	-	-	-	-	-	-
User charges and regulatory income (consent fees, infringements etc...)	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Other income	18	19	19	20	20	20	21	21	22	22	23
Total income	1,095	1,102	1,172	1,246	1,322	1,396	1,474	1,555	1,642	1,731	1,827
EXPENDITURE											
Staff costs	-	-	-	-	-	-	-	-	-	-	-
Operating & maintenance costs	348	327	333	342	350	359	367	376	386	395	406
Finance costs	39	39	42	44	47	46	44	42	41	39	37
Internal charges and overheads applied	144	147	150	153	156	160	164	167	171	176	180
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	895	776	776	814	814	814	869	869	869	930	930
Total expenditure	1,426	1,289	1,300	1,354	1,368	1,378	1,443	1,455	1,467	1,540	1,553
Surplus (deficit) of activities	(331)	(187)	(128)	(108)	(46)	18	31	101	175	192	274

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

A minor overall upgrade to Tasman Street stormwater will be carried out during the term of this Plan. 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

	2018 Annual Plan	2019 LTP Year 1	2020 LTP Year 2	2021 LTP Year 3	2022 LTP Year 4	2023 LTP Year 5	2024 LTP Year 6	2025 LTP Year 7	2026 LTP Year 8	2027 LTP Year 9	2028 LTP Year 10
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
CAPITAL EXPENDITURE - TO IMPROVE THE LEVEL OF SERVICE											
Tasman Street upgrades		-	64	64	64	-	-	-	-	-	-
Miscellaneous new capital	180	8	7	8	8	8	9	9	9	9	10
	180	8	71	72	72	8	9	9	9	9	10

Significant renewal projects

	2018 Annual Plan	2019 LTP Year 1	2020 LTP Year 2	2021 LTP Year 3	2022 LTP Year 4	2023 LTP Year 5	2024 LTP Year 6	2025 LTP Year 7	2026 LTP Year 8	2027 LTP Year 9	2028 LTP Year 10
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
CAPITAL EXPENDITURE - TO REPLACE EXISTING ASSETS											
General renewals of the network	452	549	603	658	717	778	843	911	983	1,058	1,137
	452	549	603	658	717	778	843	911	983	1,058	1,137

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)

Also refer to PART D: Infrastructure Strategy for more information on this activity.

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, Dobson, Taylorville and Kaiata)
- 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.

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	Number of connections	Treated discharge to
Blackball	189	Ford Creek
Blaketown	Included in Greymouth	Grey River
Cobden	Included in Greymouth	Grey River
Dobson/Taylorville	Included in Greymouth	Grey River
Greymouth	3,129	Grey River
Iveagh Bay	29	Ground
Karoro	391	Tasman Sea
Moana	269	Arnold River
Runanga	539	7 Mile Creek
South Beach/Paroa	280	Tasman Sea
TOTAL	4,826	

Data source: Rates information – number of fully connected properties

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 Road, where it will be treated then pumped to Johnston Street for final treatment prior to discharge.

Council will attend to the following:

- 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+)
<p>Deferred renewals. The outcome from condition assessments carried out to date confirm we have a level of deferred renewals but they are not as significant as those in the water supply and stormwater activities. Council is planning to relook at the funding of these from year 10.</p>	1. Use information from condition assessments to carry out renewal works on a prioritisation basis within existing budgets in order to maintain levels of service and avoid potential critical failures.	✓	✓	✓
<p>Some parts of the original 1970's sewerage schemes are nearing the end of their useful life and need replacing.</p>	1. Utilise the information from the condition assessments to identify priority areas for renewals based on the importance of the infrastructure to consumers and other critical factors, eg effect on the environment if failure occurs.	✓	✓	✓
	2. Budget sufficient funds for timely replacement.	✓		
<p>Runanga/Dunollie network has failed earlier than expected and a major part of the network requires replacement.</p>	1. Council has already budgeted funds for these works.	✓		
	2. Works are ongoing.	✓		
<p>Council has adopted a Master Plan for the CBD Renewal Project. Experience with the first two stages is that it is crucially important to initially locate existing underground services in order to as much as possibly avoid delays and increased costs.</p> <ul style="list-style-type: none"> Proposed requirement for new infrastructure Other related underground infrastructure (power and communications) Where will the funding come from for these works? Funding for maintenance of new assets <p>Note: Building over our pressurised pipelines is not an option.</p>	1. Revise CBD Renewal designs to accommodate existing underground infrastructure.	✓		
	2. Provide funds to relocate or protect existing underground infrastructure.	✓	✓	✓
<p>Requests from the community for new schemes or from developers for schemes in specific locations.</p>	1. Council will remain receptive and support community initiatives when approached.	✓	✓	✓
	2. Council will continue to consult with developers to determine demand and capacity requirements.	✓	✓	✓
<p>Upgrades may be required to existing treatment plant(s) if they do not meet current or new (higher) standards.</p>	1. Upgrades to be investigated and invested in if/as required.	✓	✓	✓

Potential legislative changes that may lead to increasing levels of treatment before discharge to the environment.	1. Council will consider any changes when proposed.	✓	✓	✓
Damage to wastewater network components from natural hazards, eg earthquakes.	1. 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.	1. 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				
		Current Performance (2016/2017)	Year 1 (2018/2019)	Years 2 – 3 (2019/2020 & 2020/2021)	Years 4 – 10 (2021/2022 to 2027/2028)	Target Trend
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: 4,826	Total complaints: 53 Per 1,000 properties: 11	Total complaints: 50 Per 1,000 properties: 10	Total complaints: 50 Per 1,000 properties: 10	Total complaints: 50 Per 1,000 properties: 10	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: 4,826	Total overflows: 5 Per 1,000 properties: 1	Total overflows: 2 Per 1,000 properties: 0.4	Total overflows: 1.5 Per 1,000 properties: 0.3	Total overflows: 1 Per 1,000 properties: 0.2	↓
	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) (Where contaminated sites are discovered or identified through site investigations, response times will be longer if consents are required to remove and dispose of material)	<ul style="list-style-type: none"> • 45 minutes • 4.56 hours 	<ul style="list-style-type: none"> • 1 hour • 5 hours 	<ul style="list-style-type: none"> • 1 hour • 5 hours 	<ul style="list-style-type: none"> • 1 hour • 4 hours 	↓
	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 (2016/2017)	Year 1 (2018/2019)	Years 2 – 3 (2019/2020 & 2020/2021)	Years 4 – 10 (2021/2022 to 2027/2028)	
Treated waste water discharges are managed without adversely affecting the receiving environment	Number of abatement notices	0	2	2	2	No change
	Number of infringement notices	0	1	1	1	No change
	Number of enforcement orders	0	Nil	Nil	Nil	No change
	Number of successful prosecutions	0	Nil	Nil	Nil	No change
	Total for all enforcement actions	0	3	3	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.

Funding impact statement

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	2,414	2,468	2,521	2,561	2,568	2,603	2,682	2,726	2,720	2,762	2,808
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	108	110	112	114	117	119	122	125	128	131	134
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding [A]	2,522	2,578	2,633	2,675	2,685	2,722	2,804	2,851	2,848	2,893	2,942
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	960	1,029	1,051	1,075	1,100	1,125	1,152	1,180	1,210	1,240	1,273
Finance costs	770	756	738	719	698	677	654	629	604	576	547
Internal charges and overheads applied	207	226	231	236	241	247	252	258	265	271	278
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	1,937	2,011	2,019	2,030	2,040	2,049	2,058	2,068	2,078	2,088	2,098
Surplus (deficit) of operating funding [A - B]	585	567	614	645	645	673	746	783	770	805	844
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	14	15	15	15	16	16	16	17	17	18	18
Increase (decrease) in debt	(264)	(295)	(313)	(332)	(353)	(374)	(397)	(422)	(447)	(475)	(504)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	(250)	(280)	(298)	(317)	(337)	(358)	(381)	(405)	(430)	(457)	(486)
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
—to replace existing assets	275	287	496	508	308	315	545	558	340	348	358
Increase (decrease) in reserves	60	-	(180)	(180)	-	-	(180)	(180)	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	335	287	316	328	308	315	365	378	340	348	358
Surplus (deficit) of capital funding [C - D]	(585)	(567)	(614)	(645)	(645)	(673)	(746)	(783)	(770)	(805)	(844)
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.

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
INCOME											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates (including targeted rates for water supply)	2,414	2,468	2,521	2,561	2,568	2,603	2,682	2,726	2,720	2,762	2,808
Subsidies and grants (operating and capital)	-	-	-	-	-	-	-	-	-	-	-
User charges and regulatory income (consent fees, infringements etc...)	108	110	112	114	117	119	122	125	128	131	134
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Other income	28	29	29	30	31	31	32	33	33	35	35
Total income	2,550	2,607	2,662	2,705	2,716	2,753	2,836	2,884	2,881	2,928	2,977
EXPENDITURE											
Staff costs	-	-	-	-	-	-	-	-	-	-	-
Operating & maintenance costs	960	1,029	1,051	1,075	1,100	1,125	1,152	1,180	1,210	1,240	1,273
Finance costs	770	756	738	719	698	677	654	629	604	576	547
Internal charges and overheads applied	207	226	231	236	241	247	252	258	265	271	278
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	984	1,052	1,052	1,109	1,109	1,109	1,190	1,190	1,190	1,282	1,282
Total expenditure	2,921	3,063	3,071	3,139	3,149	3,157	3,249	3,258	3,269	3,370	3,380
Surplus (deficit) of activities	(371)	(456)	(409)	(434)	(433)	(404)	(413)	(374)	(388)	(442)	(403)

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

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Annual Plan	LTP Year 1	LTP Year 2	LTP Year 3	LTP Year 4	LTP Year 5	LTP Year 6	LTP Year 7	LTP Year 8	LTP Year 9	LTP Year 10
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
CAPITAL EXPENDITURE - TO IMPROVE THE LEVEL OF SERVICE											
Miscellaneous new capital	-	-	-	-	-	-	-	-	-	-	-

Significant renewal projects

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Annual Plan	LTP Year 1	LTP Year 2	LTP Year 3	LTP Year 4	LTP Year 5	LTP Year 6	LTP Year 7	LTP Year 8	LTP Year 9	LTP Year 10
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
CAPITAL EXPENDITURE - TO REPLACE EXISTING ASSETS											
Renewals of the wastewater network - Runanga/Dunollie		65	269	275	70	72	296	303	77	79	82
General renewals of the wastewater network	275	222	227	233	238	243	249	255	263	269	276
	275	287	496	508	308	315	545	558	340	348	358

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 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

Also refer to PART D: Infrastructure Strategy for more information on this activity.

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, Taylorville, Dobson and Stillwater)
- Runanga/Dunollie/Rapahoe
- Blackball

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.

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 three water supply networks operated and maintained by Council require approximately 204.9km of pipes, 15 reservoirs, and 15 pump stations to deliver over 2.6 billion litres of water per year.

There are 4,686 households and businesses connected to a Council scheme. Twelve percent of the District's population provide their own water supply.

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

	Greymouth	Blackball	Runanga/Rapahoe
Number of connections	3,867	189	630
Bacterial compliance – treatment plant	Yes	Yes	Yes
Protoza compliance – treatment plant	Yes except Dobson & Taylorville	58%	No
Bacterial compliance – reticulation zone	Greymouth – yes Cobden – yes	Yes	Runanga – yes Rapahoe – yes
Protoza compliance – reticulation zone	Greymouth – no Cobden – yes	Yes	Runanga – yes Rapahoe – yes

The above information is for the period 1 July 2016 to 30 June 2017 is published by the South Island Drinking Water Assessment Unit.

All schemes for the compliance period met requirements for bacterial protection. While compliant, the Runanga Scheme was the highest risk as there is no disinfection systems in place.

Greymouth and Stillwater (connected to the Greymouth Scheme) were compliant for protozoa protection. Dobson-Taylorville, at the time, had no protozoa protection but is now connected to the Greymouth scheme. Runanga is not protected. Blackball is protected, however for five months of the year the level of protection was not sufficient. This was caused by a turbidity issue in the raw water bladders which is to be fixed.

Runanga distribution zone was not compliant for bacteria as there is not disinfection system currently for this supply.

An intermittent chemical non-compliance is occurring in the Greymouth Scheme. This is caused by a build-up of disinfection by-products in the distribution zone, which is happening because of high concentrations of natural organic matter in the source water. Levels fluctuate and non-compliance is intermittent. At this stage the advice is to monitor the situation to learn more about the issue in order to determine appropriate solutions. The situation may be aggravated by older-internally rougher pipes retaining build up on the inside of the pipes.

Providing good quality water supply to our community 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>Deferred renewals. The outcome from condition assessments carried out to date confirm we have deferred renewals which need to be addressed in order to maintain levels of service and avoid potential critical failures. Implications include:</p> <ul style="list-style-type: none"> High leakage rates, made worse by high pressures in some areas. Build-up of disinfection by-products, interfering with compliance rates. This is caused by high concentrations of natural organic matter in the source water. Levels fluctuate and non-compliance is intermittent. The situation may be aggravated by older-internally rougher pipes retaining buildup on the inside of the pipes. Old pipes are generally more rigid/brittle, which means in a seismic effect they are more likely to fail. 	1. Increase funding levels, i.e. from rates, transfer funds between activities.	✓	✓	✓
	2. Carry out upgrade works based on priorities established from condition assessments.	✓	✓	✓
	3. Investigate advantages and disadvantages of water metering for all consumers (will reduce demand).	✓	✓	✓
	4. Pressure reduction to extend the life of assets where feasible and acceptable to consumers.	✓	✓	✓
	5. Investigate Club Scheme for renewals as well as maintenance and operations (<i>A Club Scheme is a funding arrangement whereby larger communities assist smaller communities</i>).	✓	✓	✓
	6. Improve efficiencies.	✓	✓	✓
	7. Utilise more cost effective materials, operations and construction methods.	✓	✓	✓
	8. Defer renewals.	✓	✓	✓
<p>The Greymouth water reservoir at Omoto is past its useful life and presently located on land which has been identified as a high seismic hazard.</p>	1. Relocate reservoir to area not known to be high seismic hazard zones.	✓		
	2. Look at replacing the existing reservoir with a number of smaller reservoirs in various locations around the District.	✓	✓	✓
<p>Our current water supply storage for Greymouth is 10-12 hours storage, which is below the national standard for fire safety of 24 hours. Current demand is 1,800 litres per service connection per day*, which is significantly higher than normal residential standards of around 640 litres per service connection per day. <i>(* Mean demand taking into account non-residential usage and leakage taken from figures for period July 2016 to June 2017. Leakage has been estimated to be a significant proportion of current demand)</i></p>	1. Based on current demand, replace and double the current storage capacity from 3,400 cubic metres to 6,800 cubic metres.	✓		
	2. Current demand is higher than normal standards of and indicates a high level leakage in pipe systems - identify and fix leaks to reduce required reservoir storage capacity.	✓		
	3. Educate consumers on water conservation.	✓	✓	✓
	4. Provide information to encourage property owners to provide supplementary storage.	✓	✓	✓
	5. Accept risk of not providing adequate storage.	✓	✓	✓

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.	1. 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 2017/2018. This project is on track to be completed, or near completion, by 30 June 2018.	✓		
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.	1. Council is working with the developer and Ministry of Health (a significant subsidy is provisionally approved) – this project is subject to final consultation with the Kaiata community, which will be carried out separately.	✓		
Damage to water supply network components from natural hazards, eg earthquakes. This includes the existing Greymouth Reservoir which is sited on land identified as a high seismic risk.	1. Improve the resilience of schemes as budgets allow, eg:	✓	✓	✓
	o Completion of the provision of main reservoir pipeline burst valves to stop reservoirs draining water if pipelines are broken during earthquake	✓	✓	✓
	o Use flexible pipelines in replacements	✓	✓	✓
	o Bolt down all equipment and pumps	✓	✓	✓
	o Undertake longer term assessments on buildings and structures as reservoirs	✓		
	o Replace Greymouth Reservoir in new locations (also refer above)	✓		
Upgrades may be required to existing treatment plant(s) if they do not meet current or new (higher) standards.	1. Upgrades to be investigated if required. Note: No funding has currently be allowed in the budgets for any future changes.	✓	✓	✓
Requests from the community for new schemes or from developers for schemes in specific locations.	1. Council will remain receptive and support community initiatives when approached.	✓	✓	✓
	2. 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.	1. Council will continue to maintain its water supply network to the best of its ability	✓	✓	✓
	1. Revise CBD Renewal designs to accommodate existing underground infrastructure.	✓		

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
<p>Council has adopted a Master Plan for the CBD Renewal Project. Experience with the first two stages is that it is crucially important to initially locate existing underground services in order to as much as possibly avoid delays and increased costs.</p> <ul style="list-style-type: none"> Proposed requirement for new infrastructure Other related underground infrastructure (power and communications) Where will the funding come from for these works? Funding for maintenance of new assets <p>Note: Building over our pressurised pipelines is not an option.</p>	<p>2. Provide funds to relocate or protect existing underground infrastructure.</p>	<p>✓</p>	<p>✓</p>	

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

Water standards

By the time of adoption of this LTP, all Council managed and maintained supplies will have been constructed to meet the New Zealand Drinking Water Standards. 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 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.

Options for community consultation

The following options formed part of Council's consultation with the community on the Draft Plan. Council's preferred option (shaded red) was adopted by Council and has been included in the Final Plan and budgets.

ISSUE	OPTION	IMPLICATIONS	COST
<p>Deferred renewals As part of the last LTP, we arranged to carry out condition assessments for our water supply networks. They are almost finished and preliminary results have confirmed what we already thought - that we do have a backlog of deferred renewals which will need to be addressed. Some of the water breaks we have experienced lately have been the result of brittle pipes.</p> <p>Greymouth water reservoir The Greymouth water reservoir at Omoto, having been constructed in 1904, is now over 100 years old and past its useful life. As well as requiring renewal, it is currently located on land which has been identified as a high seismic hazard. In the event of a major earthquake, it would be very likely that the reservoir would be damaged and Greymouth would lose their water supply. Council has a long term goal of replacing the one reservoir with three smaller reservoirs in different locations around the District.</p>	<p>1</p> <p>Stick with the status quo. Council is already funding renewals at a minimum rate. Do not replace the Greymouth reservoir.</p>	<ul style="list-style-type: none"> The current rate of funding means the backlog of renewals/replacements will continue to grow. Eventually we will need to find large sums of money for urgent replacements. Loss of water supply in event of an earthquake as the Greymouth water reservoir is currently located on land identified as a seismic hazard risk. Council and the community would have to be happy to carry the associated risks. Risk of critical asset failure of stormwater infrastructure if not properly maintained and replaced as necessary, which could decrease levels of service. Increased cost maintaining assets already in poor condition. 	<p>No impact on rates or debt, barring costly emergency works.</p>
	<p>2</p> <p>Increase funding by \$40,000 per annum, year on year (ie cumulative increases), towards starting to address the deferred renewals programme, on a prioritisation basis. Build one new water reservoir in year one, to be located on land not classed as a seismic hazard. <i>(Council's preferred option)</i></p>	<ul style="list-style-type: none"> We would be caught up with the backlog around year 14 (2032). At this rate we are only starting to address the issues and it will take time to remedy. There will still be some risk associated with this option. 	<p>Deferred renewals</p> <ul style="list-style-type: none"> \$40,000 equates to 0.25% rates increase in 2018/2019. <p>Greymouth water reservoir</p> <ul style="list-style-type: none"> Approximate cost for one new reservoir is \$540,000. Council proposes to fund \$140,000 from existing reserves and borrow \$400,000 (to be repaid by rates, 2018/2019 - 0.26% rates increase).

ISSUE	OPTION	IMPLICATIONS	COST
	<p>3 Increase funding by \$60,000 per annum, year on year, towards starting to address the deferred renewals programme, on a prioritisation basis.</p> <p>Build one new water reservoir in year one, to be located on land not classed as a seismic hazard, and a further two reservoirs in years 3 and 5.</p>	<ul style="list-style-type: none"> We would be caught up with the backlog around year ten (2028), this addressing the issues quicker than Option 2. There will still be some risk associated with this option. 	<p>Deferred renewals</p> <ul style="list-style-type: none"> \$60,000 equates to 0.4% rates increase in 2018/2019. <p>Greymouth water reservoir</p> <ul style="list-style-type: none"> Approximate cost for one new reservoir is \$540,000. Council proposes to fund \$140,000 from existing reserves and borrow \$400,000 (to be repaid by rates, 2018/2019 - 0.26% rates increase). Additional two reservoirs in years 3 and 5 will mean a further increase in rates of \$100,000 per annum (equivalent to a 0.6% rates increase in year one).

4.6 How we'll measure our performance

What we're measuring	How we'll measure	Target				
		Current Performance (2016/2017)	Year 1 (2018/2019)	Years 2 – 3 (2019/2020 & 2020/2021)	Years 4 – 10 (2021/2022 to 2027/2028)	Target Trend
Customer satisfaction	% of residents are satisfied with the appearance and taste of water	83%	80%	80%	85%	↑
	% of residents are satisfied with the pressure and flow of water	94%	80%	75%	75%	↓
	% of residents are satisfied with overall water supply service	73%	70%	70%	70%	No change
	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: 4,686	Total complaints: 102 Per 1,000 properties: 21.8	Total complaints: 147 Per 1,000 properties: 31.4	Total complaints: 133 Per 1,000 properties: 28.3	Total complaints: 123 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 (now includes Taylorville/Dobson/Stillwater) • Blackball • Runanga/Rapahoe 	<ul style="list-style-type: none"> • 2 • 5 • 2 	<ul style="list-style-type: none"> • Nil • Nil • 5 	<ul style="list-style-type: none"> • Nil • Nil • 1 	<ul style="list-style-type: none"> • Nil • Nil • 1 	↓
	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 (now includes Taylorville/Dobson/Stillwater) • Blackball • Runanga/Rapahoe * For the Blackball and Runanga/Rapahoe schemes, the water loss is determined by measuring water output from the reservoirs at night time (early hours of the morning) on the assumption that actual use is minimal and therefore water output is equivalent to the water loss. Methodology on how to measure water loss for the Greymouth scheme is still being developed as the before mentioned method is not appropriate due to size of the scheme and commercial/industrial use of water overnight.	Not measured	<ul style="list-style-type: none"> • 25% • 5% • 15% 	<ul style="list-style-type: none"> • 20% • 5% • 15% 	<ul style="list-style-type: none"> • 15% • 5% • 12% 	↓

What we're measuring	How we'll measure	Target																								
		Current Performance (2016/2017)	Year 1 (2018/2019)	Years 2 – 3 (2019/2020 & 2020/2021)	Years 4 – 10 (2021/2022 to 2027/2028)	Target Trend																				
	Drinking water supply compliance with following sections of the drinking water standards:																									
	Part 4 – bacteria ⁶ compliance criteria - <ul style="list-style-type: none"> • Greymouth (now includes Taylorville/Dobson/Stillwater) • Runanga/Rapahoe • Blackball 	<ul style="list-style-type: none"> • Achieved • Not Achieved • Not Achieved 	<ul style="list-style-type: none"> • Achieved • Achieved • Achieved 	<ul style="list-style-type: none"> • Achieved • Achieved • Achieved 	<ul style="list-style-type: none"> • Achieved • Achieved • Achieved 	No change																				
	Part 5 – protozoal compliance criteria - <ul style="list-style-type: none"> • Greymouth (now includes Taylorville/Dobson/Stillwater) • Runanga/Rapahoe • Blackball 	<ul style="list-style-type: none"> • Achieved • Not Achieved • Not Achieved 	<ul style="list-style-type: none"> • Achieved • Not Achieved • Achieved 	<ul style="list-style-type: none"> • Achieved • Achieved • Achieved 	<ul style="list-style-type: none"> • Achieved • Achieved • Achieved 	↑																				
Average consumption of drinking water per day per resident	<p>Figures below are from July 2016 to June 2017</p> <p>Breakdown –</p> <table border="1"> <thead> <tr> <th>Scheme</th> <th>Litres supplied per year</th> <th>Population serviced</th> <th>Consumption</th> </tr> </thead> <tbody> <tr> <td>Greymouth (includes Dobson/Taylorville/Stillwater)</td> <td>2,351,500,000</td> <td>9,717</td> <td>663</td> </tr> <tr> <td>Runanga/Rapahoe</td> <td>238,162,000</td> <td>1,519</td> <td>429</td> </tr> <tr> <td>Blackball</td> <td>51,826,000</td> <td>468</td> <td>303</td> </tr> <tr> <td>Totals</td> <td>2,641,488,000</td> <td>11,704</td> <td>618</td> </tr> </tbody> </table> <p><i>Supply and consumption includes industrial/commercial use</i> <i>Normal resident population ex 2013 Census</i> <i>Consumption expressed as litres per person per day.</i></p>	Scheme	Litres supplied per year	Population serviced	Consumption	Greymouth (includes Dobson/Taylorville/Stillwater)	2,351,500,000	9,717	663	Runanga/Rapahoe	238,162,000	1,519	429	Blackball	51,826,000	468	303	Totals	2,641,488,000	11,704	618	618 litres per person per day	< 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	Consumption																							
Greymouth (includes Dobson/Taylorville/Stillwater)	2,351,500,000	9,717	663																							
Runanga/Rapahoe	238,162,000	1,519	429																							
Blackball	51,826,000	468	303																							
Totals	2,641,488,000	11,704	618																							

⁶ Bacteria (eg E.Coli) and protozoa (eg 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 (2016/2017)	Year 1 (2018/2019)	Years 2 – 3 (2019/2020 & 2020/2021)	Years 4 – 10 (2021/2022 to 2027/2028)	Target Trend
Our response times to reported faults	Median response times to faults or unplanned interruptions: <i>(Where contaminated sites are discovered or identified through site investigations response times will be longer if consents are required to remove and dispose of material)</i>					
	• Attendance time for urgent call-outs (from notification)	45 minutes	1 hour	1 hour	1 hour	No change
	• Resolution time for urgent call-outs (from notification)	5.46 hours	5 hours	5 hours	4 hours	↓
	• Attendance time for non-urgent call-out	1.22 days	1.5 working days	1.5 working days	1 working day	↓
	• Resolution time for non-urgent call-outs	4.56 days	5 working days	5 working days	5 working days	No change
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)

Funding impact statement

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	2,206	2,323	2,405	2,493	2,582	2,674	2,771	2,874	2,930	3,043	3,163
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]	2,206	2,323	2,405	2,493	2,582	2,674	2,771	2,874	2,930	3,043	3,163
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	1,095	1,059	1,082	1,108	1,134	1,160	1,187	1,217	1,247	1,279	1,314
Finance costs	336	364	355	346	336	326	315	303	292	282	271
Internal charges and overheads applied	136	155	159	162	166	169	173	178	182	187	191
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	1,567	1,578	1,596	1,616	1,635	1,655	1,675	1,697	1,721	1,748	1,776
Surplus (deficit) of operating funding [A - B]	639	745	809	877	947	1,019	1,096	1,177	1,209	1,295	1,387
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(130)	364	(151)	(160)	(170)	(180)	(191)	(203)	(162)	(172)	(183)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	(130)	364	(151)	(160)	(170)	(180)	(191)	(203)	(162)	(172)	(183)
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	4	4	4	4	4	5	5	5	5	5	5
—to replace existing assets	529	1,131	636	695	755	817	883	952	1,025	1,101	1,181
Increase (decrease) in reserves	(24)	(26)	17	17	17	17	17	17	17	17	17
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	509	1,109	658	717	777	839	905	974	1,047	1,123	1,204
Surplus (deficit) of capital funding [C - D]	(639)	(745)	(809)	(877)	(947)	(1,019)	(1,096)	(1,177)	(1,209)	(1,295)	(1,387)
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.

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
INCOME											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates (including targeted rates for water supply)	2,206	2,323	2,405	2,493	2,582	2,674	2,771	2,874	2,930	3,043	3,163
Subsidies and grants (operating and capital)	-	-	-	-	-	-	-	-	-	-	-
User charges and regulatory income (consent fees, infringements etc...)	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Other income	14	14	15	15	15	16	16	16	17	17	17
Total income	2,220	2,337	2,420	2,508	2,597	2,690	2,787	2,890	2,947	3,060	3,180
EXPENDITURE											
Staff costs	-	-	-	-	-	-	-	-	-	-	-
Operating & maintenance costs	1,095	1,059	1,082	1,108	1,134	1,160	1,187	1,217	1,247	1,279	1,314
Finance costs	336	364	355	346	336	326	315	303	292	282	271
Internal charges and overheads applied	136	155	159	162	166	169	173	178	182	187	191
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	610	549	549	578	578	578	621	621	621	669	669
Total expenditure	2,177	2,127	2,145	2,195	2,214	2,233	2,296	2,318	2,342	2,416	2,445
Surplus (deficit) of activities	43	210	275	313	383	457	491	572	605	644	736

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.

There may an increase in the level of service if the new Kaiata Water Supply project proceeds.

4.9 Significant expenditure

Significant capital expenditure

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO IMPROVE THE LEVEL OF SERVICE											
Miscellaneous new capital	4	4	4	4	4	5	5	5	5	5	5
	4	4	4	4	4	5	5	5	5	5	5

Significant renewal projects

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO REPLACE EXISTING ASSETS											
Replacement reservoir - Greymouth supply	-	550	-	-	-	-	-	-	-	-	-
General renewals of the water supply network	529	581	636	695	755	817	883	952	1,025	1,101	1,181
	529	1,131	636	695	755	817	883	952	1,025	1,101	1,181

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 on 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.
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 2018, assuming predicted levels of reducing volumes through recycling are reached.
 - A new cell is being constructed in 2018 to provide 6-7 years’ capacity.
 - Consideration of transferring waste to a Waste to Energy Plant near Westport in 6-7 years’ time.
 - 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 provide the following services:

- 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.
- Education on waste minimisation, including support of the EnviroSchools programme.

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+)
Council is building another cell at McLeans Landfill in 2018 (cell 3A), which will last for 6-7 years. In 6-7 years' time, Council will need to provide a new cell at McLeans Landfill in 6-7 years' time or transfer waste to a Waste to Energy Plant near Westport.	1. Create a new cell (Cell 3B) at the landfill – Council has budgeted for a new cell to be built in year 7. Existing resource consents expire in 2032 and will need to be renewed prior to then.	✓		
	2. Close McLeans Landfill once the cell 3A is full and truck refuse out of the District.	✓		
The increased need for waste minimisation.	1. Community and industry education.	✓	✓	✓
	2. Implementation and management of waste recycling initiatives.	✓	✓	✓
	3. Investigate options for extending the current kerbside recycling collection service to other areas of the District (note: Council has decided not to proceed with any extension to the service in 2018/2019).	✓		
Financial impact of Emissions Trading Scheme (ETS).	1. 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.	1. 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 – at present builders seem to be finding their own solutions.	✓	✓	
	2. 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

The following options formed part of Council’s consultation with the community on the Draft Plan. Council did not have a preferred option and instead asked for feedback. It is noted that Council have decided not to extend the kerbside recycling collection service at this time.

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.
	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 which has been built. 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 \$100 per annum 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 (2016/2017)	Year 1 (2018/2019)	Years 2 – 3 (2019/2020 & 2020/2021)	Years 4 – 10 (2021/2022 to 2027/2028)	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	75%	75%	75%	75%	No change
	% of residents are satisfied with overall service	86%	90%	92%	92%	↑
	% of waste collected is recycled ⁷	13%	15%	20%	20%	↑
	% of residents are satisfied that waste and recyclables are collected on time (where services are provided)	91%	90%	90%	90%	No change

⁷ Where Council provides a recycling service.

What we're measuring	How we'll measure	Target				
		Current Performance (2016/2017)	Year 1 (2018/2019)	Years 2 – 3 (2019/2020 & 2020/2021)	Years 4 – 10 (2021/2022 to 2027/2028)	Target Trend
Facilities and services are managed without adversely affecting the receiving environment	% capacity remaining in landfill cell (100% - annual volume of waste to landfill divided by actual built capacity) <i>NOTE: Construction of Cell 3 was deferred until November 2017. Council has now resolved to proceed to construct a cell with an estimated life of seven years. Construction of the cell is due to commence early 2018.</i>	N/A	95%	Year 2 – 80.5% Year 3 – 63%	Year 4 – 48% Year 5 – 31% Year 6 – 15.85% Year 7 – 0%	↓
	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.

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

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	251	225	220	215	210	205	199	193	281	275	268
Targeted rates	1,297	1,374	1,401	1,432	1,465	1,496	1,531	1,566	1,604	1,644	1,686
Subsidies and grants for operating purposes	46	46	47	49	50	51	52	53	55	56	58
Fees and charges	732	570	581	594	608	620	635	650	665	682	699
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding [A]	2,326	2,215	2,249	2,290	2,333	2,372	2,417	2,462	2,605	2,657	2,711
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	1,637	1,603	1,634	1,671	1,710	1,745	1,786	1,826	1,871	1,918	1,967
Finance costs	306	152	134	115	96	75	52	29	173	152	129
Internal charges and overheads applied	121	107	110	112	115	117	120	123	126	129	133
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	2,064	1,862	1,878	1,898	1,920	1,937	1,958	1,978	2,170	2,200	2,229
Surplus (deficit) of operating funding [A - B]	262	353	371	392	413	435	459	484	435	457	482
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(225)	(287)	(304)	(323)	(343)	(364)	(386)	(410)	2,327	(380)	(403)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	(225)	(287)	(304)	(323)	(343)	(364)	(386)	(410)	2,327	(380)	(403)
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	27	28	28	29	29	30	31	32	32	33	34
—to replace existing assets	-	29	29	30	30	31	32	33	2,719	34	35
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]	37	66	67	69	70	71	73	74	2,762	77	79
Surplus (deficit) of capital funding [C - D]	(262)	(353)	(371)	(392)	(413)	(435)	(459)	(484)	(435)	(457)	(482)
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.

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
INCOME											
General rates, uniform annual general charges, rates penalties	251	225	220	215	210	205	199	193	281	275	268
Targeted rates (including targeted rates for water supply)	1,297	1,374	1,401	1,432	1,465	1,496	1,531	1,566	1,604	1,644	1,686
Subsidies and grants (operating and capital)	46	46	47	49	50	51	52	53	55	56	58
User charges and regulatory income (consent fees, infringements etc...)	732	570	581	594	608	620	635	650	665	682	699
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-
Total income	2,326	2,215	2,249	2,290	2,333	2,372	2,417	2,462	2,605	2,657	2,711
EXPENDITURE											
Staff costs	-	-	-	-	-	-	-	-	-	-	-
Operating & maintenance costs	1,637	1,603	1,634	1,671	1,710	1,745	1,786	1,826	1,871	1,918	1,967
Finance costs	306	152	134	115	96	75	52	29	173	152	129
Internal charges and overheads applied	121	107	110	112	115	117	120	123	126	129	133
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	293	159	159	159	159	159	159	159	159	159	159
Total expenditure	2,357	2,021	2,037	2,058	2,079	2,096	2,118	2,137	2,330	2,359	2,388
Surplus (deficit) of activities	(31)	194	212	232	254	276	299	325	275	298	323

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

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 cycles 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

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO IMPROVE THE LEVEL OF SERVICE											
Miscellaneous new capital	27	28	28	29	29	30	31	32	32	33	34
	27	28	28	29	29	30	31	32	32	33	34

Significant renewal projects

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO REPLACE EXISTING ASSETS											
New landfill cell design and construction	-	-	-	-	-	-	-	-	2,686	-	-
General renewals	-	29	29	30	30	31	32	33	33	34	35
	-	29	29	30	30	31	32	33	2,719	34	35

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.

Note: With regards to rural fires (management of and participation in the West Coast Rural Fire Authority (WCRFA)) and controlling permitted fires, Council responsibility for this function ceases from 1 July 2017 and, notwithstanding a transitional role, is no longer involved in this activity. This activity is now handled by Fire and Emergency New Zealand (FENZ).

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

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.

6.5 Key issues facing the activity

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.	1. Maintain community and operational preparedness.	✓	✓	✓
	2. Ensure buildings identified for use during emergencies are structurally and otherwise capable of withstanding emergencies.	✓	✓	✓
Community apathy during periods of low emergency risk.	1. Continuing community education	✓	✓	✓

6.6 How we'll measure our performance

What we're measuring	How we'll measure	Target				
		Current Performance (2016/2017)	Year 1 (2018/2019)	Years 2 – 3 (2019/2020 & 2020/2021)	Years 4 – 10 (2021/2022 to 2027/2028)	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	1	2	2	2	No change
	Minimum % of personnel trained in the operations of an emergency operations centre (EOC) <i>(Note: measure changed from trained to CIMS 4 standard to EOC operations – 2016/2017: 66%)</i>	New measure	70%	80%	85%	↑
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 Civil Defence messages <i>(Note: measure changed from "be better prepared" to Civil Defence messages)</i>	53%	80%	90%	95%	↑
	Relevant details are posted on Council's website, including Civil Defence notifications, preparedness reminders etc	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

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	127	92	93	95	96	98	100	102	104	106	108
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]	127	92	93	95	96	98	100	102	104	106	108
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	47	12	12	12	11	12	13	13	13	13	14
Finance costs	15	15	14	14	14	13	13	13	12	12	11
Internal charges and overheads applied	61	61	62	64	65	66	68	69	71	73	75
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	123	87	88	90	90	92	94	95	97	98	100
Surplus (deficit) of operating funding [A - B]	4	5	5	5	6	6	6	7	7	8	8
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(4)	(5)	(5)	(5)	(6)	(6)	(6)	(7)	(7)	(8)	(8)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	(4)	(5)	(5)	(5)	(6)	(6)	(6)	(7)	(7)	(8)	(8)
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
—to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	-	-	-	-	-	-	-	-	-	-	-
Surplus (deficit) of capital funding [C - D]	(4)	(5)	(5)	(5)	(6)	(6)	(6)	(7)	(7)	(8)	(8)
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.

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
INCOME											
General rates, uniform annual general charges, rates penalties	127	92	93	95	96	98	100	102	104	106	108
Targeted rates (including targeted rates for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants (operating and capital)	-	-	-	-	-	-	-	-	-	-	-
User charges and regulatory income (consent fees, infringements etc...)	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-
Total income	127	92	93	95	96	98	100	102	104	106	108
EXPENDITURE											
Staff costs	30	-	-	-	-	-	-	-	-	-	-
Operating & maintenance costs	17	12	12	12	11	12	13	13	13	13	14
Finance costs	15	15	14	14	14	13	13	13	12	12	11
Internal charges and overheads applied	61	61	62	64	65	66	68	69	71	73	75
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	5	5	5	5	5	5	5	5	5	5	5
Total expenditure	128	92	93	95	95	97	99	100	102	103	105
Surplus (deficit) of activities	(1)	0	0	0	1	1	1	2	2	3	3

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.

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

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO IMPROVE THE LEVEL OF SERVICE											
Miscellaneous new capital	-	-	-	-	-	-	-	-	-	-	-

Significant renewal projects

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO REPLACE EXISTING ASSETS											
General renewals	-	-	-	-	-	-	-	-	-	-	-

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

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 (BCA)** Council carries out the following tasks:

- Processes building consent applications
- Grants and issues building consents
- Undertakes building inspections
- Issues Notices to Fix
- Issues Code Compliance Certificates
- 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 (TA)** Council carries out the following tasks:

- Performs functions relating to our Dangerous, Earthquake Prone and Insanitary Buildings Policy
- Administration and audit of building warrants of fitness (BWOFF)
- Investigation of building work related complaints where consents have not been applied for or issued
- Issues project information memorandum (PIM)
- Issues building consent discretionary exemptions under Schedule 1(2)
- Processes and Issues Certificates of Acceptance (CoA)
- 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+)
<p>The District Plan is past its ten year review. The District Plan is meant to be reviewed every ten years and we are well overdue for this to be done, with the last review taking place in 2005. As part of the Local Government Commission (LGC) review, the LGC has made an interim decision that the West Coast should have a joint District Plan which covers all three districts and will provide consistent rules across the West Coast region. They will be carrying out further public consultation on this matter and a final decision is yet to be made. Council will look to alleviate any issues faced in the current plan that are now irrelevant or not suited to the current environment.</p>	1. The review will begin in 2018.	✓		
<p>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. <i>Note: This may change with a joint West Coast District Plan.</i></p>	1. Council will actively monitor the situation.	✓		
New or changing legislation and policies from central government continually shape many of the functions within the Environmental Services activities.	1. Make changes to policies, the District Plan and bylaws as required.	✓	✓	✓
	2. Assess levels of service as required.	✓	✓	✓
<p>The requirement for commercial and public buildings throughout the District to comply with existing and any new legislation arising from the Canterbury earthquakes.</p>	1. Council is actively monitoring the situation.	✓		
	2. Make changes to policies and bylaws as required to comply with new legislation on earthquake prone buildings.			
Amenity management issues.	1. Council needs to have appropriate regulations and procedures in place	✓		
<p>The requirement for specialist skills in areas such as planning, building and compliance to competently fulfill the tasks of this group of activities.</p>	1. Council needs to adequately manage its retention and recruitment of technical staff.	✓	✓	✓
<p>Climate change may require greater compliance activities for the Building Consenting Authority.</p>	1. Council will monitor the situation and response to necessary changes as required.	✓	✓	✓

7.6 How we'll measure our performance

What we're measuring	How we'll measure	Target				
		Current Performance (2016/2017)	Year 1 (2018/2019)	Years 2 – 3 (2019/2020 – 2020/2021)	Years 4 – 10 (2021/2022 to 2027/2028)	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	95%	100%	100%	100%	No change
	% of non-notified land use consents processed within 20 working days	50%	100%	100%	100%	No change
	% of building consent applications issued with statutory time limits	98.5%	100%	100%	100%	No change
	% of Code of Compliance Certificates issued with statutory time limits	99.5%	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	Maintained	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	84%	90%	90%	90%	No change
	Time taken to respond to food premises complaints	New measure	5 days	5 days	5 days	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 complaints responded to within two hours	100%	95%	95%	95%	No change
	% of after-hours 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
Our District Plan is effective in developing and maintaining	% of land use consents issued since 2005 are monitored for compliance with conditions	As required	25%	50%	50%	↑

What we're measuring	How we'll measure	Target				Target Trend
		Current Performance (2016/2017)	Year 1 (2018/2019)	Years 2 – 3 (2019/2020 – 2020/2021)	Years 4 – 10 (2021/2022 to 2027/2028)	
sustainable development and a satisfactory environment	% of residents satisfied with Council's regulation of land use throughout the District	57%	60%	60%	60%	No change
<i>Iwi</i> are consulted on all new policies, bylaws, District Plan changes and notified resource consents	New policies, bylaws, DP changes and notified resource consents have involved <i>Iwi</i> consultation as required	As required	Achieved	Achieved	Achieved	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

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	862	975	994	1,019	1,036	1,058	1,081	1,105	1,135	1,158	1,185
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	1,001	1,038	1,059	1,082	1,107	1,130	1,157	1,183	1,212	1,242	1,274
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	123	126	129	131	134	137	141	144	147	151	155
Total operating funding [A]	1,986	2,139	2,182	2,232	2,277	2,325	2,379	2,432	2,494	2,551	2,614
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	374	417	426	435	445	454	466	475	487	499	513
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	1,642	1,703	1,736	1,779	1,814	1,853	1,896	1,939	1,991	2,036	2,086
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	2,016	2,119	2,162	2,213	2,259	2,307	2,362	2,415	2,478	2,536	2,599
Surplus (deficit) of operating funding [A - B]	(30)	20	20	19	18	18	17	17	16	15	15
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	25	26	26	27	28	28	29	29	30	31	32
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	25	26	26	27	28	28	29	29	30	31	32
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	15	15	15	15	15	15	15	15	15	15	15
—to replace existing assets	4	4	4	4	4	5	5	5	5	5	5
Increase (decrease) in reserves	(24)	26	26	26	26	26	26	26	26	26	26
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	(5)	46	46	46	46	46	46	46	46	46	47
Surplus (deficit) of capital funding [C - D]	30	(20)	(20)	(19)	(18)	(18)	(17)	(17)	(16)	(15)	(15)
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.

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
INCOME											
General rates, uniform annual general charges, rates penalties	862	975	994	1,019	1,036	1,058	1,081	1,105	1,135	1,158	1,185
Targeted rates (including targeted rates for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants (operating and capital)	-	-	-	-	-	-	-	-	-	-	-
User charges and regulatory income (consent fees, infringements etc...)	1,001	1,038	1,059	1,082	1,107	1,130	1,157	1,183	1,212	1,242	1,274
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Other income	148	152	155	158	162	165	170	173	177	182	187
Total income	2,011	2,165	2,208	2,259	2,305	2,353	2,408	2,461	2,524	2,582	2,646
EXPENDITURE											
Staff costs	20	21	21	22	22	22	23	24	24	25	25
Operating & maintenance costs	354	396	405	413	423	432	443	451	463	474	488
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	1,642	1,703	1,736	1,779	1,814	1,853	1,896	1,939	1,991	2,036	2,086
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	2	3	3	3	3	3	3	3	3	3	3
Total expenditure	2,018	2,122	2,165	2,216	2,262	2,310	2,365	2,418	2,481	2,539	2,603
Surplus (deficit) of activities	(7)	43	43	43	43	43	43	43	43	43	43

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

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO IMPROVE THE LEVEL OF SERVICE											
Miscellaneous new capital	15	15	15	15	15	15	15	15	15	15	15
	15	15	15	15	15	15	15	15	15	15	15

Significant renewal projects

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO REPLACE EXISTING ASSETS											
Vehicle replacements	-	-	-	-	-	-	-	-	-	-	-
General renewals	4	4	4	4	4	5	5	5	5	5	5
	4	4	4	4	4	5	5	5	5	5	5

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 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.

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.
- Management of the land portfolio in the form of land leases and rights to occupy.

Parking

- The provision of parking.
- 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 for small vessels, allowing for limited, non-polluting activities.
- 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.	1. Council will maintain the aerodrome to the best of its ability within existing budgets in consultation with the community.	✓	✓	✓
	2. Council will promote the use of the aerodrome to different user groups.	✓	✓	✓
	3. Utilise accurate recording systems to efficiently fees from aerodrome users.	✓	✓	✓
	4. Reseal of the runway is planned in years 11-30.		✓	
Promotion of the aerodrome as a viable air passenger transport option and/or tourism air charter flights.	1. 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.	1. 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 \$40,000 per annum), the annual shortfall remains substantial and the Port debt level continues to increase. The current Port debt is \$1.9 million.	1. Council will investigate and implement a financial solution in consultation with the fishing industry and wider community. The solution may include a Joint Venture arrangement.	✓	✓	✓
	2. Funding options could include: <ul style="list-style-type: none"> ○ A combination of rate input and industry contribution sufficient to fund annual funding shortfalls. ○ Borrowing as interim funding solution. This will further increase the unsustainability of the Port. 	✓	✓	✓
	3. Expenditure will be kept at an absolute minimum. This will determine the standard of services available to users.	✓	✓	✓
	1. A comprehensive Port Safety Plan will be developed in consultation with users and the general public.	✓	✓	✓

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>	2. Consider the appointment of a Harbourmaster in the future.	✓	✓	✓
<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>	1. 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>	1. 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>Outcome of the CBD Master Plan and Parking Strategy with regards to:</p> <ul style="list-style-type: none"> • Requirement for new parking • Where will the funding come from for these works • Funding for maintenance of new assets 	1. No funds for new parking requirements as an outcome of the CBD Renewal Project or Parking Strategy have currently been allocated.	✓		
	2. Implementation of the Parking Strategy will be ongoing over the coming years.	✓	✓	
	3. Council will closely monitor the situation.	✓	✓	✓
<p>Ensuring users park in consideration to other users and adhere to special needs parking.</p>	1. Continued education of users.	✓	✓	✓
	2. 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>	1. Council will actively monitor the situation.	✓	✓	✓

Options for community consultation

The following options formed part of Council's consultation with the community on the Draft Plan. Council's preferred option (shaded red) was adopted by Council and has been included in the Final Plan and budgets.

ISSUE	OPTION	IMPLICATIONS	COST
Financial sustainability of the Port. User fees do not cover all of the operating costs of the Port and the annual shortfall means the Port debt level continues to increase. In 2014 Council reintroduced rate funding to the Port (\$38,000 in 2014/2015) and as part of the last LTP, it committed to a financial strategy for the Port of increasing rate funding to the Port of \$40,000 per annum, year on year. We're asking the community if they agree with this strategy and want it to continue.	1 Do not agree with Council's financial strategy for the Port and discontinue rate funding.	<ul style="list-style-type: none"> 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. If the community does not wish to continue rate funding this activity, Council will be forced to look at decreasing levels of service. This will make the Port less attractive/available for commercial fishing. The Port is also a vital access point in linking our community in the event of a natural disaster closing the Alpine passes. 	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.
	2 Agree with Council's financial strategy for the Port and continue to increase rate funding to this activity by \$40,000 year on year. <i>(Council's preferred option)</i>	<ul style="list-style-type: none"> Existing levels of service are maintained. Debt levels will eventually level off then start to decline (ie repayment of debt). 	<ul style="list-style-type: none"> \$40,000, equivalent to 0.25% for 2018/2019.

8.6 How we'll measure our performance

Aerodrome

What we're measuring	How we'll measure	Target				
		Current Performance (2016/2017)	Year 1 (2018/2019)	Years 2 – 3 (2019/2020 – 2020/2021)	Years 4 – 10 (2021/2022 to 2027/2028)	Target Trend
The provision of a safe service	Meet Civil Aviation Authority requirements for the aerodrome	Achieved	Achieved	Achieved	Achieved	No change

What we're measuring	How we'll measure	Target				
		Current Performance (2016/2017)	Year 1 (2018/2019)	Years 2 – 3 (2019/2020 – 2020/2021)	Years 4 – 10 (2021/2022 to 2027/2028)	Target Trend
Customer satisfaction	% of residents satisfied that the aerodrome provides essential emergency air services	New measure	70%	70%	70%	No change

Parking

What we're measuring	How we'll measure	Target				
		Current Performance (2016/2017)	Year 1 (2018/2019)	Years 2 – 3 (2019/2020 – 2020/2021)	Years 4 – 10 (2021/2022 to 2027/2028)	Target Trend
The maintenance, safety, convenience & accessibility of parking in the CBD	Off road car parks are inspected regularly 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	76%	80%	80%	80%	No change
Sustainability of the service for the future	Implementation of a parking strategy for the CBD and environs with key stakeholders – Strategy to be reviewed every three years	In progress	Implementation in progress	Pending	Pending	No change

Port of Greymouth

What we're measuring	How we'll measure	Target				
		Current Performance (2016/2017)	Year 1 (2018/2019)	Years 2 – 3 (2019/2020 – 2020/2021)	Years 4 – 10 (2021/2022 to 2027/2028)	Target Trend
Confidence of users	Annual survey of Port users completed in August, measuring satisfaction	New measure	65%	65%	65%	No change
Provision of a safe and reliable service	Number of incidents recorded per year in Incident Register	New measure	< 2	< 2	< 2	No change
Communication with users	At least four (4) informal discussions with Westfleet and Talley's management and two minuted meetings per year	New measure	2 meetings	2 meetings	2 meetings	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.
- General rates input into Port activity.
- 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

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	376	415	479	515	569	646	682	743	808	875	996
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	462	435	470	507	546	585	627	670	716	734	753
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	31	56	57	58	60	61	62	64	65	67	69
Total operating funding [A]	869	906	1,006	1,080	1,175	1,292	1,371	1,477	1,589	1,676	1,818
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	777	811	842	845	865	883	902	923	946	969	995
Finance costs	113	114	133	156	171	182	190	193	192	186	177
Internal charges and overheads applied	246	244	249	256	261	267	273	280	288	295	302
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	1,136	1,168	1,224	1,257	1,297	1,331	1,365	1,396	1,426	1,450	1,474
Surplus (deficit) of operating funding [A - B]	(267)	(262)	(218)	(177)	(122)	(39)	6	81	163	226	344
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	920	327	387	242	187	127	59	(15)	(97)	(160)	(253)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	920	327	387	242	187	127	59	(15)	(97)	(160)	(253)
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
—to replace existing assets	592	3	107	3	3	422	3	3	3	4	29
Increase (decrease) in reserves	61	62	62	62	62	(335)	62	62	62	62	62
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	653	65	169	65	65	88	65	66	66	66	91
Surplus (deficit) of capital funding [C - D]	267	262	218	177	122	39	(6)	(81)	(163)	(226)	(344)
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.

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
INCOME											
General rates, uniform annual general charges, rates penalties	376	415	479	515	569	646	682	743	808	875	996
Targeted rates (including targeted rates for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants (operating and capital)	-	-	-	-	-	-	-	-	-	-	-
User charges and regulatory income (consent fees, infringements etc...)	462	435	470	507	546	585	627	670	716	734	753
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Other income	31	56	57	58	60	61	62	64	65	67	69
Total income	869	906	1,006	1,080	1,175	1,292	1,371	1,477	1,589	1,676	1,818
EXPENDITURE											
Staff costs	271	282	288	294	301	307	314	322	329	338	346
Operating & maintenance costs	506	529	554	551	564	576	588	601	617	631	649
Finance costs	113	114	133	156	171	182	190	193	192	186	177
Internal charges and overheads applied	246	244	249	256	261	267	273	280	288	295	302
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	224	469	469	469	469	469	469	469	469	469	469
Total expenditure	1,360	1,637	1,693	1,726	1,766	1,801	1,834	1,866	1,896	1,920	1,944
Surplus (deficit) of activities	(491)	(731)	(687)	(646)	(591)	(509)	(463)	(389)	(307)	(244)	(126)

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.

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.

8.9 Significant expenditure

Significant capital expenditure

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO IMPROVE THE LEVEL OF SERVICE											
Miscellaneous new capital	-	-	-	-	-	-	-	-	-	-	-

Significant renewal projects

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO REPLACE EXISTING ASSETS											
Port - Berth renewals	589	-	-	-	-	-	-	-	-	-	-
Port - resealing of access to berthages	-	-	104	-	-	-	-	-	-	-	-
Aerodrome - runway light replacement	-	3	3	3	3	422	3	3	3	4	29
General renewals	3	-	-	-	-	-	-	-	-	-	-
	592	3	107	3	3	422	3	3	3	4	29

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 be maintained for small vessels, allowing for limited, non-polluting activities. 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.

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 was replaced in 2015/16 and will have a life of 15 years.
- The lagoon will be dredged to a depth of 3m.

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 2018. 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 was sold to Westfleet in 2015. This includes two emergency deep water berths, reducing Council’s availability of such berths. Council will not create more berths but rather insist that vessels tie up in the river alongside Richmond Quay.

Berths in the lagoon:

- The smaller vessels in the industry will likely be phased out over the next 15 years and the need will be for longer, deep water berthage alongside the eastern embankment.
- 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 will likely result in a Harbourmaster be appointed in the future.

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. Westland Recreation Centre, 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

Retirement Housing

What we're measuring	How we'll measure	Target				
		Current Performance (2016/2017)	Year 1 (2018/2019)	Years 2 – 3 (2019/2020 – 2020/2021)	Years 4 – 10 (2021/2022 to 2027/2028)	Target Trend
An affordable, well maintained and efficient retirement housing service is provided	Achievement of minimum percentage of occupancy rates	97%	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
	Rent levels set annually below market rates	Achieved	Achieved	Achieved	Achieved	No change
	Flats are inspected at least once per year	New measure	Achieved	Achieved	Achieved	No change
Customer satisfaction	% tenants satisfied with the service (annual survey of tenants)	New measure	90%	90%	90%	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

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 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	778	812	828	846	865	884	904	925	947	971	996
Internal charges and overheads recovered	351	452	460	469	478	487	497	508	519	531	543
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding [A]	1,129	1,264	1,288	1,315	1,343	1,371	1,401	1,433	1,466	1,502	1,539
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	799	795	811	829	847	865	885	906	928	952	975
Finance costs	95	93	89	86	82	78	73	68	63	58	53
Internal charges and overheads applied	169	175	179	184	188	192	197	202	208	213	219
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	1,063	1,063	1,079	1,098	1,116	1,135	1,155	1,177	1,199	1,223	1,247
Surplus (deficit) of operating funding [A - B]	66	201	209	217	227	236	246	256	267	279	292
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	489	(57)	(60)	(64)	(68)	(72)	(76)	(81)	(86)	(91)	(97)
Gross proceeds from sale of assets	50	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	539	(57)	(60)	(64)	(68)	(72)	(76)	(81)	(86)	(91)	(97)
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	335	-	-	-	-	-	-	-	-	-	-
—to replace existing assets	292	87	89	91	93	95	97	100	102	104	107
Increase (decrease) in reserves	(22)	57	59	62	66	69	72	76	79	84	88
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	605	144	149	153	159	164	170	175	181	188	195
Surplus (deficit) of capital funding [C - D]	(66)	(201)	(209)	(217)	(227)	(236)	(246)	(256)	(267)	(279)	(292)
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.

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
INCOME											
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 income (consent fees, infringements etc...)	778	812	828	846	865	884	904	925	947	971	996
Internal charges and overheads recovered	351	452	460	469	478	487	497	508	519	531	543
Other income	50	65	50	55	58	48	68	38	40	58	32
Total income	1,179	1,329	1,338	1,370	1,401	1,419	1,469	1,471	1,506	1,560	1,571
EXPENDITURE											
Staff costs	-	-	-	-	-	-	-	-	-	-	-
Operating & maintenance costs	799	795	811	829	847	865	885	906	928	952	975
Finance costs	95	93	89	86	82	78	73	68	63	58	53
Internal charges and overheads applied	169	175	179	184	188	192	197	202	208	213	219
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	391	406	406	428	428	428	457	457	457	489	489
Total expenditure	1,454	1,469	1,485	1,525	1,544	1,563	1,612	1,633	1,656	1,712	1,736
Surplus (deficit) of activities	(275)	(140)	(147)	(155)	(143)	(144)	(143)	(162)	(150)	(152)	(165)

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

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO IMPROVE THE LEVEL OF SERVICE											
Left Bank Art Gallery - Earthquake strengthening	335	-	-	-	-	-	-	-	-	-	-
Miscellaneous new capital	-	-	-	-	-	-	-	-	-	-	-
	335										

Significant Renewal projects

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO REPLACE EXISTING ASSETS											
Retirement housing - wastewater connections	208	-	-	-	-	-	-	-	-	-	-
General renewals	84	87	89	91	93	95	97	100	102	104	107
	292	87	89	91	93	95	97	100	102	104	107

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 & events

10.1 Activities included in this group

Community facilities include:

Libraries

- Greymouth Library (including Pioneer Library)
- Runanga Library

Swimming Pools

- Westland Recreation Centre
- Spring Creek Pool, Runanga

Museum

- History House Museum

Heritage, Arts & Culture

- Financial support to other Arts, Culture and Heritage bodies

Indoor Sport Centres

- Westland Recreation Centre

Note: The Civic Centre is in the process of being sold to John Paul II High School and this is expected to be finalised by 30 June 2018.

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

OUTCOME	CONTRIBUTION
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 partial hours across 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 young adult fiction and non-fiction books
 - electronic books
 - audio books
 - DVDs
 - graphic novels
 - reference books
 - magazines and newspapers
 - a local history collection - the West Coast Collection
 - an archive and research 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 Westland Recreation Centre pools and facilities on a seven days per week basis throughout the year (with closure on some statutory holidays only and for necessary maintenance from time to time).
- Continue to provide access to the Spring Creek Pool, Runanga, 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, including:
 - Swim School: Learn to Swim, Diaper Dolphins, League of Extraordinary Gentlemen, Adult Swim, Primary School Programmes & Private Swim Lessons
 - Water Safety
 - Holiday Programmes
- Continue to optimise cooperation with the Greymouth Amateur Swim Club and Special Olympics to offer a high quality facility and service.

History House Museum

We will:

- Provide a world-class tourist attraction that narrates compelling stories and exhibitions to entertain and showcase the Grey District's unique identity to audiences of all ages and backgrounds.
- Collaborate with our community to design the narrative and story of our people and place in compelling and interactive ways.
- Utilise best practice to care for and protect the heritage of the Grey District.
- Ensure our staff and volunteers are proficient in heritage management.

Heritage, Arts and Culture

We will:

- Maintain financial and other support for other bodies and institutions active in the field of Arts, Culture and Heritage.

Indoor Sport Facilities

We will:

- Continue to 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 for necessary maintenance from time to time).
- Continue to offer and deliver current and new programmes in the Fitness Centre to members and visitors:
 - Les Mills Group Fitness Classes
 - Individually designed Fitness Classes
 - Personal Trainer Services
- Retain the facility's Code of Conduct as a member of the New Zealand Recreation Association.
- Continue to meet the NZ standards as a REPS (NZ Register of Exercise Professionals) registered facility to ensure all instructors are registered exercise professionals.

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:

- Maintain parks, tracks and associated facilities to a good standard.

In House Task Force

We will:

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

Public Restrooms

We will:

- Maintain accessibility to facilities throughout the year.
- Maintain the services to a good, functional and hygienic standard.

- Upgrade/provide new facilities on a prioritised basis and dependent on available funding/subsidies.

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 contemporary digital library experience for the Grey District community which utilises technology where practical and available to free up staff resources to provide the human interface to Council services and facilities.	<ul style="list-style-type: none"> Explore the opportunity to implement RFID (radio-frequency identification) technology which would allow borrowers to check out and check in their own materials. Continue to ensure the Library's social media channels are appropriate for our messages and our community. 	✓		
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 2028 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 transfer of research services from the History House Museum to Grey District Library is smooth and seamless. Ensure researchers have appropriate information to access and utilise Council's research services and facilities. Ensure Library staff have sufficient and appropriate training in resources and services to deliver a quality and valued service.	<ul style="list-style-type: none"> Identify the research services currently offered by the Museum which will transfer to the Library. Identify the research resources currently available within the Museum which will transfer to the Library. Develop a training programme for Library staff in utilising research resources and in delivering a research service. 	✓		
Continue to deliver 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"> Continuously seek feedback from the community on their digital skills needs and where the Library could provide support and assistance. In partnership with 20/20 Communications Trust, the Education Technology Trust, Tai Poutini Polytechnic and other suitable organisations, deliver a programme of digital literacy classes 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+)
Continuous improvement on efficiency and quality of service delivery.	<ul style="list-style-type: none"> Staff training in customer service. Recruitment, retention and management of qualified staff. 	✓	✓	✓
Deterioration of assets not being maintained.	<ul style="list-style-type: none"> Ensure budgets allow for preventative maintenance. 	✓	✓	✓

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

History House Museum/Heritage, Arts & Culture

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
History House Museum vision and mission.	<ul style="list-style-type: none"> In 2017 the Strategic Working Group developed a Vision and Future Strategy document for Council’s consideration – staff will be guided by the Vision and Future Strategy if it is supported by Council. 	✓		
History House Collection storage, care and management.	<ul style="list-style-type: none"> Assess the adequacy of Past Perfect database for cataloguing Museum materials. Assess the quality of the data already populating Past Perfect and either continue cataloguing materials or identify a plan for an alternative approach. Assess the storage needs of Museum materials and collaborate with other heritage organisations on identifying the best location and treatment for materials, eg Archives NZ. 	✓		
Uncertainty about permanent location of the Museum service and collection.	<ul style="list-style-type: none"> Council will consider a Vision and Future Strategy paper including various options for alternative locations in early 2018. While these considerations are under way, a temporary ‘pop-up’ location is being trialled at 130 Mackay Street, Greymouth. Council will consider a recommendation to explore the opportunities presented by a Regional Archive when that information is made available. 	✓		

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 and acquisition of new material by donation only.	<ul style="list-style-type: none"> Council will consider a recommendation to incrementally increase Museum operational funding. The temporary 'pop-up' exhibition provides the opportunity to identify 'gaps' in the collection; a more strategic approach to addressing gaps in the collection via donation of materials will be developed. The temporary 'pop-up' exhibition provides the opportunity to incorporate some digital material in the display; further sources of relevant, historical digital material will be identified. Staff will engage with local iwi to address the gap in our story about pre-European history. 	✓		

Indoor Sport Centres

ISSUE	OPTIONS	SHORT TERM (YEARS 1-10)	MEDIUM TERM (YEARS 11-30)	LONG TERM (YEARS 30+)
Westland Recreation Centre unable to deliver programmes due to limited access to qualified professionals.	<ul style="list-style-type: none"> Recruitment, retention and management of qualified staff by offering mentoring and strong leadership from supervisors. 	✓	✓	✓
The proposed Westland Recreation Centre will render the Civic Centre largely superfluous.	<ul style="list-style-type: none"> The Civic Centre will continue to serve the community as the property of the John Paul II High School. 	✓	✓	✓

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>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. Apply to Government's Tourism Infrastructure Fund for financial assistance towards new facilities, noting a 50:50 (flexible) contribution is required by Council and ongoing maintenance costs will be incurred. 	✓	✓	✓

10.6 How we'll measure our performance

Libraries

What we're measuring	How we'll measure	Target				
		Current Performance (2016/2017)	Year 1 (2018/2019)	Years 2 – 3 (2019/2020 – 2020/2021)	Years 4 – 10 (2021/2022 to 2027/2028)	Target Trend
Customer satisfaction	% of residents are satisfied with service	82%	80%	80%	80%	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	247	240	240	250	↑
	% of residents who are members of the Library	77.5%	77%	78%	79%	↑
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
	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)	82.5%	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	23,438	24,000	24,200	24,500	↑
	Increased Facebook likes and reach	New measure	403	410	440	↑

What we're measuring	How we'll measure	Target				
		Current Performance (2016/2017)	Year 1 (2018/2019)	Years 2 – 3 (2019/2020 – 2020/2021)	Years 4 – 10 (2021/2022 to 2027/2028)	Target Trend
Developing the library collection and building our local identity	% of new items acquired each year – New Zealand material or written by New Zealand authors	6.8%	5%	7%	8%	↑

Swimming Pools

What we're measuring	How we'll measure	Target				
		Current Performance (2016/2017)	Year 1 (2018/2019)	Years 2 – 3 (2019/2020 – 2020/2021)	Years 4 – 10 (2021/2022 to 2027/2028)	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	83%	75%	75%	75%	No change
Availability, accessibility and quality of the service	Number of users annually – Greymouth	105,631	90,000	90,000	90,000	No change
	Number of users annually – Runanga	1,651	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
	Number of Swim School registrations per term	518	380	380	500	↑
	Minimum total swims per capita (national per capita swim averages is 5.5)	7.9	6.5	6.5	6.5	No change
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 Museum

What we're measuring	How we'll measure	Target				
		Current Performance (2016/2017)	Year 1 (2018/2019)	Years 2 – 3 (2019/2020 – 2020/2021)	Years 4 – 10 (2021/2022 to 2027/2028)	Target Trend
Customer satisfaction	% of users that are satisfied with the service	97%	70%	70%	70%	No change
Availability, accessibility and quality of the service	Increased social media (ie Facebook and Instagram) likes and reach	New measure	10	20	50	↑
	New displays prepared each year	5	2	3	4	↑
	Informative rack cards and flyers are provided and distributed to tourist locations annually as required	Achieved	Achieved	Achieved	Achieved	No change
	Contribute relevant material to external authors of publications and/or promotion articles, locally or nationally <i>(Clarified that Museum staff provide material for externally written articles/publications)</i>	6	4 articles per year	4 articles per year	4 articles per year	No change
	Increased number of visitors (per annum)	New measure	2,000	3,000	5,000	↑

Westland Recreation Centre

What we're measuring	How we'll measure	Target				
		Current Performance (2016/2017)	Year 1 (2018/2019)	Years 2 – 3 (2019/2020 – 2020/2021)	Years 4 – 10 (2021/2022 to 2027/2028)	Target Trend
Customer satisfaction	% of residents satisfied with the service	Not asked	75%	75%	75%	No change
	% of residents satisfied with sports stadiums	67%	75%	75%	75%	No change
	% of residents satisfied with fitness centres/gyms	57%	70%	70%	73%	Increase
Availability, accessibility and quality of the service	The Westland Recreation Centre will be available for use seven days a week	Achieved	Achieved	Achieved	Achieved	No change

Cemeteries

What we're measuring	How we'll measure	Target				
		Current Performance (2016/2017)	Year 1 (2018/2019)	Years 2 – 3 (2019/2020 – 2020/2021)	Years 4 – 10 (2021/2022 to 2027/2028)	Target Trend
Customer satisfaction	% of residents satisfied with the standard of cemetery facilities	New measure	90%	90%	90%	No change
Availability of on-line cemetery records	On-line register updated with each new interment	Not achieved	All sites available online except Karoro	All sites available online	All sites available online	↑
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 (2016/2017)	Year 1 (2018/2019)	Years 2 – 3 (2019/2020 – 2020/2021)	Years 4 – 10 (2021/2022 to 2027/2028)	Target Trend
Customer satisfaction	% of residents are satisfied with the service	91%	85%	85%	80%	↓

Public Toilets

What we're measuring	How we'll measure	Target				
		Current Performance (2016/2017)	Year 1 (2018/2019)	Years 2 – 3 (2019/2020 – 2020/2021)	Years 4 – 10 (2021/2022 to 2027/2028)	Target Trend
Customer satisfaction	% of residents are satisfied with the service	70%	70%	70%	70%	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

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	3,026	3,129	3,192	3,274	3,321	3,335	3,406	3,477	3,526	3,597	3,694
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	30	30	31	32	32	33	34	35	35	36	37
Fees and charges	1,323	1,318	1,344	1,374	1,405	1,435	1,468	1,502	1,538	1,577	1,617
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, & other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding [A]	4,379	4,477	4,567	4,680	4,758	4,803	4,908	5,014	5,099	5,210	5,348
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	3,306	3,381	3,401	3,477	3,555	3,631	3,716	3,803	3,892	3,990	4,092
Finance costs	334	278	251	218	183	156	144	132	120	108	96
Internal charges and overheads applied	630	612	625	648	654	668	684	701	728	737	756
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	4,270	4,271	4,277	4,343	4,392	4,455	4,545	4,635	4,740	4,835	4,944
Surplus (deficit) of operating funding [A - B]	109	206	290	337	366	348	363	379	359	375	404
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	400	400	400	400	400	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(138)	(436)	(471)	(574)	(610)	(188)	(200)	(212)	(188)	(200)	(212)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	262	(36)	(71)	(174)	(210)	(188)	(200)	(212)	(188)	(200)	(212)
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	260	108	7	7	7	7	7	7	55	8	20
—to replace existing assets	143	204	207	151	144	148	151	154	158	162	166
Increase (decrease) in reserves	(32)	(143)	5	5	5	5	5	5	(42)	5	5
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	371	170	219	163	156	160	163	167	171	175	192
Surplus (deficit) of capital funding [C - D]	(109)	(206)	(290)	(337)	(366)	(348)	(363)	(379)	(359)	(375)	(404)
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.

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
INCOME											
General rates, uniform annual general charges, rates penalties	3,026	3,129	3,192	3,274	3,321	3,335	3,406	3,477	3,526	3,597	3,694
Targeted rates (including targeted rates for water supply)	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants (operating and capital)	430	430	431	432	432	33	34	35	35	36	37
User charges and regulatory income (consent fees, infringements etc...)	1,323	1,318	1,344	1,374	1,405	1,435	1,468	1,502	1,538	1,577	1,617
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-	-
Total income	4,779	4,877	4,967	5,080	5,158	4,803	4,908	5,014	5,099	5,210	5,348
EXPENDITURE											
Staff costs	1,317	1,341	1,367	1,397	1,429	1,459	1,494	1,528	1,565	1,604	1,645
Operating & maintenance costs	1,989	2,040	2,034	2,080	2,126	2,172	2,222	2,275	2,327	2,386	2,447
Finance costs	334	278	251	218	183	156	144	132	120	108	96
Internal charges and overheads applied	630	612	625	648	654	668	684	701	728	737	756
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	1,062	1,488	1,488	1,556	1,556	1,556	1,646	1,646	1,646	1,748	1,748
Total expenditure	5,332	5,759	5,765	5,900	5,948	6,012	6,191	6,281	6,387	6,584	6,693
Surplus (deficit) of activities	(553)	(882)	(798)	(820)	(790)	(1,209)	(1,283)	(1,267)	(1,288)	(1,374)	(1,345)

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.

10.9 Significant expenditure

Significant capital expenditure

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO IMPROVE THE LEVEL OF SERVICE											
CBD Renewal projects	152	-	-	-	-	-	-	-	-	-	-
New Toilet - Anzac Park	-	92	-	-	-	-	-	-	-	-	-
New Toilet - Blackball	102	-	-	-	-	-	-	-	-	-	-
Miscellaneous new capital	6	16	7	7	7	7	7	7	55	8	20
	260	108	7	7	7	7	7	7	55	8	20

Significant renewal projects

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO REPLACE EXISTING ASSETS											
General renewals	143	204	207	151	144	148	151	154	158	162	166
	143	204	207	151	144	148	151	154	158	162	166

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 Masterplan 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 	✓	✓	✓
Council has funded the development of the Masterplan for the CBD of Greymouth and the first two projects were completed in 2017 - the Town Square and Tainui Shared Street spaces (funded by Council funds and subsidies). The next stage of CBD renewal projects have not yet been funded.	<ul style="list-style-type: none"> Council will consider funding of future projects in future Annual Plans and LTPs. No funding for CBD renewal projects have been allowed for in this LTP. 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 (2016/2017)	Year 1 (2018/2019)	Years 2 – 3 (2019/2020 – 2020/2021)	Years 4 – 10 (2021/2022 to 2027/2028)	
Customer satisfaction	% of residents are satisfied with the service they received when they have contacted Council offices	82%	80%	80%	80%	No change
	% of residents are satisfied with the information they receive from Council	82%	75%	75%	75%	No change
	% of residents are satisfied with the performance of Mayor and Councillors	86%	75%	75%	75%	No change

What we're measuring	How we'll measure	Target				
		Current Performance (2016/2017)	Year 1 (2018/2019)	Years 2 – 3 (2019/2020 – 2020/2021)	Years 4 – 10 (2021/2022 to 2027/2028)	Performance Trend
	% of residents are satisfied with overall performance of Grey District Council <i>Note: This is a new measure included in the LTP but is currently measured through the Annual Residents Satisfaction Survey. Result from the 2016 survey was 83%.</i>	New measure	75%	75%	75%	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	89%	>80%	>80%	>80%	No change
	% of residents are satisfied that Council consults with them residents on important issues	64%	75%	75%	75%	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	Under review	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
Availability of service	Increase in number of online payments (percentage)	New measure	>5%	>5%	>5%	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

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	1,311	1,351	1,376	1,406	1,433	1,461	1,493	1,525	1,561	1,596	1,633
Targeted rates	344	350	357	365	373	381	390	399	408	418	429
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	75	77	78	80	82	83	85	87	89	92	94
Internal charges and overheads recovered	5,909	6,037	6,157	6,328	6,438	6,576	6,732	6,887	7,092	7,235	7,411
Local authorities fuel tax, fines, infringement fees, & other receipts	656	579	592	602	629	657	685	712	762	786	819
Total operating funding [A]	8,295	8,394	8,560	8,781	8,955	9,158	9,385	9,610	9,912	10,127	10,386
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	5,754	5,916	6,007	6,162	6,279	6,411	6,562	6,712	6,897	7,049	7,227
Finance costs	10	2	2	2	1	1	1	1	0	0	-
Internal charges and overheads applied	1,925	2,016	2,056	2,115	2,148	2,193	2,244	2,295	2,366	2,409	2,465
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	7,689	7,934	8,065	8,278	8,428	8,605	8,807	9,008	9,264	9,458	9,691
Surplus (deficit) of operating funding [A - B]	606	460	495	503	527	553	578	602	648	669	695
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	110	(3)	(3)	(3)	(3)	(4)	(4)	(4)	(4)	(4)	-
Gross proceeds from sale of assets	1	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	111	(3)	(3)	(3)	(3)	(4)	(4)	(4)	(4)	(4)	-
[D] APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	138	105	5	5	6	6	6	6	6	6	6
—to replace existing assets	199	301	233	227	276	281	333	259	252	307	314
Increase (decrease) in reserves	380	51	254	268	243	262	234	334	386	352	374
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	717	457	492	500	524	549	574	598	644	665	695
Surplus (deficit) of capital funding [C - D]	(606)	(460)	(495)	(503)	(527)	(553)	(578)	(602)	(648)	(669)	(695)
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.

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
INCOME											
General rates, uniform annual general charges, rates penalties	1,311	1,351	1,376	1,406	1,433	1,461	1,493	1,525	1,561	1,596	1,633
Targeted rates (including targeted rates for water supply)	344	350	357	365	373	381	390	399	408	418	429
Subsidies and grants (operating and capital)	-	-	-	-	-	-	-	-	-	-	-
User charges and regulatory income (consent fees, infringements etc...)	75	77	78	80	82	83	85	87	89	92	94
Internal charges and overheads recovered	5,909	6,037	6,157	6,328	6,438	6,576	6,732	6,887	7,092	7,235	7,411
Other income	657	579	592	602	629	657	685	712	762	786	819
Total income	8,296	8,394	8,560	8,781	8,955	9,158	9,385	9,610	9,912	10,127	10,386
EXPENDITURE											
Staff costs	3,778	3,846	3,921	4,008	4,099	4,186	4,284	4,382	4,488	4,601	4,719
Operating & maintenance costs	1,976	2,070	2,086	2,154	2,180	2,225	2,278	2,330	2,409	2,448	2,508
Finance costs	10	2	2	2	1	1	1	1	0	0	-
Internal charges and overheads applied	1,925	2,016	2,056	2,115	2,148	2,193	2,244	2,295	2,366	2,409	2,465
Other operating expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	274	262	262	262	262	262	262	262	262	262	262
Total expenditure	7,963	8,196	8,327	8,540	8,690	8,867	9,069	9,269	9,526	9,720	9,953
Surplus (deficit) of activities	333	198	233	241	265	291	316	341	386	407	433

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

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO IMPROVE THE LEVEL OF SERVICE											
New events area establishment	131	-	-	-	-	-	-	-	-	-	-
Miscellaneous new capital	7	105	5	5	6	6	6	6	6	6	6
	138	105	5	5	6	6	6	6	6	6	6

Significant renewal projects

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
CAPITAL EXPENDITURE - TO REPLACE EXISTING ASSETS											
Vehicle and plant item replacements	36	170	99	90	136	139	187	109	99	150	153
IT equipment replacements	104	113	113	113	113	113	113	113	113	113	113
General renewals	59	18	21	24	27	29	33	37	40	44	48
	199	301	233	227	276	281	333	259	252	307	314

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 2018. 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, 25 June 2018.

1.3 Purpose for which this plan is prepared

This Grey District Council 2018-2028 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 2018 to 30 June 2028. It incorporates operating and capital expenditure for the period for the Council.

Year One of the Plan represents Council's 2018/2019 Annual Plan, covering the period 1 July 2018 to 30 June 2019.

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 2017/2018 comparative information is based on the 2017/2018 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:

	2018/2019 LTP Year 1	2019/2020 LTP Year 2	2020/2021 LTP Year 3	2021/2022 LTP Year 4	2022/2023 LTP Year 5	2023/2024 LTP Year 6	2024/2025 LTP Year 7	2025/2026 LTP Year 8	2026/2027 LTP Year 9	2027/2028 LTP Year 10
Earthmoving	1.9%	2.0%	2.2%	2.2%	2.3%	2.4%	2.4%	2.5%	2.6%	2.7%
Roading	1.9%	2.0%	2.2%	2.2%	2.3%	2.4%	2.4%	2.5%	2.6%	2.7%
Water	1.8%	2.3%	2.5%	2.3%	2.4%	2.4%	2.5%	2.6%	2.6%	2.7%
Power	1.8%	2.0%	2.2%	2.2%	2.2%	2.3%	2.3%	2.4%	2.5%	2.6%
Staff	1.8%	2.0%	2.2%	2.2%	2.2%	2.3%	2.3%	2.4%	2.5%	2.6%
LGCI	1.8%	2.0%	2.2%	2.2%	2.2%	2.3%	2.3%	2.4%	2.5%	2.6%

Inflation assumption per the above have been included on a line by line basis in operating budgets; with equivalents from 2017/2018 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/declining**: current population of 13,371 people as at March 2013, an estimated population of 13,550 in 2023 to an estimated population of 13,250 by 2033. 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. We have assumed this will not have an effect on our infrastructure needs.

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.

There is an increase in visitors to the Grey District expected over the next 10 years (i.e. tourism) however these are not expected to place any additional demand on Council essential infrastructure that cannot be accommodated within existing capacity.

2.3 Borrowing

Interest rates

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

	2018/2019 LTP Year 1	2019/2020 LTP Year 2	2020/2021 LTP Year 3	2021/2022 LTP Year 4	2022/2023 LTP Year 5	2023/2024 LTP Year 6	2024/2025 LTP Year 7	2025/2026 LTP Year 8	2026/2027 LTP Year 9	2027/2028 LTP Year 10
Interest rates	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%

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 3.5% 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 Funding Assistance Rates (FAR) has decreased from 62% to its current level of 58%. It is not expected to decrease further.
- Waste Levy fund.

- Council has included the proposed upgrade for Croesus Road (Blackball) in year 1, however this is contingent on receiving external funding for the entire cost. The assumption for this Plan is that the project will qualify for NZTA financial assistance (58% of cost), with the remainder to be funded from the Provincial Growth Fund (central Government). Council has submitted an application to the Provincial Growth Fund but at this stage a final decision has not been made. The proposed Croesus Road upgrade is to provide vehicle access to the Blackball end of the Pike 29/Paparoa Great Walk which is currently under construction. If Council is unsuccessful in securing the funding, then Council will need to consider other solutions to provide limited vehicle access.

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
- It is noted that there is no final decision from the Local Government Commission at the time of writing this plan but Council are not expecting any significant changes to the services it currently provides. The only exception to this is the potential for the District Plan function to be transferred to the West Coast Regional Council, however if this proceeds it will not have a significant impact on our budgets.

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 Fixed assets

Useful life

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.

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. We have also incorporated factual data obtained from the detailed condition assessments which have been carried out.

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 practice will continue, incorporating accurate data obtained from the condition assessments which have been carried out the last three years and will provide necessary information to enable renewals to occur on a prioritisation and criticality basis.

As at the time of writing this Plan, we have completed condition assessments for the wastewater and stormwater assets and have almost completed the condition assessments for water supplies.

In the last three years Council has also carried out a review of the seismic capacity of bridges and recently completed an assessment of increased truck loads (50 MAX and High Productivity Motor Vehicles), which is an increasing trend on its road networks. The influence of increased truck loads is taken into account when considering full and partial bridge

replacements and/or the need to post bridges with weight or speed restrictions for safety reasons. The results of this study will be used to develop a prioritisation list for renewals/upgrades of bridges subject to availability of funding.

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.

2.10 Contract rates

If we stay with our current contract model (ie lump sum), it is assumed 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).

However, depending on the nature of the contract, Council may consider moving away from lump sum contracts to unit rates. This may affect the overall costs as while there will be known costs for each asset, there is potential for increased variances in costs.

Overall Council is still assuming we will be able to continue to deliver the current levels of service within current budgets.

2.11 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.

2.12 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 three potential cases: private water supply schemes at Nelson Creek, Ahaura 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.

2.13 General commitments and contingencies

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

2.14 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.

2.15 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 2014 IPCC report, it is assumed that the sea level will rise by around 0.5m over the next 100 years (sea level rise of 0.45 to 0.82 m (mean 0.63 m) is likely by 2081–2100 with sea level continuing to rise beyond 2100, source *IPCC Climate Change 2014: Impacts, Adaptations and Vulnerability*).

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. It is noted that Council's direct responsibility is to protect its own assets and that the statutory responsibility for coastal protection lies with the West Coast Regional Council.

Council is committed to proactively working to minimise the effects of climate change.

2.16 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.

2.17 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:

- Financial Assistance from NZTA (funding provided for events with a greater than 1:20 year return period;
- Disaster Recovery Fund; and

- 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>Council's Plan forecast new borrowing required of approximately \$8.3 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 58%, 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 58% for the life of this Plan.</p>

FORECASTING ASSUMPTION	LEVEL OF UNCERTAINTY	RISK ASSESSMENT (LOW/MED/HIGH)	REASONING FOR ASSESSMENT
		MED	Ministry of Health subsidies have been assumed for the capital cost of upgrading particular water supplies to meet Drinking Water Standards, specifically: <ul style="list-style-type: none"> Kaiata – 85% subsidy The subsidy has been confirmed, however the project will only proceed with the agreement of the Kaiata community.
Governance structure	May change	LOW	Any potential changes involve an extensive consultation process - that gives Council, along with others, necessary time to adapt. It is assumed any changes would only be motivated if the community benefited.
Devolutions of responsibility	May occur	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/HIGH	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	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
		Annual Plan	LTP Year 1	LTP Year 2	LTP Year 3	LTP Year 4	LTP Year 5	LTP Year 6	LTP Year 7	LTP Year 8	LTP Year 9	LTP Year 10
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
REVENUE												
Rates revenue	1	16,119	16,691	17,339	17,973	18,667	19,391	20,058	20,732	21,455	22,182	22,850
Fees and charges		4,496	4,378	4,490	4,615	4,749	4,875	5,018	5,162	5,316	5,450	5,589
Development and financial contributions		39	41	41	42	44	44	45	46	47	49	50
Subsidies and grants	2	4,482	7,444	8,080	4,363	4,198	4,376	4,576	4,411	4,660	5,033	5,220
Interest revenue		626	549	561	571	597	624	651	678	726	750	782
Other revenue	3	503	551	1,637	560	575	576	610	592	608	639	628
Total revenue	4	26,265	29,654	32,148	28,124	28,830	29,886	30,958	31,621	32,812	34,103	35,119
EXPENSES												
Personnel costs	5	5,417	5,490	5,597	5,721	5,851	5,975	6,115	6,255	6,406	6,568	6,735
Depreciation and amortisation expense	6	8,552	9,487	9,720	10,399	10,551	10,710	11,520	11,708	11,880	13,045	13,190
Other expenses	7	11,685	11,698	11,887	12,148	12,406	12,680	12,980	13,287	13,633	13,960	14,328
Finance costs	8	2,025	1,817	1,873	1,814	1,729	1,662	1,597	1,502	1,568	1,462	1,346
Other losses		-	-	-	-	-	-	-	-	-	-	-
Total operating expenditure	9	27,679	28,492	29,077	30,082	30,537	31,027	32,212	32,751	33,487	35,035	35,599
Net surplus/(deficit) before tax		(1,414)	1,162	3,071	(1,958)	(1,707)	(1,141)	(1,255)	(1,130)	(676)	(932)	(480)
Income tax expense		-	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) after tax attributable to Grey District Council		(1,414)	1,162	3,071	(1,958)	(1,707)	(1,141)	(1,255)	(1,130)	(676)	(932)	(480)
OTHER COMPREHENSIVE REVENUE AND EXPENSES												
Movement in asset revaluation reserve		-	-	17,523	-	-	23,193	-	-	26,210	-	-
Total comprehensive Revenue and Expense		(1,414)	1,162	20,594	(1,958)	(1,707)	22,052	(1,255)	(1,130)	25,534	(932)	(480)

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

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Annual Plan	LTP Year 1	LTP Year 2	LTP Year 3	LTP Year 4	LTP Year 5	LTP Year 6	LTP Year 7	LTP Year 8	LTP Year 9	LTP Year 10
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Equity at the beginning of the year	403,603	387,465	388,627	409,220	407,262	405,555	427,608	426,353	425,223	450,757	449,826
Comprehensive revenue and expenditure											
Net surplus/(deficit) for the year	(1,414)	1,162	3,071	(1,958)	(1,707)	(1,141)	(1,255)	(1,130)	(676)	(932)	(480)
Other comprehensive revenue and expenditure	-	-	17,523	-	-	23,193	-	-	26,210	-	-
Total comprehensive revenue and expense	(1,414)	1,162	20,594	(1,958)	(1,707)	22,052	(1,255)	(1,130)	25,534	(932)	(480)
Equity at the end of the year	402,189	388,627	409,220	407,262	405,555	427,608	426,353	425,223	450,757	449,826	449,346

Note: The opening balance for equity for 2018/2019 (year 1) does not match the closing equity balance for the current budget (2017/2018). This is because we have reforecast the opening balances for 2018/2019 based on more up to date information we currently have to hand. The total difference is \$14.7 million. The main reasons for the difference are:

- When preparing 2017/2018 budgets, we forecast the total balance of revaluation reserves (equity) to be \$163.9 million by 30 June 2018. Based on actual results of the revaluations as at 30 June 2017, the actual balance is \$145.9 million, \$18 million lower. There is an equivalent difference in the total Property, Plant and Equipment (asset) value.
- Forecast borrowings (liabilities) have decreased \$4.0 million from what was included in the 2017/2018 budgets. This is associated with some capital projects changing scope, notably the new landfill cell development now being smaller (and at less cost) than originally budgeted for.

6 Prospective statement of financial position

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Annual Plan	LTP Year 1	LTP Year 2	LTP Year 3	LTP Year 4	LTP Year 5	LTP Year 6	LTP Year 7	LTP Year 8	LTP Year 9	LTP Year 10
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
ASSETS											
Current Assets											
Cash and cash equivalents	7,287	7,530	7,917	8,087	8,349	8,740	9,074	9,380	10,026	10,204	10,590
Receivables	2,817	2,501	2,859	2,443	2,591	2,817	3,089	3,338	3,497	3,889	4,159
Other financial assets	5,715	5,625	5,448	5,332	5,548	5,688	5,878	6,165	6,768	7,157	7,597
Inventory	305	-	-	-	-	-	-	-	-	-	-
Non-current assets held for sale	-	-	-	-	-	-	-	-	-	-	-
	16,124	15,656	16,224	15,862	16,488	17,245	18,041	18,883	20,291	21,250	22,346
Non Current Assets											
Receivables	202	192	182	173	164	156	148	141	134	127	121
Property, plant and equipment	421,964	404,712	425,762	422,307	418,329	438,574	435,360	431,665	456,763	452,836	449,207
Intangible assets	287	287	287	252	217	182	147	112	77	42	7
Other financial assets*	715	703	681	667	694	712	734	771	847	895	949
Investment property	3,359	3,359	3,540	3,540	3,540	3,779	3,779	3,779	4,050	4,050	4,050
	426,527	409,253	430,452	426,939	422,944	443,403	440,168	436,468	461,871	457,950	454,334
TOTAL ASSETS	442,651	424,909	446,676	442,801	439,432	460,648	458,209	455,351	482,162	479,200	476,680

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Prospective statement of financial position continued

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Annual Plan	LTP Year 1	LTP Year 2	LTP Year 3	LTP Year 4	LTP Year 5	LTP Year 6	LTP Year 7	LTP Year 8	LTP Year 9	LTP Year 10
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
LIABILITIES											
Current Liabilities											
Payables	3,115	3,402	3,839	3,170	3,096	3,287	3,398	3,435	3,810	3,727	3,831
Employee entitlements	537	544	551	559	568	576	585	594	603	612	621
Deferred revenue	212	212	212	212	212	212	212	212	212	212	212
Borrowings	5,000	5,000	-	5,000	7,500	5,000	-	10,000	7,500	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-
	8,864	9,158	4,602	8,941	11,376	9,075	4,195	14,241	12,125	4,551	4,664
Non Current Liabilities											
Provisions	2,059	2,011	1,963	1,915	1,867	1,819	1,771	1,723	1,675	1,627	1,579
Employee entitlements	436	440	444	448	452	457	462	467	472	477	482
Borrowings	29,103	24,673	30,447	24,235	20,182	21,689	25,428	13,697	17,133	22,719	20,609
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-
	31,598	27,124	32,854	26,598	22,501	23,965	27,661	15,887	19,280	24,823	22,670
TOTAL LIABILITIES	40,462	36,282	37,456	35,539	33,877	33,040	31,856	30,128	31,405	29,374	27,334
EQUITY											
Retained earnings	229,527	234,682	237,616	235,372	232,948	231,232	229,278	227,314	225,536	223,524	222,045
Special Funds	8,566	7,821	7,955	8,239	8,954	9,528	10,225	11,057	12,157	13,236	14,233
Trusts Bequests and Other Reserves	173	178	180	182	184	186	188	190	192	194	196
Revaluation reserve	163,923	145,946	163,469	163,469	163,469	186,662	186,662	186,662	212,872	212,872	212,872
Total equity attributable to the Council	402,189	388,627	409,220	407,262	405,555	427,608	426,353	425,223	450,757	449,826	449,346
TOTAL EQUITY AND LIABILITIES	442,651	424,909	446,676	442,801	439,432	460,648	458,209	455,351	482,162	479,200	476,680

7 Prospective statement of cash flows

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Annual Plan	LTP Year 1	LTP Year 2	LTP Year 3	LTP Year 4	LTP Year 5	LTP Year 6	LTP Year 7	LTP Year 8	LTP Year 9	LTP Year 10
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES											
Receipts from rates revenue	16,081	16,650	17,297	17,931	18,621	19,343	20,014	20,688	21,407	22,134	22,806
Interest received	625	527	555	568	592	619	646	672	717	745	776
Dividends received	-	-	-	-	-	-	-	-	-	-	-
Receipts from other revenue	10,261	13,420	14,578	10,888	10,284	10,460	10,827	10,878	11,278	11,813	12,193
Payments to suppliers and employees	(17,844)	(17,822)	(18,303)	(18,721)	(19,126)	(19,541)	(19,996)	(20,463)	(20,981)	(21,493)	(22,045)
Interest paid	(2,025)	(1,817)	(1,873)	(1,814)	(1,729)	(1,662)	(1,597)	(1,502)	(1,568)	(1,462)	(1,346)
Income tax paid (refund)	-	-	-	-	-	-	-	-	-	-	-
Goods and services tax (net)	(118)	36	29	(50)	(28)	12	(9)	(17)	52	(63)	(15)
Net cash from operating activities	6,980	10,994	12,283	8,802	8,615	9,232	9,884	10,256	10,904	11,674	12,370
CASH FLOWS FROM INVESTING ACTIVITIES											
Proceeds from sale of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Proceeds from investments	15,916	15,058	15,113	14,727	14,945	15,415	15,877	16,554	17,851	19,156	20,301
Purchase of property, plant and equipment	(8,267)	(9,981)	(12,870)	(7,550)	(6,558)	(7,690)	(8,077)	(7,894)	(10,515)	(9,144)	(9,380)
Acquisition of investments	(15,656)	(15,398)	(14,914)	(14,597)	(15,188)	(15,573)	(16,089)	(16,878)	(18,529)	(19,593)	(20,795)
Net cash from investing activities	(8,007)	(10,321)	(12,671)	(7,420)	(6,801)	(7,848)	(8,289)	(8,218)	(11,193)	(9,581)	(9,874)
CASH FLOWS FROM FINANCING ACTIVITIES											
Proceeds from borrowings	6,973	5,953	7,408	541	5,311	8,045	5,424	102	12,792	7,605	100
Repayment of borrowings	(6,151)	(6,383)	(6,633)	(1,753)	(6,863)	(9,038)	(6,685)	(1,833)	(11,858)	(9,520)	(2,210)
Net cash from financing activities	822	(430)	775	(1,212)	(1,552)	(993)	(1,261)	(1,731)	934	(1,915)	(2,110)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(205)	243	387	170	262	391	334	307	646	178	385
Cash, cash equivalents and bank overdrafts at the beginning of the year	7,492	7,287	7,530	7,917	8,087	8,349	8,740	9,074	9,380	10,026	10,204
Cash, cash equivalents and bank overdrafts at the end of the year	7,287	7,530	7,917	8,087	8,349	8,740	9,074	9,380	10,026	10,204	10,590

8 Notes to the prospective financial statements

8.1 Note 1: Budgeted rates revenue

Total rates (excluding targeted water supply rates)

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
GENERAL RATES											
General Rates - Uniform Annual General Charge	3,097	3,114	3,174	3,264	3,316	3,337	3,408	3,480	3,542	3,612	3,696
General Rates - set on land value	6,581	6,882	7,301	7,678	8,183	8,720	9,096	9,507	10,071	10,523	10,888
Total General Rates	9,678	9,996	10,475	10,942	11,499	12,057	12,504	12,987	13,613	14,135	14,584
TARGETED RATES ATTRIBUTABLE TO ACTIVITIES:											
Economic development	344	350	357	365	373	381	390	399	408	418	429
Refuse Collection	1,297	1,374	1,401	1,432	1,465	1,496	1,531	1,566	1,604	1,644	1,686
Sewerage Collection	2,414	2,468	2,521	2,561	2,568	2,603	2,682	2,726	2,720	2,762	2,808
Water Supplies	1,973	2,086	2,163	2,246	2,329	2,416	2,507	2,604	2,653	2,759	2,872
Water Meter Rates	233	237	242	247	253	258	264	270	277	284	291
PENALTIES											
Rate Penalties	180	180	180	180	180	180	180	180	180	180	180
Total rates, excluding targeted water supply rates	16,119	16,691	17,339	17,973	18,667	19,391	20,058	20,732	21,455	22,182	22,850

Total rates remissions

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
Rates on land where GDC is the ratepayer	415	430	447	463	481	500	517	534	553	572	589
Rate discounts	40	41	43	45	47	49	51	53	55	57	59
Rates remitted per Council policy	38	39	41	43	45	47	49	51	53	55	57
Total rates remitted	493	510	531	551	573	596	617	638	661	684	705

Projected number of rating units

	2018 Annual Plan \$000	2019 LTP Year 1 Projected	2020 LTP Year 2 Projected	2021 LTP Year 3 Projected	2022 LTP Year 4 Projected	2023 LTP Year 5 Projected	2024 LTP Year 6 Projected	2025 LTP Year 7 Projected	2026 LTP Year 8 Projected	2027 LTP Year 9 Projected	2028 LTP Year 10 Projected
Rateable rating units	8,511	8,525	8,529	8,533	8,537	8,541	8,545	8,549	8,553	8,557	8,561
Non rateable rating units	516	516	516	516	516	516	516	516	516	516	516
Total rating units	9,027	9,041	9,045	9,049	9,053	9,057	9,061	9,065	9,069	9,073	9,077

8.2 Note 2: Budgeted subsidies and grants

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
New Zealand Transport Agency subsidies	3,996	5,496	7,591	3,872	3,705	4,280	4,478	4,311	4,557	4,928	5,112
NZ Lottery Grants	-	-	-	-	-	-	-	-	-	-	-
Other grants and subsidies	486	1,948	489	491	493	96	98	100	103	105	108
Total subsidies and grants	4,482	7,444	8,080	4,363	4,198	4,376	4,576	4,411	4,660	5,033	5,220

8.3 Note 3: Budgeted other revenue

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
Traffic and parking infringements	31	56	57	58	60	61	62	64	65	67	69
Petrol tax	175	178	182	186	190	194	199	203	208	214	219
Dividends	-	-	-	-	-	-	-	-	-	-	-

Net gain (loss) of non current assets held for sale	-	-	-	-	-	-	-	-	-	-	-
Net gain (loss) on sale of property plant & equipment	51	65	50	55	58	48	68	38	40	58	32
Assets Vested	92	94	96	98	100	102	105	107	110	112	115
Other	154	158	1,252	163	167	171	176	180	185	188	193
Total other income	503	551	1,637	560	575	576	610	592	608	639	628

8.4 Note 4: Budgeted revenue by activity

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
Land transport	7,073	10,119	12,090	7,508	7,688	8,615	9,032	9,089	9,614	10,232	10,501
Stormwater	1,095	1,102	1,172	1,246	1,322	1,396	1,474	1,555	1,642	1,731	1,827
Wastewater	2,550	2,607	2,662	2,705	2,716	2,753	2,836	2,884	2,881	2,928	2,977
Water Supply	2,220	2,337	2,420	2,508	2,597	2,690	2,787	2,890	2,947	3,060	3,180
Solid waste management	2,326	2,215	2,249	2,290	2,333	2,372	2,417	2,462	2,605	2,657	2,711
Emergency management	127	92	93	95	96	98	100	102	104	106	108
Environmental services	2,011	2,165	2,208	2,259	2,305	2,353	2,408	2,461	2,524	2,582	2,646
Other transport	869	906	1,006	1,080	1,175	1,292	1,371	1,477	1,589	1,676	1,818
Property and housing	1,179	1,329	1,338	1,370	1,401	1,419	1,469	1,471	1,506	1,560	1,571
Community facilities and events	4,779	4,877	4,967	5,080	5,158	4,803	4,908	5,014	5,099	5,210	5,348
Democracy and administration	8,296	8,394	8,560	8,781	8,955	9,158	9,385	9,610	9,912	10,127	10,386
Total activity income	32,525	36,143	38,765	34,921	35,746	36,949	38,187	39,016	40,423	41,869	43,073
less Internal charges and overheads recovered	6,260	6,489	6,617	6,797	6,916	7,063	7,229	7,395	7,611	7,766	7,954
Total Income	26,265	29,654	32,148	28,124	28,830	29,886	30,958	31,621	32,812	34,103	35,119

8.5 Note 5: Budgeted employee expenses

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
Wages and salaries	5,146	5,215	5,317	5,435	5,558	5,676	5,809	5,942	6,086	6,239	6,399
Contributions to defined contribution plans	217	220	224	229	234	239	245	250	256	263	269

Increase/(decrease) in employee benefit liabilities	54	55	56	57	59	60	61	63	64	66	67
Total employee expenses	5,417	5,490	5,597	5,721	5,851	5,975	6,115	6,255	6,406	6,568	6,735

8.6 Note 6: Budgeted depreciation and amortisation expense

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Annual Plan	LTP Year 1	LTP Year 2	LTP Year 3	LTP Year 4	LTP Year 5	LTP Year 6	LTP Year 7	LTP Year 8	LTP Year 9	LTP Year 10
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Land transport	3,812	4,318	4,551	5,016	5,168	5,327	5,839	6,027	6,198	7,029	7,174
Stormwater	895	776	776	814	814	814	869	869	869	930	930
Wastewater	984	1,052	1,052	1,109	1,109	1,109	1,190	1,190	1,190	1,282	1,282
Water Supply	610	549	549	578	578	578	621	621	621	669	669
Solid waste management	293	159	159	159	159	159	159	159	159	159	159
Emergency management	5	5	5	5	5	5	5	5	5	5	5
Environmental services	2	3	3	3	3	3	3	3	3	3	3
Other transport	224	469	469	469	469	469	469	469	469	469	469
Property and housing	391	406	406	428	428	428	457	457	457	489	489
Community facilities and events	1,062	1,488	1,488	1,556	1,556	1,556	1,646	1,646	1,646	1,748	1,748
Democracy and administration	274	262	262	262	262	262	262	262	262	262	262
Total depreciation and amortisation	8,552	9,487	9,720	10,399	10,551	10,710	11,520	11,708	11,880	13,045	13,190

8.7 Note 7: Budgeted other expenses

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
Fees to principal auditor											
Audit of financial statements	107	109	111	114	116	119	122	124	127	131	134
Long Term Plan (LTP) audit	-	-	-	40	-	-	45	-	-	50	-
Audit fee paid on behalf of West Coast Recreation Trust	-	-	-	-	-	-	-	-	-	-	-
Assets written off	-	-	-	-	-	-	-	-	-	-	-
Impairment of asset expense	-	-	-	-	-	-	-	-	-	-	-
Bad debt expense	25	25	26	27	28	29	30	31	32	33	34
Directors' fees	-	-	-	-	-	-	-	-	-	-	-
Grants & Donations	351	348	326	333	340	347	355	363	372	381	391
Movement in impairment of receivables	-	-	-	-	-	-	-	-	-	-	-
Movement in provision for financial guarantee	-	-	-	-	-	-	-	-	-	-	-
Insurance expenses	594	590	601	615	629	642	657	672	688	706	724
Loss on sale of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Remuneration of elected members	264	269	274	280	286	292	299	306	314	321	330
Minimum lease payments under operating leases	383	390	397	406	415	424	434	444	455	466	478
Other operating expenses	9,961	9,967	10,152	10,333	10,592	10,827	11,038	11,347	11,645	11,872	12,237
Total other expenses	11,685	11,698	11,887	12,148	12,406	12,680	12,980	13,287	13,633	13,960	14,328

8.8 Note 8: Budgeted finance costs

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
INTEREST EXPENSE											
Interest on borrowings	2,025	1,817	1,873	1,814	1,729	1,662	1,597	1,502	1,568	1,462	1,346
FAIR VALUE (GAINS) / LOSSES ON DERIVATIVES											
Interest Rate Swap (fair value hedges)	-	-	-	-	-	-	-	-	-	-	-
Total finance costs	2,025	1,817	1,873	1,814	1,729	1,662	1,597	1,502	1,568	1,462	1,346

8.9 Note 9: Budgeted expenditure by activity

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
Land transport	6,803	7,206	7,612	8,132	8,339	8,577	9,166	9,411	9,645	10,540	10,754
Stormwater	1,426	1,289	1,300	1,354	1,368	1,378	1,443	1,455	1,467	1,540	1,553
Wastewater	2,921	3,063	3,071	3,139	3,149	3,157	3,249	3,258	3,269	3,370	3,380
Water Supply	2,177	2,127	2,145	2,195	2,214	2,233	2,296	2,318	2,342	2,416	2,445
Solid waste management	2,357	2,021	2,037	2,058	2,079	2,096	2,118	2,137	2,330	2,359	2,388
Emergency management	128	92	93	95	95	97	99	100	102	103	105
Environmental services	2,018	2,122	2,165	2,216	2,262	2,310	2,365	2,418	2,481	2,539	2,603
Other transport	1,360	1,637	1,693	1,726	1,766	1,801	1,834	1,866	1,896	1,920	1,944
Property and housing	1,454	1,469	1,485	1,525	1,544	1,563	1,612	1,633	1,656	1,712	1,736
Community facilities and events	5,332	5,759	5,765	5,900	5,948	6,012	6,191	6,281	6,387	6,584	6,693
Democracy and administration	7,963	8,196	8,327	8,540	8,690	8,867	9,069	9,269	9,526	9,720	9,953
Total activity expenditure	33,939	34,981	35,694	36,879	37,453	38,090	39,441	40,146	41,098	42,801	43,553
less Internal charges and overheads recovered	6,260	6,489	6,617	6,797	6,916	7,063	7,229	7,395	7,611	7,766	7,954
Total Expenditure	27,679	28,492	29,077	30,082	30,537	31,027	32,212	32,751	33,487	35,035	35,599

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

Reserve	Activities to which the reserve relates	Opening Balance 1 July 2018 \$000	Transfers to Reserve 2018/19 - 2027/28 (Deposits) \$000	Transfers from Reserve 2018/19 - 2027/28 (Withdrawals) \$000	Closing Balance 30 June 2028 \$000
SPECIAL FUNDS					
Greymouth Sewerage Fund	Wastewater	-	-	-	-
Te Kinga Infrastructure Upgrade Reserve	All activities	93	44	-	137
Rural Sewerage Capital Works Reserve	Wastewater	291	138	-	429
Cobden Stormwater Mitigation Reserve	Stormwater	53	25	-	78
Barrytown Area Infrastructure Reserve	All activities	102	48	-	150
Atarau Area Infrastructure Reserve	All activities	5	2	-	7
Ahaura Area Infrastructure Reserve	All activities	186	88	-	274
Haupiri Area Infrastructure Reserve	All activities	150	71	-	221
Nelson Creek Infrastructure Reserve	All activities	17	8	-	25
Ngahere Infrastructure Reserve	All activities	195	92	-	287
Runanga Area Infrastructure Reserve	All activities	725	139	(720)	144
Kaiata Stillwater Area Infrastructure Reserve	All activities	201	95	-	296
Karoro Infrastructure Development Reserve	All activities	629	298	-	927
South Beach/Paroa Infrastructure Reserve	All activities	419	198	-	617
Camerons Infrastructure Reserve	All activities	89	42	-	131
Gladstone Infrastructure Reserve	All activities	210	99	-	309
Arnold Valley Area Infrastructure Reserve	All activities	106	50	-	156
Lake Brunner Area Infrastructure Reserve	All activities	180	85	-	265
Hohonu Area Infrastructure Reserve	All activities	49	23	-	72
Infrastructure Renewal Reserve	All activities	143	522	(317)	348
Flood Protection Reserve	Stormwater/Flood protection	115	54	-	169
Cemetery Extension Reserve	Cemeteries	49	23	-	72
Cemetery Maintenance Reserve	Cemeteries	320	210	(48)	482
Footpath Reserve	Land transport	64	30	-	94
Roading Reserve	Land transport	205	3,698	-	3,903
Land Fill Reserve	Solid waste management	34	142	-	176
Airport Maintenance Reserve	Airport	360	986	(397)	949
Disaster Recovery Reserve	All activities	1,131	544	-	1,667
Civil Defence Reserve	Emergency management	36	17	-	53
Rural Fire Authority Reserve	Rural fire authority	20	9	-	29

Reserve	Activities to which the reserve relates	Opening Balance	Transfers to Reserve	Transfers from	Closing Balance
		1 July 2018	2018/19 - 2027/28	Reserve	30 June 2028
		\$000	(Deposits) \$000	2018/19 - 2027/28 (Withdrawals) \$000	\$000
Economic Development Reserve	All activities	10	-	(10)	-
Harbour Endowment Land Sales Reserve	Port	-	-	-	-
Land Sale Reserve	All activities	102	5	(92)	15
Reserves Subdivision Contributions	Community facilities and parks	5	2	-	7
Maori Land Compensation Reserve	Council property	198	41	(220)	19
Town Clock Reserve	Community facilities and parks	-	-	-	-
Gas Management Plan Reserve	Council property	17	8	-	25
District Planning Reserve	District planning	-	-	-	-
Plant and Machinery Reserve	All activities	540	1,006	(1,297)	249
Building & Property Gen Reserve	Council property	71	176	-	247
Corp Equip and Furniture Reserve	Council administration	419	592	(204)	807
Staff Costs Reserve	Council administration	-	-	-	-
Sunshine Coach Reserve	Council administration	7	3	-	10
Rental Housing Reserve	Retirement housing	109	662	(478)	293
Library Reserve	Libraries	4	90	-	94
Committed Expenditure	All activities	165	27	(161)	31
Total special funds		7,824	10,392	(3,944)	14,233
TRUSTS AND BEQUESTS					
McGlashan Trust	Community facilities and parks	2	1	-	3
E White Bequest	Community facilities and parks	40	19	-	59
Mayoral Flood Relief Fund	Democracy	8	4	-	12
Citizens Emergency Relief Fund	Democracy	68	33	(27)	74
Perotti Bequest	Community facilities and parks	1	-	-	1
Peters Bequest - Talking Books	Libraries	17	3	(20)	-
Vera Corbett Bequest	Libraries	32	15	-	47
Total trusts and bequests		168	75	(47)	196

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.
Haupiri 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).

All associates 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 as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS").

The prospective financial statements of Council were authorised for issue by Council on 25 June 2018.

10.2 Basis of preparation

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 Associates

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 in accordance with PBE IPSAS 7.19(c).

10.4 Joint ventures

Joint ventures are those entities, assets or operations over which the Council has joint control, established by contractual agreement. The consolidated financial statements include the Council's proportionate share of the joint venture entities' assets, liabilities, revenue and expenses with items of a similar nature on a line by line basis, from the date joint control ceases.

10.5 Accounting policies

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

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 subsidies are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Other 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 included in finance revenue in the statement of comprehensive revenue and expense 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 and are recognised as exchange revenue.

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.

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.

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.

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 statement of financial position 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 statement of financial position.

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 Statement of Financial Position.

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 expense are those that are not designated as fair value through equity or are not classified in any of the other categories above

This category encompasses investments that Council intends to hold long-term but which may be realised before maturity.

After initial recognition these investments are measured at their fair value.

Gains and losses are recognised directly in other comprehensive revenue and expense 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 expense 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 expense is reclassified from equity to the surplus or deficit.

Impairment of financial assets

At each balance date, Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. The total impairment loss is recognised in the surplus or 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.

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:

1. 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.

2. 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.

3. Service Concession Assets

Assets used to provide public services in a service concession arrangement.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

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 in a non-exchange transaction 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
- Service Concession Asset (Civic Centre)	Straight line	15 – 50	2.0 – 6.67
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

ASSET CLASS	DEPRECIATION METHOD	LIFE (YEARS)	%
- Pumps and electrical	Straight line	10 – 80	1.25 – 10
- Ponds	Straight line	60	1.67
Heritage assets	Straight line	40	2.5
Roading networks:			
- Formation	Not depreciated	-	-
- Pavement structure – sealed	Straight line	25 – 50	2 – 4
- Pavement structure – unsealed	Straight line	3 – 22	4.5 – 33
- Pavement surfacing	Straight line	8 – 15	6.67 – 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 – 100	1 – 2
- Traffic signs and pavement marking	Straight line	5 – 15	6.67 – 20
- Streetlights	Straight line	15 – 25	4 – 6.67
Flood protection scheme	Straight line	100	1
Parking developments	Straight line	50	2
Sports fields and parks (improvements)	Straight line	5 – 100	1 – 20
Work in progress	Not depreciated	-	-

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Revaluation

The measurement base for each class of asset is described below. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

Valuation

INFRASTRUCTURAL ASSETS	VALUATION BASIS
Roading network	Optimised depreciated replacement cost
Land under roads	Deemed cost
Stormwater	Optimised depreciated replacement cost
Flood protection system	Depreciated historical cost
Sewerage	Optimised depreciated replacement cost
Water supply systems	Optimised depreciated replacement cost
Landfill Site	Depreciated historical cost

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
Sports fields 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 expense.

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.

Service Concession Arrangement

A service concession arrangement is a binding arrangement between a grantor and an operator, in which:

- the operator uses the service concession asset to provide a public service on behalf of the grantor for a specified period of time; and
- the operator is compensated for its services over the period of the service concession arrangement

Council is a grantor in a service concession arrangement concerning the Civic Centre. The building is recognised and measured as a separate class within property plant and equipment – please refer to accounting policy in above.

Council analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. Council recognises that asset when, and only when:

- Council controls or regulates the services that the operator must provide using the asset, to whom the operator must provide these services, and at what price; and
- In the case of assets other than ‘whole-of-life’ assets, Council controls – through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement.

Any assets so recognised are measured initially at their fair value and are recognised as a separate asset class within property, plant and equipment or intangible assets, as appropriate. Subsequent to initial recognition, service concession assets are measured using either the cost model or the revaluation model, as per PBE IPSAS 17 or PBE IPSAS 31.

PBE IPSAS 32 requires the grantor (public entity) to recognise the service concession asset and a corresponding liability on its statement of financial position. The liability can be a financial or other liability or a combination of the two depending on the nature of the compensation of the operator. A financial liability is recognised if the grantor compensates the operator by the delivery of cash or another financial asset. A non-financial liability is recognised if a right is granted to the operator to charge the users of the public service related to the service concession asset (liability for unearned revenue).

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.

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 its 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 rates applied are 2.0% - 4.8%.

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 statement of financial position.

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:

Landfill aftercare provision

The cash outflows for landfill post-closure are expected to occur between 2018 and 2048. 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%.

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.

Infrastructural assets

There are a number of assumptions and estimates used when performing Optimised Depreciation Replacement Cost (ODRC) valuations over infrastructural assets and property carried at fair value. 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 surplus/deficit. 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 peer review Council's infrastructural asset revaluations.

Critical judgements in applying Council's accounting policies

Management has exercised the following critical judgements in applying Council's accounting policies for these forecast financial statements:

1. 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.

2. 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.

3. 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.

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

The following standards have been issued and are due to become effective during the term of this Plan:

- PBE IPSAS 39 *Employee Benefits*, effective January 2019
- *Impairment of Revalued Assets* (Amendments to PBE IPSASs 21 and 26), effective January 2019
- PBE IFRS 9 *Financial Instruments*, effective January 2019

The effect of these standards have not been incorporated into these forecast financial statements, however any effect is not expected to be material.

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.

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Annual Plan	LTP Year 1	LTP Year 2	LTP Year 3	LTP Year 4	LTP Year 5	LTP Year 6	LTP Year 7	LTP Year 8	LTP Year 9	LTP Year 10
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
[A] SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	9,858	10,176	10,655	11,122	11,679	12,237	12,684	13,167	13,793	14,315	14,764
Targeted rates	6,261	6,515	6,684	6,851	6,988	7,154	7,374	7,565	7,662	7,867	8,086
Subsidies and grants for operating purposes	1,693	1,472	1,507	1,536	1,569	1,606	1,644	1,683	1,725	1,770	1,818
Fees and charges	4,496	4,378	4,490	4,615	4,749	4,875	5,018	5,162	5,316	5,450	5,589
Interest and dividends from investments	446	549	561	571	597	624	651	678	726	750	782
Local authorities fuel tax, fines, infringement fees, and other receipts	540	392	1,491	407	417	426	437	447	458	469	481
Total operating funding [A]	23,294	23,482	25,388	25,102	25,999	26,922	27,808	28,702	29,680	30,621	31,520
[B] APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	17,102	17,188	17,484	17,869	18,257	18,655	19,095	19,542	20,039	20,528	21,063
Finance costs	2,025	1,817	1,873	1,814	1,729	1,662	1,597	1,502	1,568	1,462	1,346
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding [B]	19,127	19,005	19,357	19,683	19,986	20,316	20,692	21,043	21,608	21,990	22,408
Surplus (deficit) of operating funding [A - B]	4,167	4,477	6,031	5,419	6,013	6,606	7,116	7,659	8,072	8,631	9,112
[C] SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	2,789	5,972	6,573	2,827	2,629	2,770	2,932	2,728	2,935	3,263	3,402
Development and financial contributions	39	41	41	42	44	44	45	46	47	49	50
Increase (decrease) in debt	821	(430)	774	(1,212)	(1,553)	(993)	(1,261)	(1,731)	936	(1,914)	(2,110)
Gross proceeds from sale of assets	51	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding [C]	3,700	5,583	7,388	1,657	1,120	1,821	1,716	1,043	3,918	1,398	1,342
[D] APPLICATION OF CAPITAL FUNDING											
Capital expenditure											
—to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
—to improve the level of service	1,342	4,067	456	464	473	418	427	437	495	459	483
—to replace existing assets	6,288	5,986	12,827	6,326	5,943	7,433	7,706	7,431	10,393	8,489	8,931
Increase (decrease) in reserves	237	7	136	286	717	576	699	834	1,102	1,081	1,039
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding [D]	7,867	10,060	13,419	7,076	7,133	8,427	8,832	8,702	11,990	10,029	10,454
Surplus (deficit) of capital funding [C - D]	(4,167)	(4,477)	(6,031)	(5,419)	(6,013)	(6,606)	(7,116)	(7,659)	(8,072)	(8,631)	(9,112)
Funding balance: [A - B] + [C - D]	-	-	-	-	-	-	-	-	-	-	-

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

	2018 Annual Plan \$000	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2021 LTP Year 3 \$000	2022 LTP Year 4 \$000	2023 LTP Year 5 \$000	2024 LTP Year 6 \$000	2025 LTP Year 7 \$000	2026 LTP Year 8 \$000	2027 LTP Year 9 \$000	2028 LTP Year 10 \$000
Surplus (deficit) of operating funding	4,167	4,477	6,031	5,419	6,013	6,606	7,116	7,659	8,072	8,631	9,112
add sources of capital funding recognised as revenue in statement of comprehensive income											
Subsidies and grants for capital expenditure	2,789	5,972	6,573	2,827	2,629	2,770	2,932	2,728	2,935	3,263	3,402
Development and financial contributions	39	41	41	42	44	44	45	46	47	49	50
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
adjust for other sources of non cash items excluded from the funding impact statement											
Depreciation and amortisation expense	(8,552)	(9,487)	(9,720)	(10,399)	(10,551)	(10,710)	(11,520)	(11,708)	(11,880)	(13,045)	(13,190)
Net gain (loss) of non current assets held for sale	-	-	-	-	-	-	-	-	-	-	-
Net gain (loss) on sale of property plant & equipment	51	65	50	55	58	48	68	38	40	58	32
Assets Vested	92	94	96	98	100	102	105	107	110	112	115
Surplus / deficit after tax attributable to Grey District Council	(1,414)	1,162	3,071	(1,958)	(1,707)	(1,141)	(1,254)	(1,130)	(675)	(932)	(480)

11.3 Financial reporting and prudence disclosures

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

LTP Disclosure Statement for the Period Commencing 1 July 2018

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.

The Council is required to include this statement in its LTP in accordance with the Local Government (Financial Reporting Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

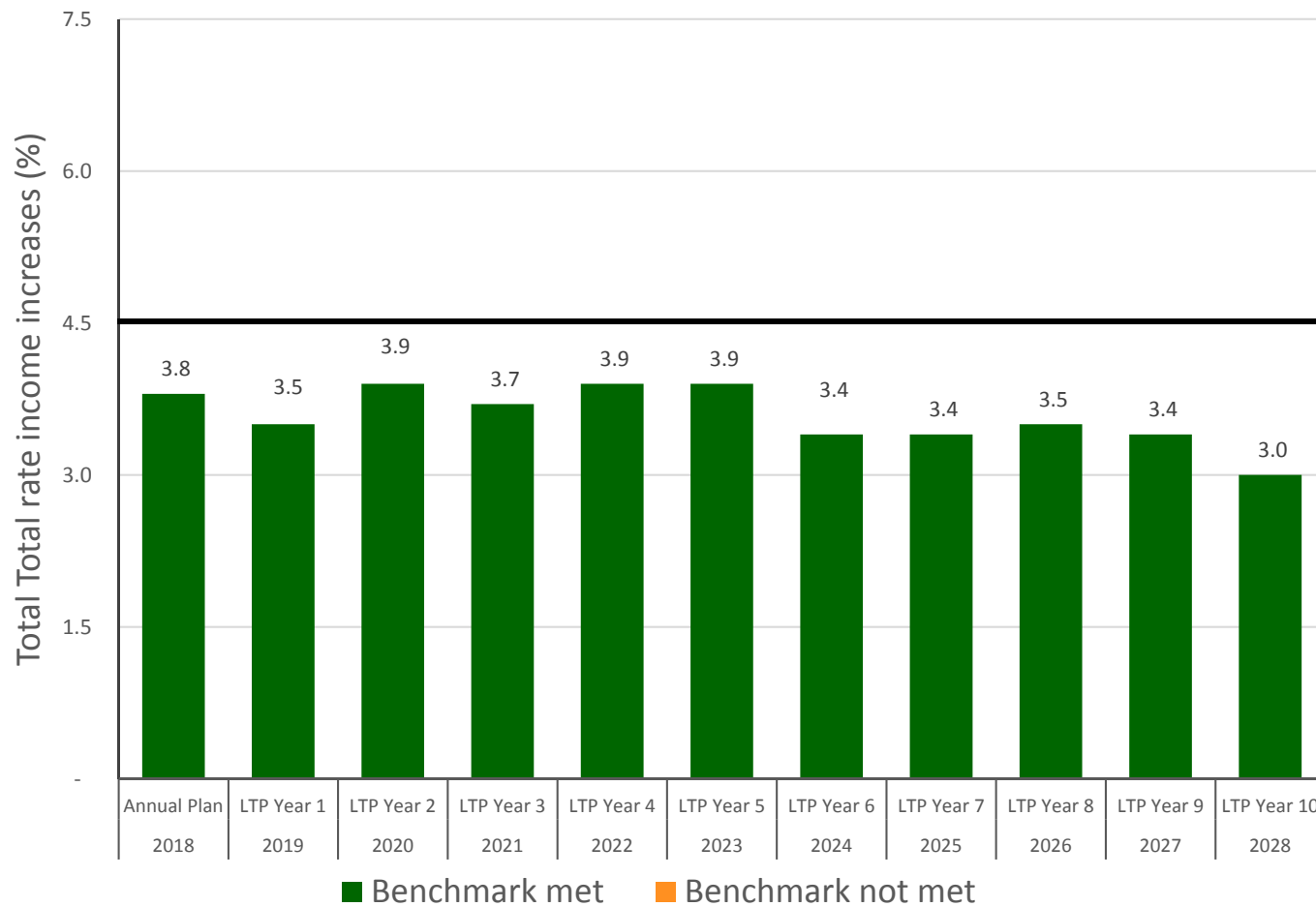
[a] Rates affordability benchmark

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.

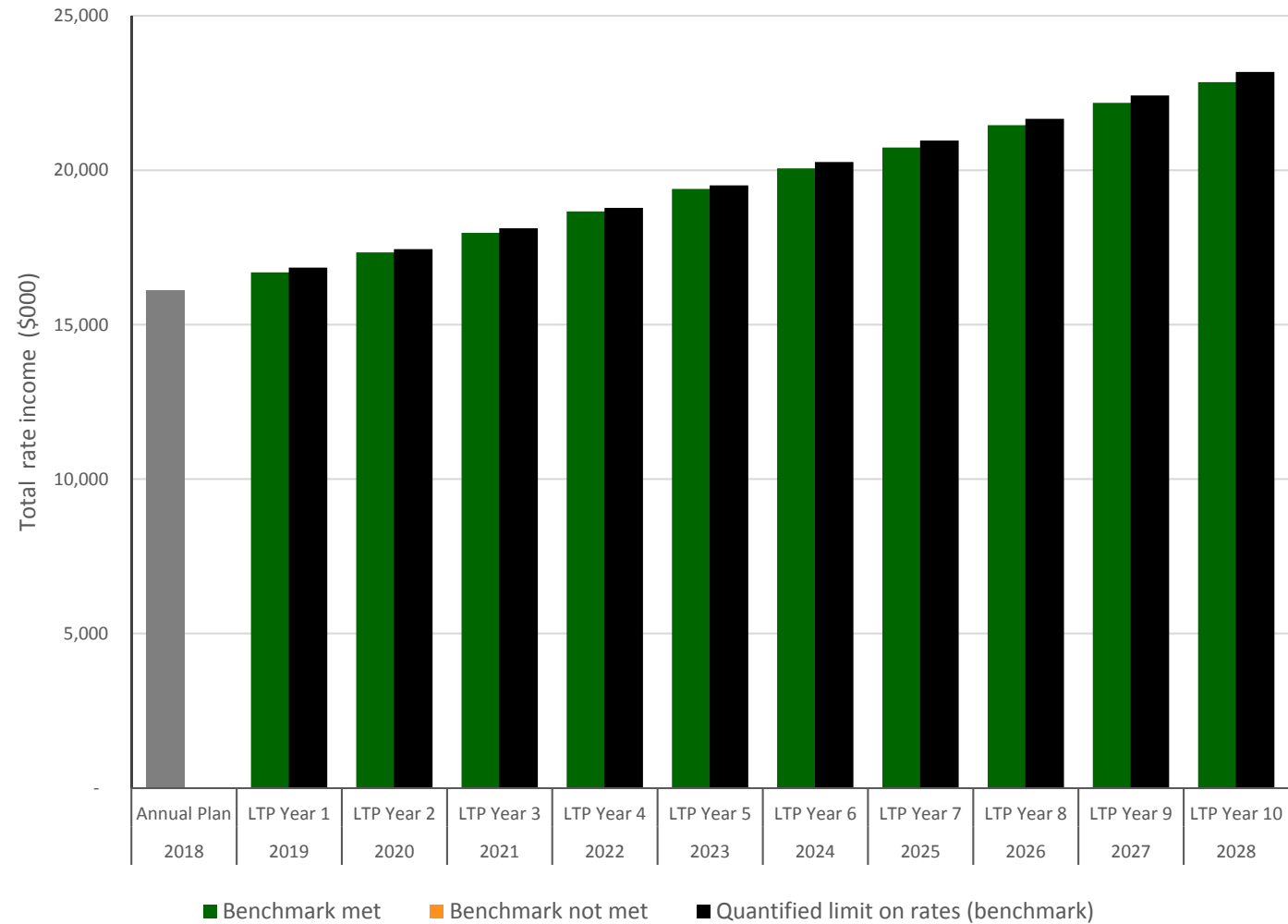
Total planned rate revenue percentage increases

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).



Quantified limits on rates revenue

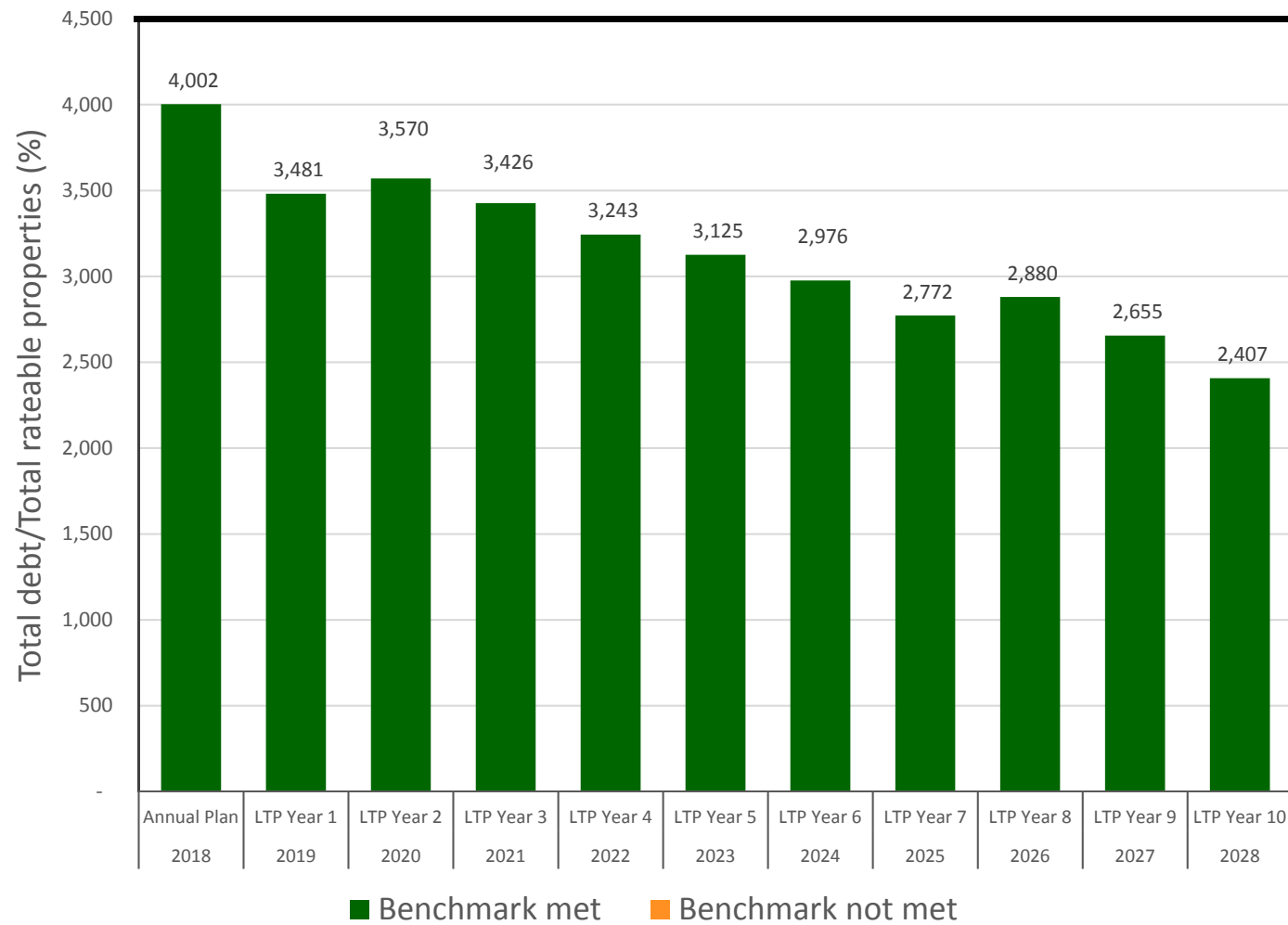
Taking into account the strategy limit of rate increases to be no higher than 4.5% per annum the following graph illustrates total forecast rate revenue compared against the upper limit.



[b] Debt affordability benchmarks

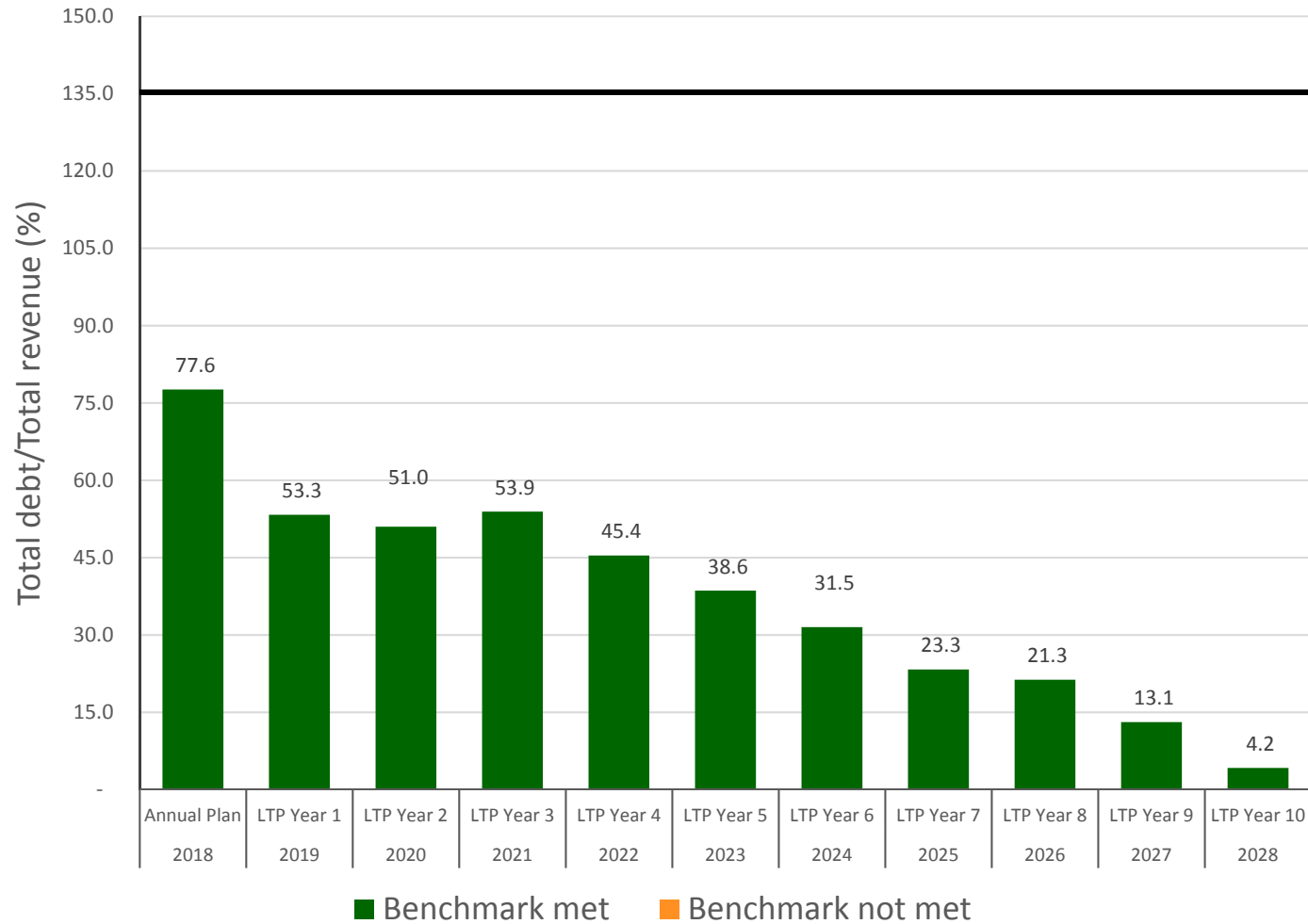
Total planned debt per rateable property

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.



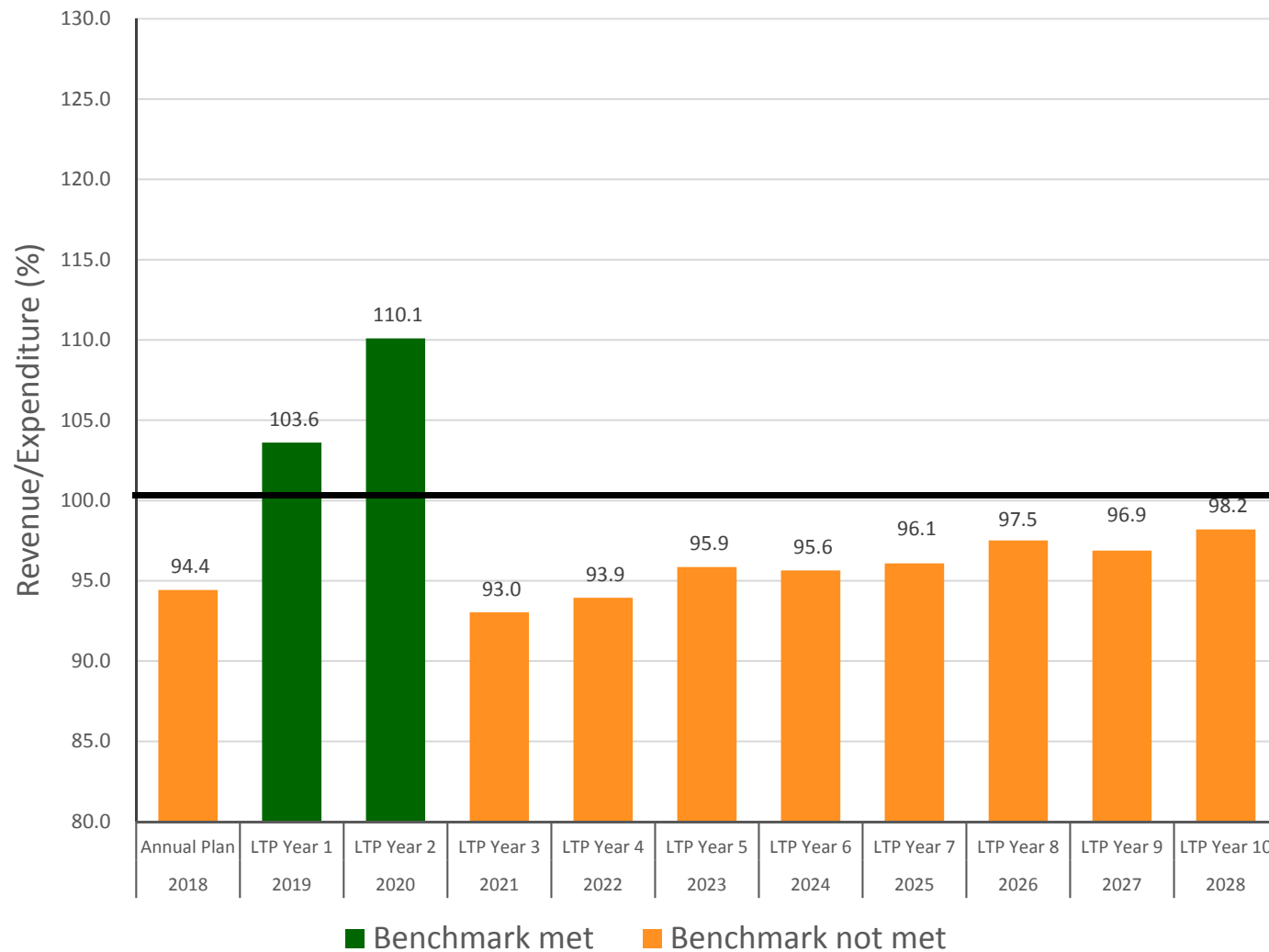
Net planned debt as a percentage of total actual revenue

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.

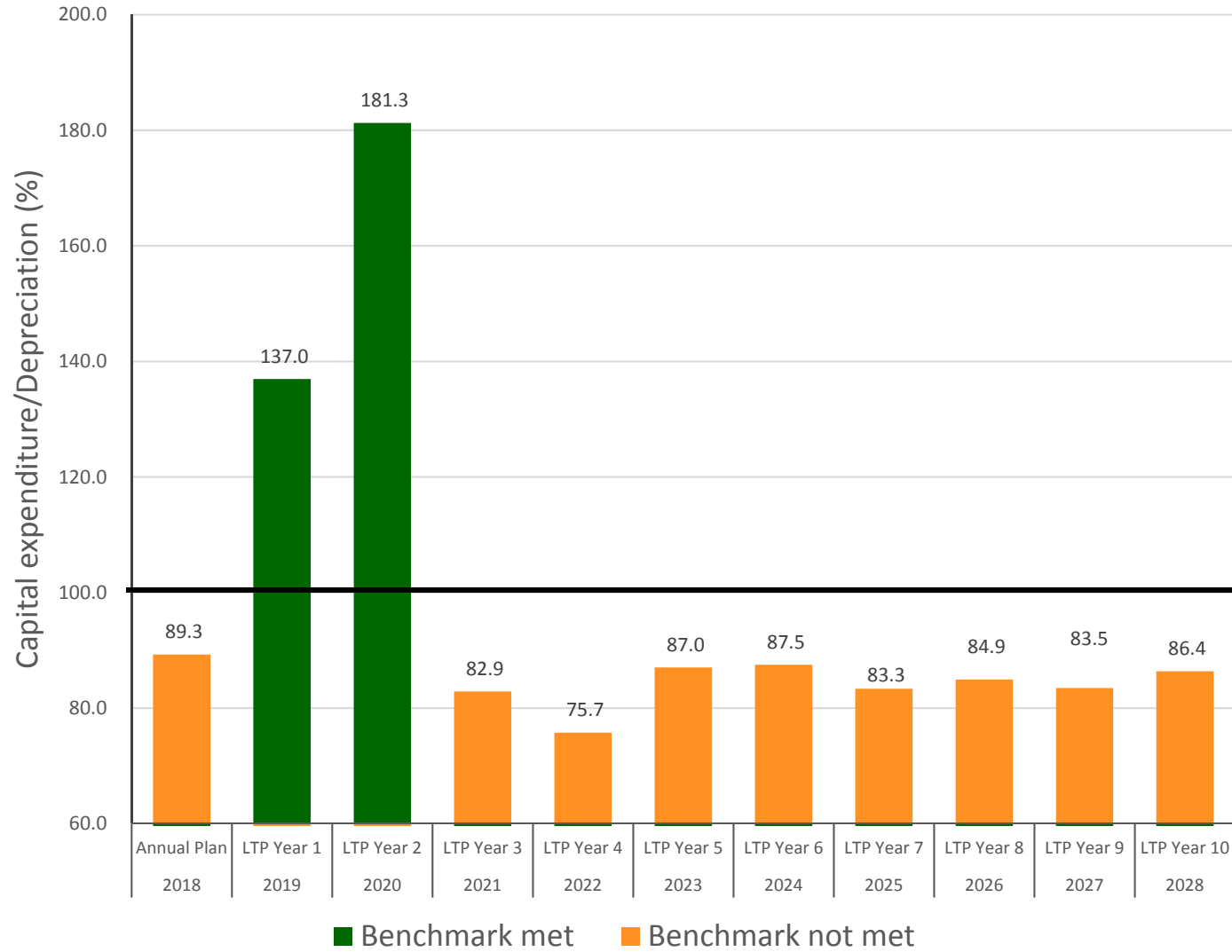


Please refer to PART C: Council’s Financial Strategy for an explanation on why this benchmark was not met.

[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.

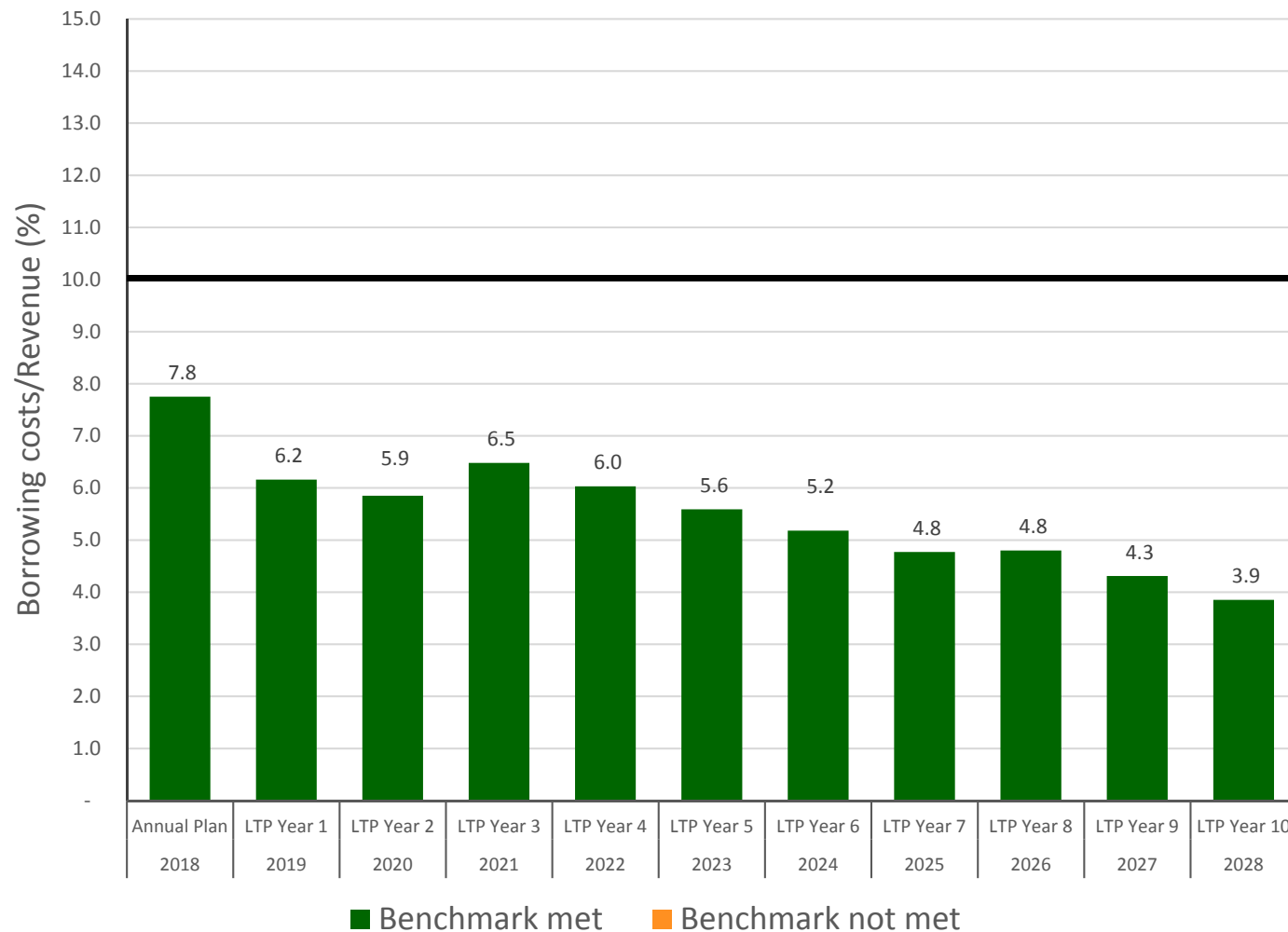


Please refer to PART C: Council’s Financial Strategy for an explanation on why this benchmark was not met.

[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. Because Statistics New Zealand projects the Council’s population will grow more slowly than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned 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 2015** and was effective from the 2016/2017 rating year. District revaluations are carried out at a three yearly interval, with the next revaluation due in 2018.

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 2018/2019.

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:⁸

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.

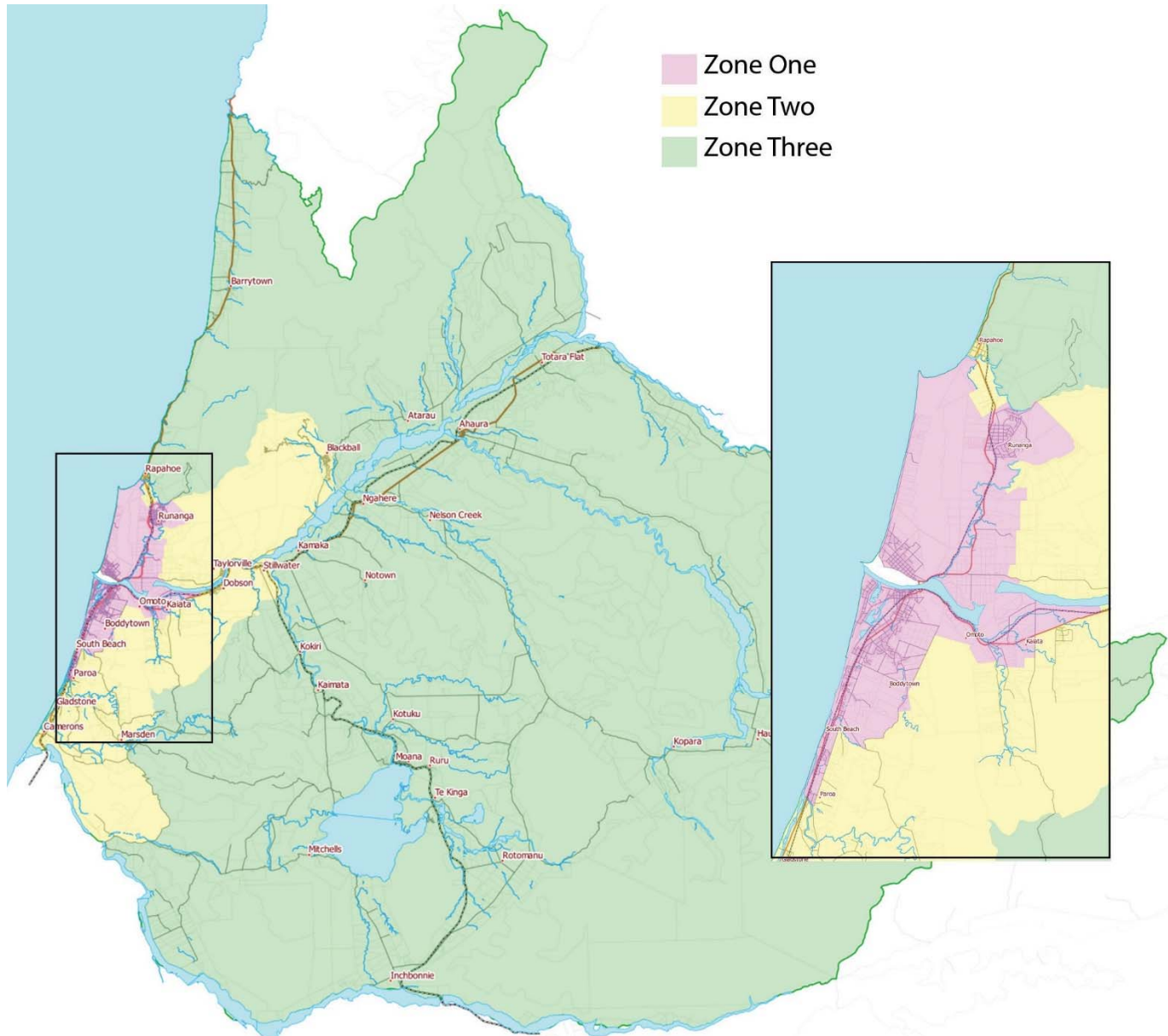
Commercial

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)

⁸ 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

Rates per dollar of land value payable by each category

The rates for 2018/2019 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
TOTAL GENERAL RATE	0.0150300	0.0094660	0.0079710	0.0050470	0.0044280	0.0228860	0.0103180	0.0196500	0.0017400

Includes GST

11.8 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)
- Westland Recreation Centre
- Library
- Swimming Pools
- Council
- Consultation
- Access to Official Information
- Civil Defence & Emergency Management

The rate for 2018/2019 is:

UAGC	Annual Plan 2017/2018	LTP 2018/2019
Rate	482.70	494.00

Includes GST

11.9 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 2018/2019 are:

Separately used or inhabited parts of rating units classified as service available and connected

WASTEWATER (SEWERAGE) Separately used or inhabited parts of rating units classified as service available and connected	Annual Plan	LTP
	2017/2018	2018/2019
Blackball	608.60	626.90
Dobson/Taylorville/Kaiata - capital rate	758.60	781.40
Dobson/Taylorville/Kaiata - operating and maintenance rate	252.70	260.30
Greymouth	655.60	675.30
Karoro	332.00	342.00
Moana	272.40	280.60
Runanga	264.20	272.10
South Beach/Paroa	295.30	304.20
Te-Kinga	726.20	748.00
South Beach Loan	432.40	432.40

Separately used or inhabited parts of rating units classified as service available and not connected

WASTEWATER (SEWERAGE) Separately used or inhabited parts of rating units classified as service available and <u>not</u> connected	Annual Plan 2017/2018	LTP 2018/2019
Blackball	304.30	313.45
Dobson/Taylorville/Kaiata - capital rate	758.60	781.40
Dobson/Taylorville/Kaiata - operating and maintenance rate	252.70	260.30
Greymouth	327.80	337.65
Karoro	166.00	171.00
Moana	136.20	140.30
Runanga	132.10	136.05
South Beach/Paroa	295.30	304.20
Te-Kinga	363.10	374.00
South Beach Loan	432.40	432.40

Pan charges for properties used for commercial or education purposes (*specific areas*)

WASTEWATER (SEWERAGE) Charge for each water closet (pan) or urinal connected to a public sewerage drain	Annual Plan 2017/2018	LTP 2018/2019
Dobson/Taylorville/Kaiata - operating and maintenance rate	63.17	65.07
Moana	66.05	68.02
Te-Kinga	181.55	187.00

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 2018/2019 are:

Separately used or inhabited parts of rating units classified as service available and connected

WATER	Annual Plan	LTP
Separately used or inhabited parts of rating units classified as service available and connected	2017/2018	2018/2019
Blackball	495.30	512.20
Dobson/Taylorville	486.20	502.80
Greymouth	442.50	457.60
Runanga	353.20	365.30
Stillwater	486.20	502.80
South Beach Water Loan	151.30	151.30

Separately used or inhabited parts of rating units classified as service available and not connected

WATER	Annual Plan	LTP
Separately used or inhabited parts of rating units classified as service available and <u>not</u> connected	2017/2018	2018/2019
Blackball	247.65	256.10
Dobson/Taylorville	243.10	251.40
Greymouth	221.25	228.80
Runanga	176.60	182.65
Stillwater	243.10	251.40
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 2018/2019 is (for all water consumed in excess of 300m³):

METERED WATER	Annual Plan 2017/2018	LTP 2018/2019
Rate	1.33	1.37

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 2018/2019 are:

REFUSE/RECYCLING COLLECTION Separately used or inhabited parts of rating units that receive the service	Annual Plan 2017/2018	LTP 2018/2019
Refuse only collection where available	195.10	198.30
Weekly Refuse/Recycling (wheelie bin) collection where available	271.30	279.50
Commercial/Industrial properties: Twice Weekly Refuse/Recycling (wheelie bin) collection where available in Greymouth CBD	542.60	559.00

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 2018/2019 is:

ECONOMIC DEVELOPMENT	Annual Plan 2017/2018	LTP 2018/2019
Rate	0.001440	0.0014700

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 2018/2019 is:

ECONOMIC DEVELOPMENT Bed and Breakfast/Homestay/Farmstay	Annual Plan 2017/2018	LTP 2018/2019
Rate	223.20	227.70

Includes GST

11.10 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.

11.11 Rates payable by instalment

	Due Date and Payable	FINAL Date for payment
Instalment 1	1 August 2018	31 August 2018
Instalment 2	1 November 2018	30 November 2018
Instalment 3	1 February 2019	28 February 2019
Instalment 4	1 May 2019	31 May 2019

11.12 Water rates payable by instalment

	Due Date and Payable	FINAL Date for payment
Instalment 1	1 October 2018	31 October 2018
Instalment 2	1 January 2019	31 January 2019
Instalment 3	1 April 2019	30 April 2019
Instalment 4	1 July 2019	31 July 2019

11.13 Penalties

CURRENT RATES PENALTIES	PENALTY DATE	Penalty incurred on current instalment balance outstanding
Instalment 1 Penalty	1 September 2018	10%
Instalment 2 Penalty	1 December 2018	10%
Instalment 3 Penalty	1 March 2019	10%
Instalment 4 Penalty	1 June 2019	10%

WATER METER RATE PENALTIES	PENALTY DATE	Penalty incurred on current instalment balance outstanding
Instalment 1 Penalty	1 November 2018	10%
Instalment 2 Penalty	1 February 2019	10%
Instalment 3 Penalty	1 May 2019	10%
Instalment 4 Penalty	1 August 2019	10%

RATES ARREARS PENALTIES	PENALTY DATE	Penalty incurred on TOTAL balance outstanding
Annual Penalty	4 July 2018	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 2019 \$000
GENERAL RATES	
Uniform Annual General Charge	3,114
General Rates - set on land value*	
Community Services	1,740
Environmental Services	921
Solid Waste Management	225
Roading	2,906
Stormwater	936
Flood Protection	147
Rural Fire	7
Total General Rate	6,882
* (refer below for amount charged per differential category)	
PENALTIES	
Rate Penalties	180

	total rate requirement 2019 \$000
TARGETED RATES ATTRIBUTABLE TO ACTIVITIES:	
Economic Development	
Commercial/Industrial properties - targeted rate set on capital value	342
Bed and Breakfast/Homestay/Farmstay - uniform charge	8
Refuse Collection	
Refuse only collection (bag collection) where available	399
Weekly Refuse/Recycling (wheelie bin) collection where available	888
Commercial/Industrial properties: Twice Weekly Refuse/Recycling (wheelie bin) collection where available in Greymouth CBD	87
Sewerage Collection	
Blackball	91
Greymouth	1,828
Karoro	104
Runanga	88
South Beach/Paroa	67
Moana	55
Dobson/Taylorville/Kaiata - operating and maintenance rate	69
Dobson/Taylorville/Kaiata - capital rate	111
Te-Kinga	38
South Beach Loan	17
Water Supplies	
Greymouth	1,591
Runanga	193
Dobson/Taylorville	155
Stillwater	61
Blackball	80
South Beach Water Loan	6
Water Meter Rates	237
TOTAL RATES	16,691

	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	694	59	244	165	63	383	38	30	64
Environmental Services	465	99	75	119	31	45	10	6	71
Solid Waste Management	113	25	18	28	8	11	2	1	19
Roading	880	76	128	148	122	779	99	49	625
Stormwater	653	59	52	53	9	91	10	9	-
Flood Protection	90	5	5	10	3	25	2	1	6
Rural Fire	2	-	-	-	1	-	-	-	4

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 - \$84,000 land value

		Annual Plan 2017/2018	LTP 2018/2019
General Rate - Residential Zone 1	84,000.00	1,202.38	1,262.52
Uniform Annual General Charge	1.00	482.70	494.00
Grey Urban Sewerage - Full	1.00	655.60	675.30
Greymouth Water - Full	1.00	442.50	457.60
Recycling & Refuse Collection	1.00	271.30	279.50
		3,054.48	3,168.92

Blaketown residential - \$37,000 land value

		<i>Annual Plan 2017/2018</i>	LTP 2018/2019
General Rate - Residential Zone 1	37,000.00	529.62	556.11
Uniform Annual General Charge	1.00	482.70	494.00
Grey Urban Sewerage - Full	1.00	655.60	675.30
Greymouth Water - Full	1.00	442.50	457.60
Recycling & Refuse Collection	1.00	271.30	279.50
		2,381.72	2,462.51

Cobden residential - \$32,000 land value

		<i>Annual Plan 2017/2018</i>	LTP 2018/2019
General Rate - Residential Zone 1	32,000.00	458.05	480.96
Uniform Annual General Charge	1.00	482.70	494.00
Grey Urban Sewerage - Full	1.00	655.60	675.30
Greymouth Water - Full	1.00	442.50	457.60
Recycling & Refuse Collection	1.00	271.30	279.50
		2,310.15	2,387.36

Karoro residential - \$116,000 land value

		<i>Annual Plan 2017/2018</i>	LTP 2018/2019
General Rate - Residential Zone 1	116,000.00	1,660.42	1,743.48
Uniform Annual General Charge	1.00	482.70	494.00
Karoro Sewer - Full	1.00	332.00	342.00
Greymouth Water - Full	1.00	442.50	457.60
Recycling & Refuse Collection	1.00	271.30	279.50
		3,188.92	3,316.58

Paroa/South Beach residential - \$70,000 land value

		<i>Annual Plan 2017/2018</i>	LTP 2018/2019
General Rate - Residential Zone 1	70,000.00	<i>1,001.98</i>	1,052.10
Uniform Annual General Charge	1.00	<i>482.70</i>	494.00
South Beach Sewerage - Full	1.00	<i>295.30</i>	304.20
Greymouth Water - Full	1.00	<i>442.50</i>	457.60
Recycling & Refuse Collection	1.00	<i>271.30</i>	279.50
		<i>2,493.78</i>	2,587.40

Kaiata residential - \$40,000 land value

		<i>Annual Plan 2017/2018</i>	LTP 2018/2019
General Rate - Residential Zone 1	40,000.00	<i>572.56</i>	601.20
Uniform Annual General Charge	1.00	<i>482.70</i>	494.00
Dobson Taylorville Kaiata Sewerage	1.00	<i>252.70</i>	260.30
Tylve Dobson Kaiata Sewerage - Capital	1.00	<i>758.60</i>	781.40
Refuse Collection	1.00	<i>195.10</i>	198.30
		<i>2,261.66</i>	2,335.20

Residential with B & B rate - \$56,000 land value

		<i>Annual Plan 2017/2018</i>	LTP 2018/2019
General Rate - Residential Zone 1	56,000.00	<i>801.58</i>	841.68
Uniform Annual General Charge	1.00	<i>482.70</i>	494.00
Economic Development	1.00	<i>223.20</i>	227.70
Grey Urban Sewerage - Full	1.00	<i>655.60</i>	675.30
Greymouth Water - Full	1.00	<i>442.50</i>	457.60
Recycling & Refuse Collection	1.00	<i>271.30</i>	279.50
		<i>2,876.88</i>	2,975.78

Dobson residential - \$38,000 land value

		<i>Annual Plan 2017/2018</i>	LTP 2018/2019
General Rate - Residential Zone 2	38,000.00	343.41	359.71
Uniform Annual General Charge	1.00	482.70	494.00
Dobson Taylorville Kaiata Sewerage	1.00	252.70	260.30
Tylve Dobson Kaiata Sewerage - Capital	1.00	758.60	781.40
Dobson/Taylorville Water -Full	1.00	486.20	502.80
Refuse Collection	1.00	195.10	198.30
		2,518.71	2,596.51

Taylorville residential - \$28,000 land value

		<i>Annual Plan 2017/2018</i>	LTP 2018/2019
General Rate - Residential Zone 2	28,000.00	253.04	265.05
Uniform Annual General Charge	1.00	482.70	494.00
Dobson Taylorville Kaiata Sewerage	1.00	252.70	260.30
Tylve Dobson Kaiata Sewerage - Capital	1.00	758.60	781.40
Dobson/Taylorville Water -Full	1.00	486.20	502.80
Refuse Collection	1.00	195.10	198.30
		2,428.34	2,501.85

Stillwater residential - \$27,000 land value

		<i>Annual Plan 2017/2018</i>	LTP 2018/2019
General Rate - Residential Zone 2	27,000.00	244.00	255.58
Uniform Annual General Charge	1.00	482.70	494.00
Stillwater Water - Full	1.00	486.20	502.80
Refuse Collection	1.00	195.10	198.30
		1,408.00	1,450.68

Runanga residential - \$30,000 land value

		<i>Annual Plan 2017/2018</i>	LTP 2018/2019
General Rate - Residential Zone 1	30,000.00	429.42	450.90
Uniform Annual General Charge	1.00	482.70	494.00
Runanga/Dunollie Sewerage - Full	1.00	264.20	272.10
Runanga Water - Full	1.00	353.20	365.30
Refuse Collection	1.00	195.10	198.30
		1,724.62	1,780.60

Rapahoe residential - \$88,000 land value

		<i>Annual Plan 2017/2018</i>	LTP 2018/2019
General Rate - Residential Zone 2	88,000.00	795.26	833.01
Uniform Annual General Charge	1.00	482.70	494.00
Runanga Water - Full	1.00	353.20	365.30
Refuse Collection	1.00	195.10	198.30
		1,826.26	1,890.61

Rural Residential (Coast Road) - \$136,000 land value

		<i>Annual Plan 2017/2018</i>	LTP 2018/2019
General Rate - Rural Residential	136,000.00	662.86	686.39
Uniform Annual General Charge	1.00	482.70	494.00
Refuse Collection	1.00	195.10	198.30
		1,340.66	1,378.69

Rural Use (Marsden) – \$155,000 land value

		<i>Annual Plan 2017/2018</i>	LTP 2018/2019
General Rate - Rural	155,000.00	<i>662.78</i>	686.34
Uniform Annual General Charge	1.00	<i>482.70</i>	494.00
Refuse Collection	1.00	<i>195.10</i>	198.30
		<i>1,340.58</i>	1,378.64

Gladstone residential - \$92,000 land value

		<i>Annual Plan 2017/2018</i>	LTP 2018/2019
General Rate - Residential Zone 2	92,000.00	<i>831.40</i>	870.87
Uniform Annual General Charge	1.00	<i>482.70</i>	494.00
Refuse Collection	1.00	<i>195.10</i>	198.30
		<i>1,509.20</i>	1,563.17

Camerons residential - \$44,000 land value

		<i>Annual Plan 2017/2018</i>	LTP 2018/2019
General Rate - Residential Zone 2	44,000.00	<i>397.63</i>	416.50
Uniform Annual General Charge	1.00	<i>482.70</i>	494.00
Refuse Collection	1.00	<i>195.10</i>	198.30
		<i>1,075.43</i>	1,108.80

Ngahere residential - \$52,000 land value

		<i>Annual Plan 2017/2018</i>	LTP 2018/2019
General Rate - Residential Zone 3	52,000.00	396.66	414.49
Uniform Annual General Charge	1.00	482.70	494.00
Refuse Collection	1.00	195.10	198.30
		1,074.46	1,106.79

Ahaura residential - \$25,000 land value

		<i>Annual Plan 2017/2018</i>	LTP 2018/2019
General Rate - Residential Zone 3	25,000.00	190.70	199.28
Uniform Annual General Charge	1.00	482.70	494.00
Refuse Collection	1.00	195.10	198.30
		868.50	891.58

Moana residential - \$200,000 land value

		<i>Annual Plan 2017/2018</i>	LTP 2018/2019
General Rate - Residential Zone 3	200,000.00	1,525.60	1,594.20
Uniform Annual General Charge	1.00	482.70	494.00
Moana Sewerage - Full	1.00	272.40	280.60
Refuse Collection	1.00	195.10	198.30
		2,475.80	2,567.10

Blackball residential - \$23,000 land value

		<i>Annual Plan 2017/2018</i>	LTP 2018/2019
General Rate - Residential Zone 2	23,000.00	207.85	217.72
Uniform Annual General Charge	1.00	482.70	494.00
Blackball Sewerage - Full	1.00	608.60	626.90
Blackball Water - Full	1.00	495.30	512.20
Refuse Collection	1.00	195.10	198.30
		1,989.55	2,049.12

Dairy Farm - \$6,250,000 land value

		<i>Annual Plan 2017/2018</i>	LTP 2018/2019
General Rate - Farming/Forestry	6,250,000.00	10,500.00	10,875.00
Uniform Annual General Charge	1.00	482.70	494.00
Refuse Collection	2.00	390.20	396.60
		11,372.90	11,765.60

Forestry block - \$2,660,000 land value

		<i>Annual Plan 2017/2018</i>	LTP 2018/2019
General Rate - Farming/Forestry	2,660,000.00	4,468.80	4,628.40
Uniform Annual General Charge	1.00	482.70	494.00
		4,951.50	5,122.40

Greymouth CBD commercial - \$159,000 land value/\$636,000 capital value

		<i>Annual Plan 2017/2018</i>	LTP 2018/2019
General Rate - Commercial Zone 1	159,000.00	<i>3,465.56</i>	3,638.87
Uniform Annual General Charge	1.00	<i>482.70</i>	494.00
Economic Development	636,000.00	<i>915.84</i>	934.92
Grey Urban Sewerage - Full	2.00	<i>1,311.20</i>	1,350.60
Greymouth Water - Full	2.00	<i>885.00</i>	915.20
Commercial Refuse Colln.	2.00	<i>1,085.20</i>	1,118.00
		<i>8,145.50</i>	8,451.59

Blackball commercial - \$24,000 land value/\$110,000 capital value

		<i>Annual Plan 2017/2018</i>	LTP 2018/2019
General Rate - Commercial Zone 2	24,000.00	<i>236.40</i>	247.63
Uniform Annual General Charge	1.00	<i>482.70</i>	494.00
Economic Development	110,000.00	<i>158.40</i>	161.70
Blackball Sewerage - Full	1.00	<i>608.60</i>	626.90
Blackball Water - Full	1.00	<i>495.30</i>	512.20
Refuse Collection	1.00	<i>195.10</i>	198.30
		<i>2,176.50</i>	2,240.73

Moana commercial - \$170,000 land value/\$415,000 capital value

		<i>Annual Plan 2017/2018</i>	LTP 2018/2019
General Rate - Commercial Zone 3	170,000.00	<i>3,196.68</i>	3,340.50
Uniform Annual General Charge	1.00	<i>482.70</i>	494.00
Economic Development	415,000.00	<i>597.60</i>	610.05
Moana Sewerage - Full	1.00	<i>272.40</i>	280.60
Refuse Collection	1.00	<i>195.10</i>	198.30
		<i>4,744.48</i>	4,923.45

PART G: Other Information

[appendix A] 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. These are set on a differential basis. Refer Funding Impact Statement for more detail.

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 (eg 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

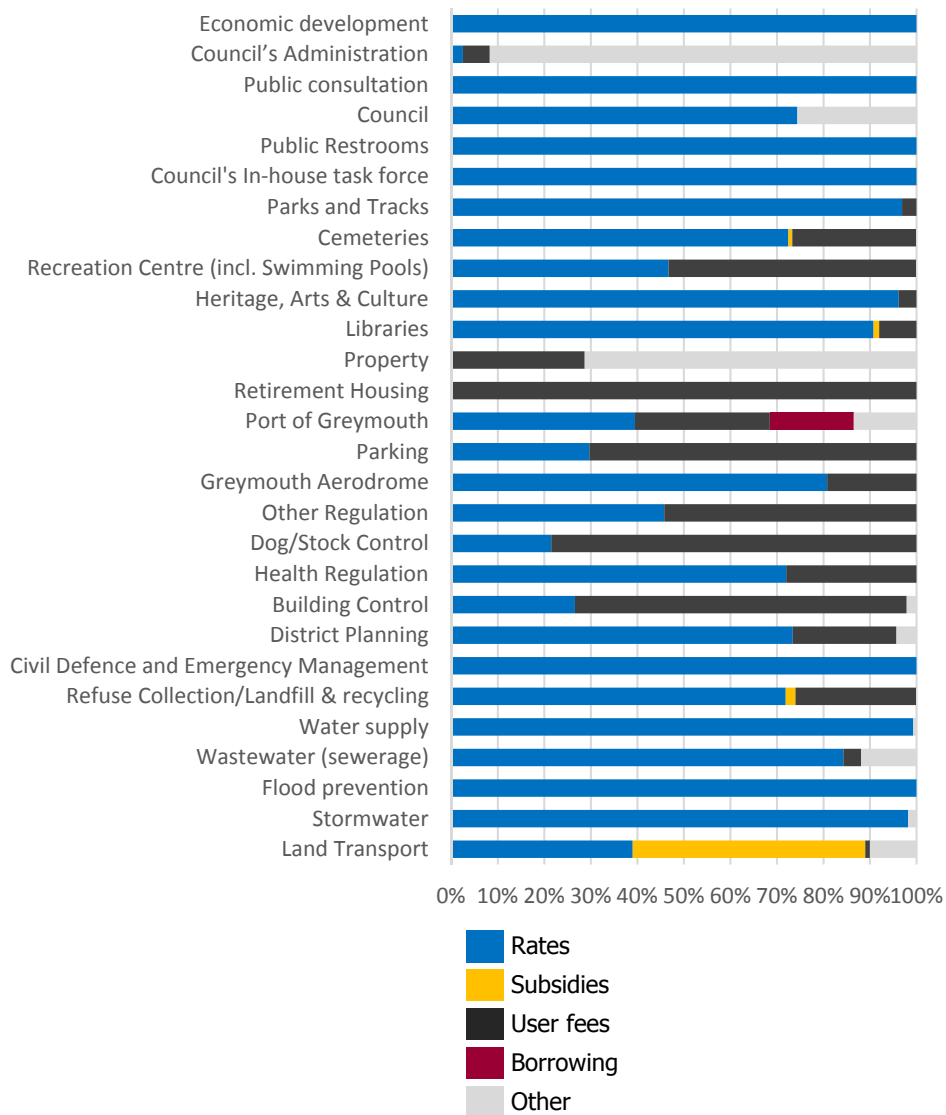
to draw down any such funds. Council acts as funding conduit for local service organizations accessing Crown funding assistance.

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:

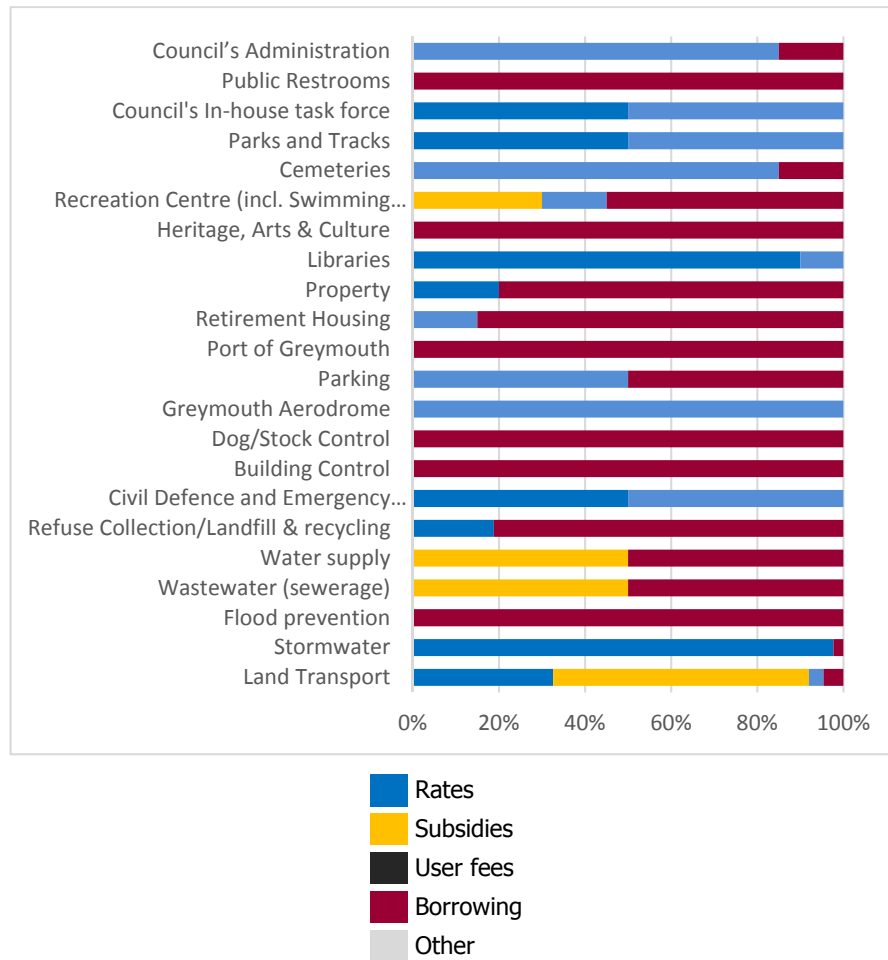
- Where funds have been accrued specifically for the purpose; and/or
- Where the expenditure is unexpected and unavoidable.

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.

However, the following graph broadly represents funding of capital works for the Plan.

Funding sources of capital costs for Council activities



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

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	
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
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.

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
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
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.
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

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
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
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.

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
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
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 	

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
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).
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

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		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.
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.

Council adopted the new Significance & Engagement Policy on 26 November 2014. It was reviewed as part of this LTP and no changes were proposed.

Adopted 26 November 2014, reviewed March 2018 and adopted by Council 25 June 2018

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.

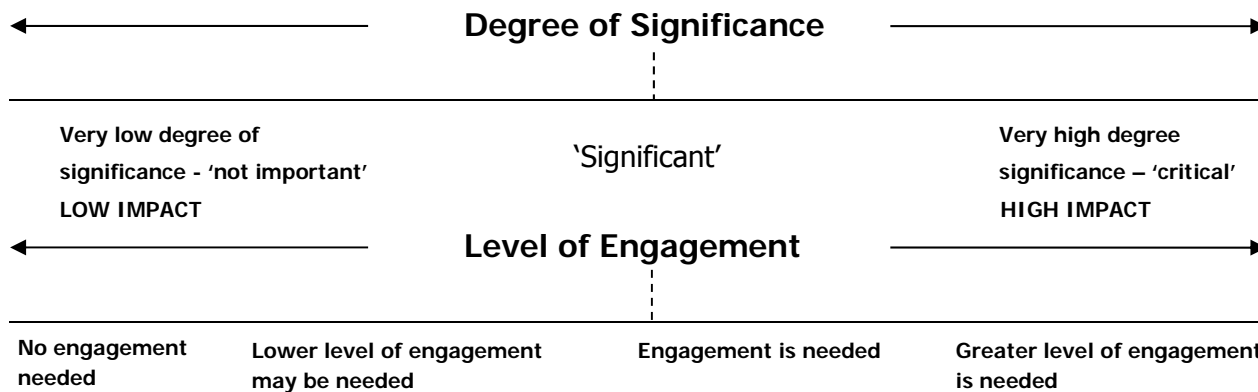
2. Definitions

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 one organisation that meets the definition of a Council Controlled Organisation (CCO) per the Local Government Act 2002. It is:

- Tourism West Coast – exempted March 2015

Council decided to exempt this organisation as a CCO due to its relatively small nature and limited scope. The exemptions must be reviewed every three years and can be revoked at any time.

Tourism West Coast

The above organisation is a Council Controlled Organisation (CCO) 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 this organisation, 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

It is noted that Council has exempted this organisation under section 7(3) of the Local Government Act 2002. This exemption was renewed on 12 March 2018.

[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	2017/2018 fee including GST	2018/2019 fee including GST
Management/CEO	\$171.00	\$174.50
Engineers	\$137.50	\$140.00
Engineering Assistants/Officers	\$110.00	\$112.00
Planners	\$137.50	\$140.00
Building Officers	\$137.50	\$140.00
Environmental Health Officers	\$137.50	\$137.50
Monitoring Staff	\$116.50	\$119.00
Animal Control Officer	\$116.50	\$119.00
Administration/Customer Service Officers	\$82.50	\$84.00

Fees and actual time hours are recoverable from applicants

Aerodrome	2017/2018 fee including GST	2018/2019 fee including GST
Aircraft weight (kg) MCTOW		
0 - 600	\$6.00	\$6.00
601- 1,500	\$10.00	\$10.00
1,501 - 2,500	\$16.00	\$16.00
2,501 - 3,500	\$24.00	\$24.00
3,501 - 4,500	\$35.00	\$35.00
4,501 - 5,700	\$49.00	\$49.00
Helicopters	\$6.00	\$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	\$7.00	\$7.00
account processing fee	\$8.00	\$8.00

Animal Control

	2017/2018 fee including GST	2018/2019 fee including GST
Dog Registration		
Pet	\$91.50	\$93.00
Desexed	\$67.50	\$69.00
Working	\$38.50	\$39.00
Late Regn	\$137.20	\$139.50
Dog Impounding		
1st Offence	\$74.50	\$76.00
2nd Offence	\$148.50	\$151.50
3rd Offence	\$221.50	\$226.00
Sustenance	<i>per day per dog</i> \$12.00	\$12.00
Stock Impounding		
Impounding fee	<i>per head of stock</i> \$112.50	\$115.00
Sustenance	<i>per day</i> cost recoverable	cost recoverable
Any additional costs associated with impoundment, ie trailer or transporter hire	cost recoverable	cost recoverable
After Office Hours		
Applicable Fee above Plus	staff hourly rate + mileage	staff hourly rate + mileage

Building2017/2018 fee
including GST2018/2019 fee
including GST

Except for set fees, all fees listed are DEPOSITS only. The balance will be charged at the rates specified.

Central government levies (BRANZ & DBH) are payable in addition to these fees - these are calculated on the cost of the building work and are advised at the time of lodging your consent.

Charged to all consent applications

Building Consent Accreditation levy	<i>per \$1,000 of building work</i>	\$2.55	\$2.59
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Set Fees

BWOF - receiving and checking on or before due date		\$180.50	\$183.50
BWOF - receiving and checking after due date		\$360.50	\$366.00
BWOF Audits		at cost	at cost
Consent extension request		\$110.50	\$112.50

Deposits Only (Costs to be Charged based on Actual Time)

PIM (only)	<i>deposit only</i>	\$205.00	\$208.50
CCC processing fee (applied to all consents with deposit based fees)	<i>deposit only</i>	\$247.00	\$251.00
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>	\$436.00	\$443.00
Minor building works (<\$5,000 and not listed elsewhere in this schedule)	<i>deposit only</i>	\$490.50	\$498.00
Minor plumbing & drainage (incl separation of services where no septic tank)	<i>deposit only</i>	\$444.00	\$451.00
Separation of services with disconnection of septic tank	<i>deposit only</i>	\$607.00	\$616.50
Relocated buildings	<i>deposit only</i>	\$1,672.00	\$1,697.50
Marquees	<i>deposit only</i>	\$269.50	\$274.00

Residential - Deposits Only (Costs to be Charged based on Actual Time + CCC fee to be added)

Garages/carports	<i>deposit only</i>	\$729.00	\$740.00
Garden Sheds	<i>deposit only</i>	\$729.00	\$740.00
Minor Alterations	<i>deposit only</i>	\$946.50	\$961.00
Major Alterations	<i>deposit only</i>	\$1,605.00	\$1,629.50
Pre-fab construction dwellings	<i>deposit only</i>	\$2,624.00	\$2,663.50
New Dwellings	<i>deposit only</i>	\$3,526.00	\$3,579.00
Multi-Unit Residential	<i>deposit only</i>	\$5,028.00	\$5,103.50
Demolition - large /commercial		\$705.50	\$716.50
Demolition - residential		\$374.00	\$380.00

Industrial/Commerical - Deposits Only (Costs to be Charged based on Actual Time + CCC fee to be added)

Minor alterations	<i>deposit only</i>	\$1,032.50	\$1,048.00
Major Alterations	<i>deposit only</i>	\$2,708.50	\$2,749.50
Farm Buildings	<i>deposit only</i>	\$642.00	\$652.00
Workshops	<i>deposit only</i>	\$1,661.50	\$1,686.50
Dairy sheds	<i>deposit only</i>	\$3,005.00	\$3,050.50
Shop/Office - single	<i>deposit only</i>	\$3,611.00	\$3,665.50
Shop/Office - complex	<i>deposit only</i>	\$5,409.00	\$5,490.50

Industrial/commercial multi-function complex	<i>deposit only</i>	\$8,716.00	\$8,847.00
Outbuildings	<i>deposit only</i>	\$729.00	\$740.00
Ancillary	<i>deposit only</i>	\$729.00	\$740.00
Communal residential			
Community service	<i>deposit only</i>	\$5,409.00	\$5,490.50
Community care	<i>deposit only</i>	\$5,409.00	\$5,490.50
Communal non-residential			
Assembly service	<i>deposit only</i>	\$5,409.00	\$5,490.50
Assembly care	<i>deposit only</i>	\$5,409.00	\$5,490.50
Certificate of Public Use		\$268.50 flat fee plus hourly rate	\$273.00 flat fee plus hourly rate
Compliance Schedule		\$268.50 flat fee plus hourly rate	\$273.00 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		recoverd at cost from building owner, estimated cost of \$1,000 to \$10,000 depending on building	recoverd at cost from building owner, estimated cost of \$1,000 to \$10,000 depending on building
Enforcement			
Swimming pool re-inspection		\$108.00	\$110.00
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

Cemeteries

	2017/2018 fee including GST	2018/2019 fee including GST
Plot Purchase	\$421.30	\$427.70
Ashes Lawn	\$112.80	\$114.50
Cremation Berm	\$169.30	\$171.90
Baby Plots	\$98.80	\$100.30
RSA Plots	No Charge	No Charge
Paupers' Plots	No Charge	No Charge
Single Plot	\$632.00	\$641.50
Ashes Lawn	\$169.30	\$171.90
Cremation Berm	\$169.30	\$171.90
Baby Plots	\$126.70	\$128.70
RSA Plots	No Charge	No Charge
Paupers' Plots	No Charge	No Charge
Interment		
12 years and over	\$351.30	\$356.60
Under 12 Years	\$140.60	\$142.80
Stillborn	\$70.80	\$71.90
Ashes	\$140.60	\$142.80
Disinterment	\$449.90	\$456.70
Re-interment	\$449.90	\$456.70
Extra Depth (over 6ft)	\$140.60	\$142.80
Weekend & Public Holidays	<i>additional charge</i>	\$256.80
Lowering Device	\$50.30	\$51.10
Memorial Permit	\$36.20	\$36.80

Health

	2017/2018 fee including GST	2018/2019 fee including GST
Food Licensing		
Initial Registrations and Renewals for Food Control Plans	\$311.00	\$311.00
Initial Registrations and Renewals for National Programmes	\$100.00	\$100.00
All further work (including verification, audits, investigation enforcement and administration)	hourly rate per appropriate Council officer	hourly rate per appropriate Council officer
Food Gr 1	\$517.50	\$528.00
Food Gr 2	\$747.50	\$762.50
Food Gr 3	\$996.00	\$1,016.00
No Kitchen facilities	\$250.50	\$256.00
Hairdressers	\$475.00	\$484.50
Camping/Offensive Trades	\$475.00	\$484.50

Libraries

		2017/2018 fee including GST	2018/2019 fee including GST
Loan			
New Fiction	<i>per book per 2 weeks</i>	\$2.00	\$2.00
Rental Fiction	<i>per book</i>	\$1.00	\$1.00
Non-Fiction	<i>per book</i>	No charge	No charge
All children's materials	<i>per book</i>	No charge	No charge
Large Print	<i>per book</i>	\$1.00	\$1.00
Large print subscription	<i>per year</i>	\$12.50	\$12.50
Talking Books/audios *	<i>per unit</i>	\$1.00	\$1.00
* no charge for children's & for people with disabilities			
DVDs (Adults)	<i>per unit per week</i>	\$2.00	\$2.00
DVDs Junior)	<i>per unit per week</i>	\$0.50	\$0.50
Magazines	<i>Per unit per week</i>	\$0.50	\$0.50
Fines			
ADULTS and YOUNG ADULTS CARDS	<i>per day (max \$10 per item)</i>	\$0.30	\$0.30
CHILDREN'S CARDS	<i>per day (max \$3.50 per item)</i>	\$0.10	\$0.10
Other			
Book Reserve Fee	<i>per book</i>	\$1.00	\$1.00
Non Resident Subscription	<i>per annum (part charges available)</i>	\$60.00	\$60.00
Replacement Library Card	<i>each</i>	\$5.00	\$5.00
Interloan from National Library of New Zealand and Interloan partnership libraries	<i>per book</i>	\$6.70	\$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	<i>per book</i>	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>	\$0.40	\$0.40
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

Noise Control		2017/2018 fee including GST	2018/2019 fee including GST
Noise control - call out		\$100.00	\$100.00
Seizure of equipment		\$100.00	\$100.00
Official Information		2017/2018 fee including GST	2018/2019 fee including GST
Property file queries	<i>per hour</i>	\$85.00	\$87.00
LIMs		\$296.00	\$302.00
Other Regulation		2017/2018 fee including GST	2018/2019 fee including GST
Advertising Signs Fees		\$105.50	\$108.00
Trading in Public Places Licence		\$182.00	\$186.00
Abandoned Vehicles			
Towage		\$630.50 + COST	\$650.00 + COST
Inspection & Administration	<i>per hour</i>	staff hourly rate + mileage	staff hourly rate + mileage
Storage of Vehicle	<i>per day</i>	\$12.50	\$13.00
Amusement Devices			
One Device		\$19.00	\$19.50
Each Additional Device		\$5.00	\$5.10
Each Device for a further period of 7 days		\$2.90	\$3.00
Other Enforcement			
Legal advice and Consultants		\$362/hour (not more than)	\$393.50/hour (not more than)

Parking

No increase for carpark rentals
 Contact Corporate Services for availability and details

Planning

		2017/2018 fee including GST	2018/2019 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>	\$452.50	\$462.00
Non-notified (2 - 5 lots)	<i>deposit only</i>	\$768.50	\$784.00
Non-notified (6 - 10 lots)	<i>deposit only</i>	\$1,469.50	\$1,499.00
Non-notified (11+ lots)	<i>deposit only</i>	\$1,996.00	\$2,036.00
Public notification - subdivision	<i>deposit only</i>	\$1,277.00	\$1,303.00
s224 - without inspection	<i>deposit only</i>	\$294.00	\$300.00
s224- with one inspection	<i>deposit only</i>	\$452.50	\$462.00
s226 certificate	<i>deposit only</i>	\$575.00	\$586.50
Other certificates (e.g. s223)	<i>deposit only</i>	\$165.50	\$169.00
Esplanade reserve reduction/waiver	<i>deposit only</i>	\$534.00	\$545.00
Reapproval lapsed consent	<i>deposit only</i>	\$575.00	\$586.50
ROW/Easement amendments	<i>deposit only</i>	\$405.00	\$413.50
Land Use Consents			
Hazardous substances	<i>deposit only</i>	\$639.50	\$652.50
Signs	<i>deposit only</i>	\$575.00	\$586.50
Relocated buildings	<i>deposit only</i>	\$452.50	\$462.00
Bulk & locn/recession plane/setback	<i>deposit only</i>	\$487.50	\$497.50
Heritage	<i>deposit only</i>	\$452.50	\$462.00
Non-rural/residential activities	<i>deposit only</i>	\$961.00	\$980.50
Utilities	<i>deposit only</i>	\$575.00	\$586.50
Vegetation clearance	<i>deposit only</i>	\$534.00	\$545.00
Sub-sized lots	<i>deposit only</i>	\$897.00	\$915.00
Limited Notification - Land Use*	<i>deposit only</i>	\$897.00	\$915.00
Public Notification - Land Use*	<i>deposit only</i>	\$1,342.50	\$1,369.50
* Notification fee is in addition to deposit for consent type			
Plan Changes			
District Plan Changes - major	<i>deposit only</i>	\$14,410.00	\$14,698.50
District Plan Changes - minor	<i>deposit only</i>	\$7,208.50	\$7,353.00
Other			
Designation/Heritage Order	<i>deposit only</i>	\$2,909.00	\$2,967.50
Alteration of designation	<i>deposit only</i>	\$1,166.00	\$1,189.50
Certificate of compliance	<i>deposit only</i>	\$294.00	\$300.00
s357 objection	<i>deposit only</i>	\$441.00	\$450.00
Consent variation - non-notified	<i>deposit only</i>	\$399.50	\$407.50
Consent variation - notified	<i>deposit only</i>	\$761.50	\$777.00
Permitted boundary activity (s87BA)	<i>deposit only</i>	New	\$300.00
Deemed permitted activity (s87BB)	<i>deposit only</i>	New	\$470.00
Outline Plan	<i>deposit only</i>	\$294.00	\$300.00
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		\$190/hour (not more than)	\$194/hour (not more than)
Legal advice		\$380/hour (not more than)	\$388/hour (not more than)

Hearings - Commissioner
- Facilities

\$1,600/day (not more than)	\$1,632/day (not more than)
\$200/hour (not more than)	\$204/hour (not more than)

Retirement Housing

Rental Units to increase in 2018/2019 by \$3.50 per week
Contact Corporate Services for availability and details

Westland Recreation Centre Swimming Pool		2017/2018 fee including GST	2018/2019 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
Spectators		free	free
Swim Memberships			
Adult	<i>3 months</i>	\$167.00	\$167.00
	<i>6 months</i>	\$305.00	\$305.00
	<i>12 months</i>	\$554.00	\$554.00
Community Card Holder	<i>3 months</i>	\$134.00	\$134.00
	<i>6 months</i>	\$244.00	\$244.00
	<i>12 months</i>	\$443.50	\$443.50
Children	<i>3 months</i>	\$100.00	\$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 Concession Cards			
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>			

Spring Creek Swimming Pool

	2017/2018 fee including GST	2018/2019 fee including GST
Pool Admission		
Adult	\$3.50	\$3.50
Child/Student	\$1.00	\$1.00
Parent/Caregiver and Preschooler	\$1.00	\$1.00

Sewerage

	2017/2018 fee including GST	2018/2019 fee including GST
Financial Contributions		
Moana <i>per lot</i>	\$5,291.00	\$5,450.00
South Beach/Paroa <i>per lot</i>	\$12,672.00	\$13,053.00
Karoro <i>per lot</i>	\$3,042.00	\$3,134.00
<i>Other contributions to proposed 'as required' works may be set through separate consultative procedures</i>		
Trade Waste Charges		
All Greymouth wastewater treatment plants <i>per cubic metre</i>	\$0.66	\$0.67
Blackball Treatment plant <i>per cubic metre</i>	\$0.66	\$0.67
Karoro Treatment plant <i>per cubic metre</i>	\$0.66	\$0.67
Runanga treatment plant <i>per cubic metre</i>	\$0.66	\$0.67

Water

	2017/2018 fee including GST	2018/2019 fee including GST
Financial Contributions		
South Beach/Paroa <i>per lot</i>	\$4,351.00	\$4,482.00
Karoro <i>per lot</i>	\$1,393.00	\$1,435.00
<i>Other contributions to proposed 'as required' works may be set through separate consultative procedures</i>		

Solid Waste (Refuse & Recycling)

		2017/2018 fee including GST	2018/2019 fee including GST
McLeans Landfill			
Refuse			
Commercial Refuse*	<i>per tonne</i>	\$289.00	\$295.00
Mixed Domestic Waste*	<i>per tonne</i>	\$289.00	\$295.00
Hardfill/Soil*	<i>per tonne</i>	\$289.00	\$295.00
TVs and ewaste*	<i>per tonne</i>	\$289.00	\$295.00
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>	\$6.80	\$7.00
4WD	<i>per tyre</i>	\$6.80	\$7.00
Truck	<i>per tyre</i>	\$12.30	\$12.60
Tractor	<i>per tyre</i>	\$12.80	\$13.10
Specialist Industrial	<i>per tyre</i>	\$28.50	\$29.10
Other			
Unprepared Car Bodies	<i>per car</i>	\$54.70	\$55.80
Paint/Solvents	<i>per litre</i>	\$2.50	\$2.60
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			
<i>Garden matter, leaves, branches, weeds, unsprayed lawn clippings (no cabbage tree leaves)</i>			
Domestic & Commercial - large vehicles incl. Trailers	<i>per tonne</i>	Free	Free
Domestic station wagons/small 4x4's	<i>fixed fee</i>	Free	Free
Resource Centres (Moana/Blackball/Nelson Creek)			
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
Car Boot	<i>per load</i>	\$25.50	\$26.10

Station wagon	<i>per load</i>	\$38.80	\$39.60
Utility Vehicle/Van	<i>per load</i>	\$38.80	\$39.60
Single axle trailer	<i>per load</i>	\$51.00	\$52.10
Tandem Trailer	<i>per load</i>	\$83.70	\$85.40
Truck under 5m ³ , uncompacted general waste	<i>per load</i>	\$183.60	\$187.30
Truck under 5m ³ , compacted general waste or dense material such as building waste.	<i>per load</i>	\$290.70	\$296.60
Other			
Refuse ties	<i>each</i>	\$3.00	\$3.00

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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	37.70	1,128.80	602.10	319.70
10 - 14	54.60	1,637.30	873.10	464.10
14 - 16	86.00	2,579.90	1,375.80	731.00
16 - 18	129.00	3,869.80	2,063.90	1,096.70
18 - 20	192.70	5,780.50	3,083.00	1,637.90
20 - 24	240.90	7,225.00	3,853.40	2,047.10
24 - 28	286.00	8,580.00	4,576.00	2,430.90

FISHING: BERTHAGE (at Council berth)

per day	<i>per m (LOA)</i>	3.30
Annual (paid 6 monthly in advance)	<i>per m (LOA)</i>	215.50

FISHING: WHARFAGE and OTHER (at Council wharf)

Any species	<i>per tonne</i>	6.80
Martins Quay Crane Hire	<i>per tonne</i>	15.00
Wharf Space Occupied by Processors, Fuel Pumps	<i>per m2</i>	97.50
Rental of Port Operational Land Occupied by Containers, Storage etc	<i>per m2</i>	29.70

CARGO & PASSENGER

	unit	
Berthage		
Ships, Tugs, Barges Berthage - per day	/ gross registered tonne	0.28
Ships, Tugs, Barges Berthage - per day	minimum	353.10
Ships, Tugs, Barges Lay Up Berthage - per day	/ gross registered tonne	0.28
Ships, Tugs, Barges Lay Up Berthage - per day	minimum	282.70
Mooring (Line Services)	/ staff hour	80.20
Wharfage and other		
Timber	max of m3 or tonne	12.30
Logs	max of m3 or tonne	6.50
Coal Wharfage	/ tonne	7.50
Coal Stockpile and Resource Management	/ tonne shipped	2.00
Gravel, Aggregate, Rock	/ tonne	5.60
Fertiliser	/ tonne	7.30
Motor Vehicles	each	119.50
Containers - Loaded (TEU = Twenty Foot Length Equivalent Unit)	/ TEU	394.90
Containers - Empty	/ TEU	319.70
Pallets Returned Empty	/ m3	8.40
All Other Cargo	max of m3 or tonne	8.40
		50% of wharfage, stockpile & resource management
Cargo Brought in for Shipping and Leaving Port Other than by Ship/Barge	max of m3 or tonne	charges
Cargo Wharf Crane Hire -	/ hour / crane	413.70
Cargo Wharf Crane Hire - Minimum Charge	minimum	103.50
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	max of m3 or tonne / month	0.80
Richmond Quay Stockpile Area Over 6 months After Free Period	max of m3 or tonne / month	1.00
Cargo Shed : less than 100 m2	/ m2 / month	16.00
Cargo Shed : 100 m2 or more	/ m2 / month	12.30
Rental of Port Operational Land Occupied by Containers, Storage etc	/ m2 / year	31.10

RECREATIONAL / COMMERCIAL TOUR & CHARTER VESSELS BERTHS & MOORINGS

Swing Mooring Site	/ week	17.70
Pile Mooring	/ week	28.20
Annual Berthage at Wharf-Paid 6 months in Advance-Incl. Electricity & Water	/metre length overall / year	215.50
Daily Berthage at Wharf - Includes Electricity & Water	/metre length overall / day	3.30

SLIPWAY

Haulage (up / down) single cradle *	up / down	811.90
Haulage (one way only) single cradle*	one way	487.50
Haulage (up / down) tandem cradle*	up / down	1,623.70
Haulage (one way only) tandem cradle*	one way	974.80

* above charges include 5 days applicable cradle charge

Daily Cradle Charge - single cradle -	/ day	119.60
Daily Cradle Charge - tandem cradle	/ day	239.20
Site Charge for Sandblasting	/ day	233.30
Long Term Hard Stand When Vessel is Removed from Cradle	/ week	67.30

ELECTRICITY AND WATER

Electricity Connection Fee	/ connection	39.80
Electricity Supply Charge	/ kwh	1.20
Labour to Connect Electricity	/ hour	79.80
Labour to Connect Electricity	minimum	39.80
Water Connection Fee	/ connection	25.00
Water Supply Charge	/m3	1.70
Labour to Connect Water	/ hour	79.80
Labour to Connect Water	minimum	39.80