

# YOUR COMMUNITY - YOUR COUNCIL YOUR FUTURE

## LONG TERM PLAN

2015 - 2025

RETHINKING RATES

PROMOTING GROWTH

LEADERSHIP

WATER SERVICES

ROADING

FUTURE PROOFING



# COUNCIL'S PLANNING DOCUMENTS

Council uses a number of planning processes to realise its vision for the district. These are described below.

## LONG TERM PLAN

Under the Local Government Act 2002, Council is required to put together a Long Term Plan every three years. This plan sets out Council's overall goals (community outcomes), the projects it intends to deliver over a 10-year period and how these will be funded. It also explains how Council intends to contribute to the wellbeing of the community over the life of the plan, with the overlying purpose of articulating and aligning Council's activities with what the community needs and desires and what it can afford.

## ANNUAL PLAN

Council produces an Annual Plan for the two years between each Long Term Plan. Therefore, the next Annual Plan will be produced for 2016/17. Annual Plans are less detailed than Long Term Plans, confirming arrangements for the coming year. An Annual Plan also contains any variations to the Long Term Plan, should any changes take place in the short term.

## ANNUAL REPORT

Each year Council produces an Annual Report, to report to the community on Council's actual performance against the relevant plan (Annual Plan or Long Term Plan).

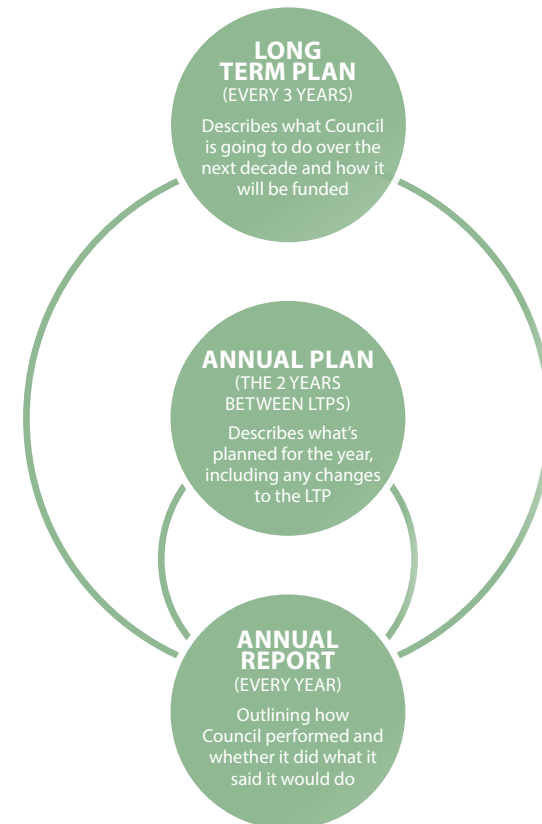
## ACTIVITY MANAGEMENT PLANS

Activity Management Plans set out in detail how Council will manage assets and activities in the long term. They are key documents Council uses to assess and plan for core activities. They include details about cost, maintenance, levels of service, demand for and capacity of particular assets and activities. A brief overview of the information contained in the Activity Management Plans is contained in this Long Term Plan. For more information about particular activities please contact Council to obtain a copy of the information you require from any of these plans.

## CLUTHA DISTRICT PLAN

The District Plan provides a regulatory process for implementing policies prepared under the Long Term Plan, Activity Management Plans, and the Resource Management Act. Unlike the other plans mentioned above, which only cover what Council itself does, the District Plan sets out objectives,

policies, and rules that apply to all people and activities within the District. These are intended to ensure the sustainable management of the natural and cultural environment, and appropriate use of Council infrastructure.



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# INTRODUCTION

YOUR COMMUNITY YOUR COUNCIL YOUR FUTURE 2015/25



# MESSAGE FROM THE MAYOR



**MAYOR**  
Bryan Cadogan

I want to begin by thanking all those who took the time to consider the issues raised in lead up to this Long Term Plan, especially those who also made a written, and in some cases verbal, submission to Council. It is through the Long Term Plan that Council sets its intentions and future aspirations for the Clutha District.

As was indicated in numerous submissions and as you will see in this plan, Council wants our district to grow and be vibrant. But, we need to look at it from a district-wide perspective, and always be mindful of the cost implications.

Consequently this document sets out over the medium to long term what Council is aiming to achieve for the Clutha District, including where we want the district to head, the projects we want to deliver, and the costs of making them happen.

Overall there will be an annual rates increase of 3.19% in the 2015/16 year that will be followed by a 3.34% rise in 2016/17 and 3.24% in 2017/18. Please remember this does not reflect the individual variances in different rating communities.

Four key issues were consulted on and are identified in this Long Term Plan.

Firstly, Council is determined to address the challenges that exist around the lack of growth in our area. There is a growing belief that action needs to be taken to avoid the recent nationwide trend for rural communities by emphasising the advantages our district has, for example the wealth of job opportunities in Clutha. Consequently, we are promoting a plan for growth, which include adopting the Living and Working and Economic Development strategies, while keeping in mind that new initiatives will need to be rates neutral.

Secondly, the way we charge for urban water, stormwater and sewerage services is changing. Council is moving away from a user-pays based philosophy that includes some cost capping to a uniform cost which will see all townships paying the same rate right across the district.

Roading makes up a significant proportion of Council's activities and recent changes from Central Government forced us to consider our options

around levels of service for roads. Consequently, there will be a reduction in spending on local sealed roads and investment targeted towards the roads that have the most economic significance.

Finally, the present economic environment means rates affordability must be a cornerstone, in all our decision making processes.

A lot of work has gone into this Long Term Plan and I'd like to once again thank all those who became involved in the process and had their say on the future of our district.

Cheers

Bryan Cadogan  
**Mayor**

# YOUR COUNCIL



Bryan Cadogan  
**MAYOR**



Stewart Cowie  
**DEPUTY MAYOR**  
**CLUTHA**  
**VALLEY WARD**



John Cochrane  
**DISTRICT ASSETS**  
**CHAIR**  
**CLINTON WARD**



Bruce Vollweiler  
**REGULATORY**  
**SERVICES CHAIR**  
**BRUCE WARD**



Hilary McNab  
**CORPORATE**  
**SERVICES CHAIR**  
**CATLINS WARD**



Hamish Anderson  
**BALCLUTHA WARD**



Ron Davis  
**BALCLUTHA WARD**



Ken Payne  
**BALCLUTHA WARD**



Jo-anne Thomson  
**BALCLUTHA WARD**



Gaynor Finch  
**BRUCE WARD**



Selwyn Wilkinson  
**BRUCE WARD**



Bruce Graham  
**KAITANGATA-MATUA**  
**WARD**



Geoff Blackmore  
**LAWRENCE/**  
**TUAPEKA WARD**



Michele Kennedy  
**WEST OTAGO WARD**



Jeff McKenzie  
**WEST OTAGO WARD**

# INDEPENDENT AUDITOR'S REPORT

## ON CLUTHA DISTRICT COUNCIL'S 2015/25 LONG TERM PLAN

I am the Auditor-General's appointed auditor for Clutha 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). I have carried out this audit using the staff and resources of Deloitte. We completed the audit on 18 June 2015.

### OPINION

In my opinion:

- the plan provides a reasonable basis for:
  - long-term, integrated decision-making and coordination 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 238 to 241 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 and accurately reflect the information drawn from the Council's audited information.

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

### BASIS OF OPINION

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

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

Our audit 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 over the next 30 years;
- the information in the plan is based on materially complete and reliable asset and activity information;
- the Council's key plans and policies have been

consistently applied in the development of the forecast information;

- the assumptions set out within the plan are based on the best information currently available to the 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 within the plan.

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

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<sup>1</sup>The International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and The International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information*.



## RESPONSIBILITIES OF THE COUNCIL AND AUDITORS

The Council is responsible for:


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

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

The Council is also responsible for the publication of the plan, whether in printed or electronic form.

### Independence

We have followed the independence requirements of the Auditor-General, which incorporate those of the External Reporting Board. Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.



B E Tomkins

Deloitte

On behalf of the Auditor-General, Dunedin,  
New Zealand



# KEY DECISIONS

YOUR COMMUNITY YOUR COUNCIL YOUR FUTURE 2015/25



# KEY DECISIONS

FOR YOUR COMMUNITY- YOUR COUNCIL- YOUR FUTURE 2015-2025

**IN THE LEAD UP TO THIS LONG TERM PLAN, COUNCIL PRODUCED A CONSULTATION DOCUMENT, TO HELP EXPLAIN KEY ISSUES AND DECISIONS COUNCIL WAS FACING. IT SET OUT OPTIONS WE WANTED FEEDBACK ON, TO HELP US IN MAKING CHOICES AND SET FUTURE DIRECTION.**

Just over 370 written submissions were received from residents and organisations.

This was double the number of responses in 2012, when the last long term plan was developed.

A further 41 people also came to speak to Council in support of their written submissions.

Council would like to formally acknowledge those who took time to be involved and give their feedback.

The key issues as presented in the consultation document are included on the following pages, along with the decisions Council went on to make for this plan.



# WORKING TO FUTURE PROOF THE CLUTHA DISTRICT

“Council has identified promoting growth as a priority, and is aiming to do more to develop the district as a place to live, work, play and invest.”



## Focusing on growing the rating base

**“It’s a simple choice really – actively promote growth or be a bystander in our district’s future”**

Like other rural areas throughout New Zealand, the Clutha District’s population has declined in recent years. It’s a fact – we have lost people overseas and to other parts of the country. But, on the flip side we more than continue to hold our own on other indicators, like our gross domestic product (GDP) per capita.

Current predictions are that our population will stay relatively stable at around 17,000. But, like many other regions of New Zealand, the proportion of our population aged 65 and older is expected to grow.

At the moment there are approximately 12,500 rateable properties in the district. Based on historical trends we expect this will continue to grow by at least 0.2% a year.

As we develop our proposed 2015/25 Long Term Plan, Council has taken the opportunity to look not just at the here and now, but also ahead. We have carefully considered what our organisation can do to help future proof the Clutha District.

Council has identified promoting growth as a priority, and is aiming to do more to develop the district as a place to live, work, play and invest.

But, we also realise this is a district-wide issue, so the solutions have a better chance of success if our residents and ratepayers support us in this approach.



## The no growth spiral – what happens if nothing is done to promote growth?

Just in Council terms, even if there is no growth, there is still inflation. In our 2015/25 Long Term Plan we are assuming an average inflation rate of around 2.5% per annum.

Inflation will increase Council’s costs. If there is no growth in the number of ratepayers, then either rates have to increase, or, if rates are to remain the same, then services have to be reduced. Both of these options make the district a less attractive place to live. This could become a reinforcing negative spiral as fewer people may choose to live in the Clutha District.

On the other hand, if we can increase the number of ratepayers, then the amount each individual ratepayer has to pay is reduced, and services can be maintained. Council infrastructure and services generally have considerable spare capacity, and could accommodate population growth without requiring the expense of new investment.

## Promoting growth

We are proposing to provide leadership and promote growth across a number of different Council areas. These closely link with our proposed Economic Development Strategy, and actions to promote ‘Living and Working’ in the Clutha District.

We are at the early stages in this approach, and there is still much work to be done. Council recognises that promoting growth must be done in a sustainable way. The sample of initiatives and proposals that feature here are being developed on the basis that they are at worst, rates neutral. This means any investments made to promote growth will generate revenue returns that will pay back initial investment including interest. Where any opportunity to promote growth won’t achieve a rates neutral position, we plan to check with residents and ratepayers before a decision is made.

Overall, we believe taking this approach to grow the rating base is an important step forward towards future proofing the Clutha District. We’re also keen to get your feedback and suggestions for other initiatives you think Council should be working on to help grow our district.

# KEY ISSUE: PROMOTING GROWTH

Source: Clutha District Council - *Your Community - Your Council - Your Future. 2015-25 Consultation Document (April 2015)*

## COUNCIL'S DECISION: AGREED TO FOCUS ON GROWING THE RATING BASE

Council agreed to focus on growing the district's rating base and promoting growth following a strong level of support from submitters.

This will be an important focus during the life of this Long Term Plan and beyond.

To receive such a level of support from submitters was positive as Council realises any actions to promote growth have a better chance of success if they are backed by the community.

The feedback also helped Council decide to implement two new strategies, the Economic Development and Living and Working strategies.

These are important as they underpin Council's priority to grow the rating base.

For example, the strategies include actions such as attracting people to the district to fill jobs, supporting businesses to thrive and looking for partner opportunities in both residential and commercial growth.

A key component of any work undertaken to promote growth is that it be rates neutral, this principle was also supported by the feedback received.

Overall, Council believes this focus on growth is an important step towards future proofing the Clutha District.



What are your ideas for future-proofing the Clutha District?

### A sample of ways Council is proposing to promote growth:

- Attract people to the Clutha District to fill our jobs
- Support businesses to thrive and expand
- Create a coordinated marketing strategy, promotional tools and website to attract new businesses and investment
- Facilitate tailored development programmes for the primary sector
- Co-invest/partner in opportunities to support both residential and commercial growth
- Help growing sectors develop e.g. tourism
- Develop an events strategy that focuses on attracting residents and visitors
- Support and facilitate community initiatives such as cycle trails, wetlands and community facilities
- Ensure we have a level of infrastructure to meet present and future needs with the ability to be responsive to growth opportunities
- Invest in streetscape upgrades in towns around the district where appropriate, including town entranceways
- Facilitate the development of growth hubs via the District Plan, e.g. Milton as an industrial hub and Balclutha as a service hub
- Support and enable the utilisation of land for development
- Future proof current Council community housing stock
- Update strategies and management plans with a goal of maximising opportunities for recreation and leisure

**Do you support these initiatives,  
and Council's focus on growing the  
rating base?**





“The standard of roads across New Zealand is under the microscope”



# GETTING IT RIGHT FOR ROADING

## Putting our roads into perspective

**‘Getting the best bang for our buck’ by targeting investment into the roads that we need the most, is the future strategy for the Clutha District’s local roads.**

In our district, the New Zealand Transport Agency (NZTA) takes care of all state highways, while Council maintains all other roads, known as local roads.

We have a big local network. At just under 3,000km it is the third largest in the country behind Auckland and Southland. About 28% (809km) is sealed and the remaining 72% is unsealed.

About \$14 million a year is spent on local roads. In the past, 61% of that has come from central government, but that will drop to 59% over the next two years. Roading makes up the biggest proportion of expenditure (at 44%) and rates (at 32%). That’s easily more than any other Council service.

Rural ratepayers pay the lion’s share of roading rates, reflecting the benefit gained and use of the network. Rural roads make up 95% of the network.

Residents recognise the high quality of the district’s sealed roads. In the last resident survey 77% said they were satisfied, the highest score since surveying began.

In contrast 52% were happy with the level of maintenance on local gravel roads, the lowest score of all Council services. It’s worth noting that 52% is still the highest since surveying began. But, residents and ratepayers need to be aware that changes are coming.

The standard of roads across all of New Zealand is under the microscope with central government aiming to give motorists the same experience whether they’re driving on roads in Gisborne or Otago. This is a national standard being set through what is known as the One Network Road Classification (ONRC).

The current standard of our local sealed road network is generally higher than the national standard.

## How much extra would it cost for our roads to look like scenario 1?

Amount (\$)

	Dairy Farm	Sheep/Beef Farm	Residential
Annual Average	1,600	1,000	30-50
Cumulative (10 years)	16,000	10,000	300-500

Central government will help fund roads to meet the national standard, but not beyond that. This means a choice between less spending on roads, or residents paying significantly more to maintain them above national standards. There is a specific consultation question requiring your preference on these two options.

*But, there is good news if we do make some cut backs!*

Given the current quality of our sealed roads Council is in a good position to reduce spending on them, especially the ones with low traffic volumes. The trade-off will be that sealed roads won’t be as smooth as they are now, and may look patchier, but will still be fit for purpose and safe to travel on.

Council is also signalling that over the next three years we are changing future spending. Instead of maintaining all roads to a similar level, Council will target roads with the biggest economic benefit to the district, with the aim of giving ratepayers the ‘best bang for their buck’. We want to check with residents and ratepayers before we head in this direction.

### Gravel roads

We are not proposing to change the current level of service for unsealed roads. Traction seals to improve safety on short sections throughout the district are expected to continue. As things stand we know that sealing other gravel roads in the district generally wouldn’t meet NZTA funding criteria. Sealing roads cost about \$300,000 per kilometre, which means it would cost over \$600 million to seal the gravel roads in the district. Council recognises this is an unrealistic cost to put onto ratepayers and is not planning any non-subsidised sealing in the future, a position we have maintained since 2009.

At this stage Council supports sealing the Nuggets Road to the iconic lighthouse, but only if the project secures NZTA funding assistance.



This scenario is Council's preferred option.

### Scenario 1: Increase rates to maintain the current standard

If ratepayers and residents want to maintain local sealed roads at their current levels and looking like this rates increases will be needed to cover funding shortfalls.

What to expect:

- Sealed roads remain at current levels (above proposed national standards)
- Roading rates would increase, for example:
  - A dairy farm with a capital value of \$6.8 million would pay \$16,000 more during 2015-25.
  - A sheep farm with a capital value of \$4.0 million would pay \$10,000 more during 2015-25.
  - A residential property in one of the main towns of the district would pay approximately \$300-\$500 more during 2015-25.

### Scenario 2: Reduce spending and target investment

This would mean targeting investment and rates to meet national standards. We could reduce spending by doing less work on sealed roads with less traffic.

This is Council's preferred scenario. We are in a good position to do this and believe it is a smarter, sustainable long term approach.

What to expect:

- Sealed roads won't be as smooth as they are now, but still fit for purpose and safe to travel on (and more in line with proposed national standards).
- Less rates to pay than scenario 1.



# KEY ISSUE: ROADING

Source: Clutha District Council - Your Community - Your Council - Your Future 2015-25 Consultation Document (April 2015)

## COUNCIL'S DECISION: SCENARIO 2: REDUCE SPENDING AND TARGET INVESTMENT

After considering feedback from submitters, Council agreed with the majority of them that reducing spending on roads and targeting investment was the best way of balancing ratepayers' expectations with meeting national standards for roading.

It means changing future spending over the next three years to do less work on lower volume sealed roads and instead targeting funds towards sealed roads with the biggest economic benefit to the district.

This approach will also help Council work towards the One Network Road Classification national standards for roads from 2018 onwards.

Given the current high quality of the district's sealed roads, Council is in a good position to reduce spending on them, especially the ones with low traffic volumes.

The trade-off will be that sealed roads won't be as smooth as they are now, but they will still be fit for purpose and safe to travel on.

Council is not planning to change the current level of service for unsealed roads.

Targeting investment in our roading network will allow Council to manage its roading programme in a smarter and more sustainable manner in to the future.

**Should we increase rates to maintain current standards for local sealed roads OR reduce spending and target investment?**



# SAME SERVICE - SAME CHARGE?

"When you turn on the tap or flush the loo you don't really think about the cost"

## Weighing up paying for water, sewerage and stormwater services

**"Should the amount you pay depend on the service you get... or which community you live in?"**

This is something Council has been carefully weighing up lately, and we want to put this question to urban water, sewerage and stormwater customers.

When you turn on the tap or flush the loo you don't really think about the cost. But, at the moment how much you pay to do these things varies depending on which community you live in. How much it varies by is shown in the table opposite.

Another scenario is for customers to pay the same amount if they receive the same service, no matter which community they live in.

### Urban Water, Sewerage and Stormwater Services Rates (2015/16)\*

	Water (on demand) <sup>1</sup>	Water (restricted) <sup>2</sup>	Sewerage	Stormwater
Balclutha	383.50		262.30	112.60
Benhar	483.00		262.30	
Clinton		671.50	512.70	123.20
Heriot			559.10	
Kaitangata	647.30		336.80	88.60
Kaka Point		563.00	464.90	81.90
Lawrence	671.00		453.80	112.50
Milton	672.10		307.90	183.90
Owaka		245.90	568.70	100.10
Stirling	365.90		568.70	
Tapanui	671.00		341.40	129.60
Waiholā		415.40	453.70	

### What it would look like if customers paid the same amount for the same service (2015/16) \*

	Water (on demand) <sup>1</sup>	Water (restricted) <sup>2</sup>	Sewerage	Stormwater
Customers who receive service	528.50	449.25	352.20	118.40

### What impact would the proposed 'same service – same charge' approach have on your rates?

Balclutha, Benhar, Owaka, Stirling and Waiholā households would pay more under the proposed change compared to the current approach.

Clinton, Heriot, Kaitangata, Kaka Point, Lawrence, Milton and Tapanui would pay less compared to the current approach.

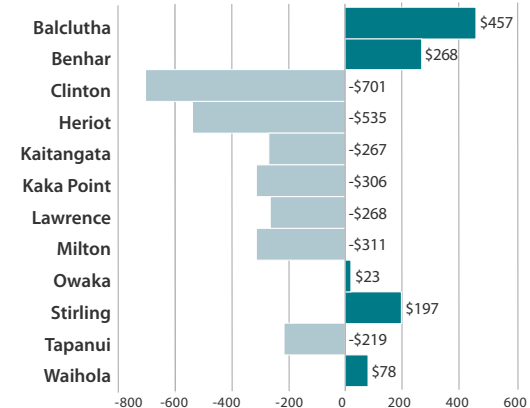
The graph below shows how much more or less customers would pay if we moved from our current approach to the proposed 'same service – same charge' approach.

If Council makes this change, we recognise that the biggest increase would be felt by Balclutha customers, so we're proposing to phase in the 'same service – same charge' approach over three years (2015/16, 2016/17 and 2017/18).

This transition also takes into account the restricted and on-demand supply difference in charges.

### The change in total rates over three years between the status quo (Scenario 1) and phasing in 'same service-same charge' (Scenario 2)\*

Total Rate change



**Should customers pay for water, sewerage or stormwater services depending on which community they live in (Scenario 1),**

\* Includes GST

<sup>1</sup> On demand customers have no flow restrictions

<sup>2</sup> Restricted customers have flow restrictions

After carefully looking at the facts, with your help Council wants to confirm the best way forward. We encourage you to take this opportunity to tell us your views.



### Scenario 1:

## Where you live is what you pay

Continue to pay for water, sewerage or stormwater services depending on which community you live in.

This would see Council sticking with the more direct scheme-by-scheme user pays system we currently have in place.

#### What to expect:

- 30 different rates for customers throughout the district
- Variations in what customers pay depending on which community they live in.

### Scenario 2:

## Same service – same charge

This would see Council introduce a 'same service – same charge' approach where the amount customers pay depends on the service they get, rather than the community they live in.

#### What to expect:

- 4 different rates for customers throughout the district  
*Water – on demand* (Balclutha, Benhar, Kaitangata, Lawrence, Milton, Stirling and Tapanui), *Water – restricted* (Clinton, Kaka Point, Owaka and Waihola), *Sewerage and Stormwater*.
- Consistency with how you pay for other Council services, e.g. all wheelie bin customers pay the same, regardless of their distance from Mt Cooe Landfill.
- An approach that aligns the services communities get to national standards for drinking water and sewage discharges.
- Changes to how much urban customers pay for their rates compared to the current approach  
*Balclutha, Benhar, Owaka, Stirling and Waihola would pay more. Clinton, Heriot, Kaitangata, Kaka Point, Lawrence, Milton and Tapanui would pay less than they do now.*

This scenario is Council's preferred option.

# KEY ISSUE: RATING FOR URBAN WATER, SEWERAGE AND STORMWATER

Source: Clutha District Council - Your Community - Your Council - Your Future 2015-25 Consultation Document (April 2015)

## COUNCIL'S DECISION:

### REVISED SCENARIO 2: A 'SAME SERVICE - SAME CHARGE' APPROACH PHASED IN OVER SIX YEARS

After debating the different options, and taking into account the feedback received, Council voted to introduce a 'same service-same charge' approach to urban water, sewerage and stormwater services.

It means Council will move towards charging for the provision of these three services according to their availability, rather than their location.

In the past the amount customers paid varied between different urban communities.

In making this decision, Council recognised it signalled a shift to thinking more collectively as a district, rather than as individual rating communities.

Council also recognised the effect of this change would be felt more by some communities than others, particularly in the case of Balclutha.

In response, Council voted to phase in the approach over six years, rather than the three initially proposed, to reduce the rates impact on different communities.

Such a change significantly reduces the 30 different rates customers currently pay for water services throughout the district, and provides consistency with how people pay for other Council services e.g. wheelie bin collection.

It is also an approach that aligns the service communities receive with the national standards for drinking water and sewage discharges.

REFER TO THE RATES AND COMMUNITY SUMMARIES SECTIONS OF THIS PLAN FOR MORE DETAILS ABOUT RATES CHANGES.

or should a 'same service – same charge' approach be phased in over three years (Scenario 2)?





While there are no specific choices to make yet, Council encourages your feedback.

# RE-THINKING RATES

“The future we want at the price we can afford.”

## **Weighing up who pays, and how much is affordable heavily influences Council's decisions.**

In our widespread rural district we have the added challenge of a relatively small population and a lot of infrastructure, especially for core services like roading and water supply.

Council has the important balancing act of providing services to a standard that residents expect, at a price they can afford.

In developing the 2015/25 Long Term Plan Council has carefully considered rates affordability.

We are proposing a range of measures including:

- Controlling costs
- Looking for greater efficiencies in how we do things
- Ongoing work on our rating system
- Looking at how we can increase our non-rates income.

We also want to highlight discounts on rates that are available. We are currently consulting on policies that

reduce rates, for example, for community groups and organisations, buildings with historical covenants and land with conservation values. We encourage you to check this information to see if it affects the rates you pay.

The approach of encouraging growth could also lead to a positive impact on rates, if there are more ratepayers to share the cost.

We also intend to investigate the impact of further limiting rates increases, as a way of keeping rates affordable.

There is no doubt this is an ongoing issue, where we will be doing more work to reduce rates increases.

**Council encourages your feedback about rates**

## ISSUE WE SOUGHT FEEDBACK ON: RATES

Source: Clutha District Council - Your Community, Your Council - Your Future 2015-25 Consultation Document (April 2015)

## COUNCIL'S RESPONSE:

### WE WILL CONTINUE WORK TO REDUCE RATES INCREASES

Weighing up who pays, and how much is affordable, heavily influences Council's decision-making and we will continue to work to reduce rates increases.

While Council has to balance providing services to a standard residents expect with a price they can afford, it did note the feedback about impact of rate changes - especially on superannuitants and those on low incomes.

Rates affordability will be a careful consideration during the life of this Long Term Plan with Council proposing a range of measures including controlling costs, looking for greater efficiencies, ongoing work on the rating system and looking to increase non-rates income.

Council also intends to investigate the impact of further limiting rates increases as a way of keeping rates affordable.

As was noted in the section on promoting growth, any actions undertaken in that area should be rates neutral.

It is possible that any growth in the district could also lead to a positive impact on rates, if there are more ratepayers to share the costs.



# OTHER ISSUES AND PROJECTS COUNCIL CONSIDERED

## THE FOLLOWING ARE ISSUES OR PROJECTS WHERE WE RECEIVED FEEDBACK THAT HELPED US MAKE DECISIONS

### **NUGGETS ROAD SEALING**

Council confirmed the inclusion of \$2.6 million in the 2015/16 budget for the possible sealing of the Nuggets Road to the iconic lighthouse near Kaka Point. This is on the assumption that the project will secure NZ Transport Agency financial assistance, and that Council's share will be \$1.0 million.

Council recognised that the project will improve the journey to a premiere tourist destination; provide an improved journey for residents and locals using the road; provide Council's contribution to an Otago/Southland inter-regionally prioritised project; provide safety improvements and reduce maintenance costs and complaints.

### **BALCLUTHA STREETSCAPE IMPROVEMENTS**

Council agreed to increase the budget for this project by \$600,000 to do additional work raised during the consultation that didn't fit with the initial \$2.6 million budget. This aims to help Council 'do it once and do it right'.

### **KAITANGATA HALL**

Council confirmed the commitment to funding \$100,000 towards a community owned and operated facility. The amount of \$85,000 has also been budgeted for the demolition of the existing hall building.

### **KAITANGATA POOL**

Low use of the Kaitangata pool means it is unsustainable as a Council-owned and operated facility. The option that it should become community owned and operated if it is to continue to operate, was confirmed. The facility reopening from 2015/16 onwards will be determined by the Kaitangata community and its representatives.

### **BALCLUTHA i-SITE**

Council confirmed it will continue with the review to decide whether Balclutha's i-SITE should be moved to a new location at Elizabeth Street or kept at the existing hall, with other services potentially relocated there, for example, a service centre, museum or any other community facility.

### **HINA HINA BRIDGE**

Council confirmed it will continue investigating options for repairing the Hina Hina Bridge and working out its priority in terms of our overall roading and bridge network

### **TAPANUI STORMWATER UPGRADE**

Upgrading the stormwater system at Tapanui to address issues with Paterson's Creek.

### **CHANGES RELATING TO REVENUE & FINANCING POLICY AND SCHEDULE OF FEES AND CHARGES 2015/16**

#### **STORMWATER RATES**

Council has agreed to introduce the district-wide stormwater rate to properties in Heriot, Pounaweia, Stirling, Taieri Mouth and Waihola. These areas have had stormwater issues in the past and minimal work has been undertaken retrospectively in response. Capital work has been identified

for all these areas to address issues, but had not been able to be funded in the past. Council aims to plan for and work towards a consistent level of stormwater management in urban areas across the district, including in these smaller communities.

### **INCREASING BUILDING CONSENT FEES**

Building consent fees will increase by around 20% on average so that building owners pay more and ratepayers pay less for these costs. The increase still keeps our fees within the range of our neighbouring districts.

### **INCREASING CHARGES FOR BALCLUTHA AND MILTON POOLS**

Council considered submissions, but agreed that casual rates will increase with the aim that between 10-15% of the costs of running the pools is recovered from pool-users. We will continue free swims for schools' swimming programmes.

# OTHER ISSUES AND PROJECTS COUNCIL CONSIDERED - CONTINUED

## THE FOLLOWING ARE REQUESTS THAT WERE GRANTED THROUGH SUBMISSIONS:

### **REDUCING WHEELIE BIN RATES AND INCREASING MT COOEE LANDFILL CHARGES**

This change is being introduced to reflect how much waste goes to the landfill from wheelie bins compared to users 'through the gate'. Charges will increase by 25%, for example the charge for a car and trailer will increase from \$23 to \$30. On the other hand, wheelie bin charges will go down.

### **RURAL FIRE TANKER REPLACEMENTS**

Funding to the Otago Rural Fire Authority for tanker replacements was confirmed. This includes \$85,000 in 2015/16 and \$174,250 in 2016/17. It was agreed this would be loan funded internally over a period of 10 years.

### **PAPATOWAI RURAL FIRE STATION**

One-off funding of \$10,000 was granted to the Papatowai Volunteer Fire Force, to help towards the building extension project at the fire station at Papatowai

### **CLUTHA DISTRICT COMBINED MUSEUM FUNDING**

Council approved a request to increase operating funding by \$10,000 taking the annual grant to \$88,000. This did not include provision for additional funding for the South Otago Historical Society's curator funding.

### **CROSS RECREATION CENTRE**

The annual operating grant was increased by \$10,000 to \$31,000 (inflation-adjusted) for 2015/16, 2016/17 and 2017/18.

### **CLUTHA DISTRICT EMERGENCY SERVICES TRUST**

An ongoing annual grant of \$1,200 was confirmed. This is to help fund the operating costs for the Trust's caravan that is deployed in emergencies.

# INFRASTRUCTURE STRATEGY



YOUR COMMUNITY YOUR COUNCIL YOUR FUTURE 2015/25

# MANAGING OUR INFRASTRUCTURE

Council is charged with planning for and managing a billion dollars worth of infrastructure on behalf of Clutha District residents and ratepayers.

This Infrastructure Strategy outlines Council's approach to maintaining and improving core infrastructure during the period of 2015 to 2045. It includes information about how we are going to manage it; the main challenges we face; and based on the information we have right now how we are proposing to address these.

This strategy covers in detail roads and footpaths, urban water supply, rural water schemes, sewerage and the treatment and disposal of sewage and stormwater drainage. Our district is also facing longer term infrastructure issues with waste management and community facilities and these are discussed at a high level.

## OUR INFRASTRUCTURE STRATEGY PRINCIPLES ARE TO:

- Generally maintain the assets we have, but target funding to where we get the most benefit.

- Continue to use internal borrowing/debt to fund infrastructure that residents and ratepayers will benefit from, both now and into the future.

- Assume that growth will not significantly change, as our actions to promote growth will not impact in the short term.

- Use our solid financial position and existing infrastructure as a platform to provide for the impacts of medium to long term growth in our rating base.

- Keep rates affordability at the forefront of our actions and decisions, and work to keep rates increases at a low level.

## WHERE WE WANT TO BE

In developing our 2015/45 Infrastructure Strategy, Council has taken the opportunity to examine the current and future needs of the district. It's important to look ahead and consider what our organisation can do to help future proof our district.

We want to continue to consolidate and build on our existing asset base, while we sustainably manage and maintain key infrastructure for residents and future generations throughout our district. In

some instances we will increase levels of service to meet compulsory requirements, such as increasing standards for sewage discharges and drinking water.

Importantly, Council will also look at facilitating growth where there is potential for this to help achieve our goal of growing the rating base. We acknowledge this is a medium to longer term goal.

## WHERE WE HAVE COME FROM

Clutha District Council formed in 1989 with the merging of a number of boroughs and counties with assets of varying ages and condition.

In recent years there has been substantial investment in infrastructure, and our communities are experiencing the benefits of these works. Our roading network is generally in good condition when compared with other similar networks and NZTA benchmarks and this has reduced capital works for sealed roads compared to 10 to 15 years ago. Significant investment in new footpaths has also seen improvements in our footpath network and customer satisfaction. There has also been a focus on providing improved drinking water and sewage treatment upgrades for the majority of our towns. We have also considered community facilities on a case-by-case basis and adapted and in

some instances divested facilities if this is the most sustainable longer term option.

The majority of improvements referred to above have increased Council's costs during recent years. In developing both this Infrastructure Strategy, and the related Financial Strategy, Council has spent a considerable amount of time considering the impact of increasing rates on ratepayers' ability to pay. Rates affordability and the sustainability of service levels and expenditure are key considerations for both the Infrastructure and Financial strategies.

## WHERE WE ARE NOW

GENERALLY OUR CORE INFRASTRUCTURE IS IN GOOD CONDITION AND OVERALL HAS PLENTY OF LIFE LEFT IN IT.

We have a lot of infrastructure to maintain, particularly for roading and water supply – especially compared to our relatively low population.

A substantial portion of roading and rural water infrastructure exists to support our crucial primary production sector. Urban water, sewerage and stormwater infrastructure supports our various townships.

A substantial proportion of our infrastructure was constructed in the 1970s and 1980s, e.g. rural water schemes and many of our sewerage schemes.

Generally our core infrastructure is in good condition. On average overall it has 60% of its life left. Based on current information the table to the right illustrates how much life is left for the different types of core infrastructure.

## Summary of Core Infrastructure

CORE INFRASTRUCTURE	VITAL STATISTICS	VALUE (\$M)	REMAINING LIFE*
<b>Roads and footpaths</b>	826km sealed roads 2,091km unsealed roads 239km footpaths 161km surface water channels 401 bridges and bridge culverts	<b>859.4</b>	<b>68%</b>
<b>Water supply (urban and rural)</b>	22 schemes 2,443km or reticulation 17 treatment plants 46 pump stations	<b>57.4</b>	<b>58%</b>
<b>Sewerage</b>	11 schemes 183km of sewers 28 pump stations 1 treatment plant 10 oxidation ponds (5 with Biofiltro) 3 wetlands	<b>37.5</b>	<b>63%</b>
<b>Stormwater</b>	8 systems 84km of pipes 4 pumping stations	<b>10.3</b>	<b>48%</b>
<b>Overall</b>		<b>964.6</b>	<b>60%</b>

\* Remaining life is the current value of the assets divided by the replacement cost. This is an estimate of the remaining life our assets have.



## OVERALL CHALLENGES WE FACE

This strategy acknowledges the following general challenges, and outlines the assumptions we have made in preparing this strategy:

### POPULATION TRENDS

We have a widespread rural district with a relatively small, stable and aging population.

For planning purposes Council uses the medium series projections, which project a marginal decrease during the next thirty years to around 16,250. But the biggest change expected is to the age structure of our population.

In common with the rest of New Zealand and much of the world, Clutha's population is ageing. Now and into the future a high and growing proportion of our population will be over 65, while young people (0-14) and the working age population (15-64 year olds) is predicted to decline.

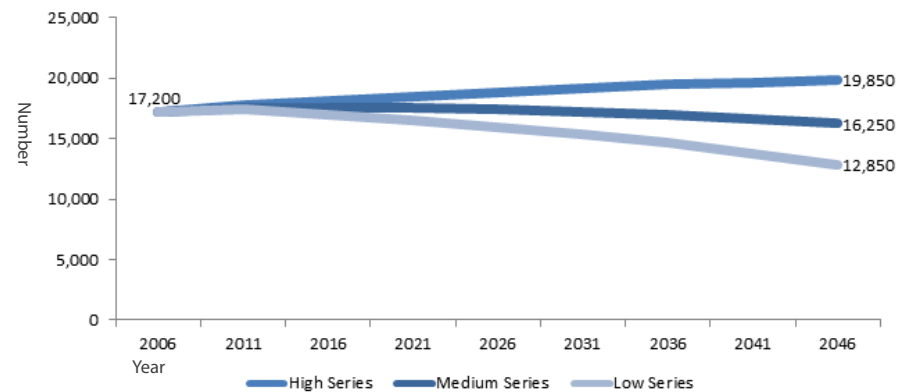
### CHANGES IN OUR RATING BASE

Despite a declining population, our rating base has continued to grow, albeit at a low rate. Based on historical data, growth in the rating base has varied between 0.12% and 1.12% per annum over the last ten years. Therefore, a conservative estimate of 0.2% growth per annum has been assumed.

### ECONOMIC TRENDS

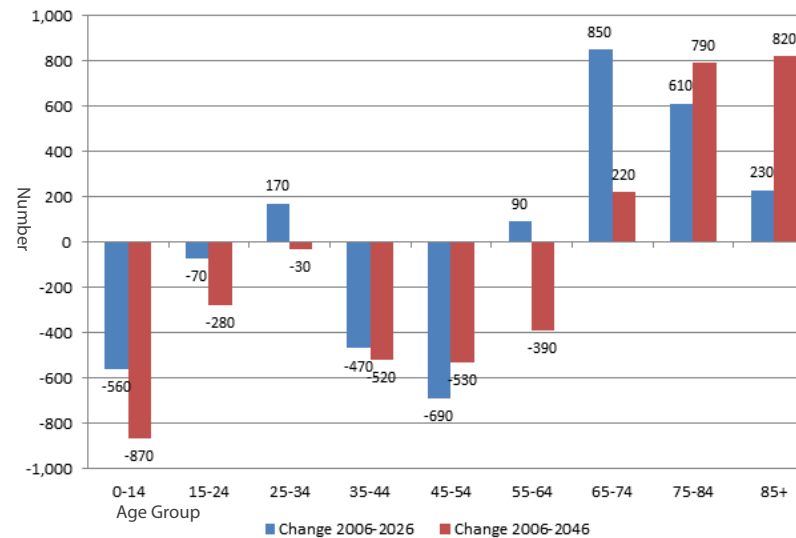
As our district's economy significantly depends on the primary sector, the ability to absorb and sustain labour in the district is influenced by this sector's economic performance. The sector has been positive across the previous decade, showing employment and GDP gains since 2000. Conversions to dairying

## Clutha District Summary of Population Projections 2006 (Base) to 2046\*



\* Source: Statistics New Zealand (September 2014). Note: The most up-to-date population projections covering the period of the Financial and Infrastructure strategies uses the 2006 Census for its base.

## Projected Population Change by Age Group 2006 (Base) to 2046 (Medium Series)



\* Source: Statistics New Zealand (September 2014)

have driven much of this. We assume this sector will continue to remain relatively strong over the next ten years, although its performance may be volatile due to factors like the exchange rate, climate and fuel costs. Likewise, increased productivity trends and consolidation of rural processing industries will continue to impact on the number of jobs required to sustain this sector of the economy. The tourism sector has also shown growth in recent years, and is expected to continue to do so, although it is only about 3% of the district's economy.

### LAND USE CHANGES

No major shifts in land use are expected during the life of this strategy that will impact on core infrastructure.

It is expected that conversions to dairying and increases in dairy herd sizes will continue. Conversion and intensification are expected to be subject to water availability and being able to meet increasing standards for environmental discharges. Many recent conversions have sourced their own water supply and as such provision of Council water is not expected to be a barrier to future conversion in many areas.

Maturation of forestry blocks and subsequent harvesting and processing throughout the district may impact on roading infrastructure. However, our current regulatory framework provides for any impacts to be dealt with directly with forestry owners as the demand for this infrastructure arises.

Council has made provision for urban growth in some areas of the district over the last 10 years and with the growth focus into the future this is expected to continue through the District Plan review, so as to facilitate urban and industrial growth where there is demand in key areas of the district.

### LEGISLATIVE AND STRUCTURAL UNCERTAINTIES

Council is assuming that the Clutha District will retain its existing boundaries, functions and status as a territorial authority during the life of this plan. Should amalgamation with neighbouring authorities or significant boundary changes take place, this could significantly impact on this strategy. We have tagged this as a medium risk for the ten year term of this strategy. There is also a regulatory risk of higher standards for stormwater and sewerage discharges that may impact on this strategy. This is considered a medium risk for this strategy.

### MANAGING THE RISKS WE FACE DUE TO NATURAL HAZARDS

Managing the risks associated with natural hazards is an issue that has been flagged as a consideration in Council's infrastructure strategy. Council utilises guidance from the Ministry for the Environment, information being developed by Otago Regional Council and Risk Reductions lifelines group. Resilience and natural hazard mitigation is considered on a project by project basis for all capital projects.

### FINANCIAL SUSTAINABILITY AND RATES AFFORDABILITY

In recent years Council has committed to a substantial amount of funding to invest in infrastructure, particularly for water and sewage treatment. This has been funded from reserves and internal borrowing. The 2015/25 Long Term Plan provides information about funding for the first ten years of the infrastructure strategy, and information about rates impacts where these apply.

# INFRASTRUCTURE-SPECIFIC CHALLENGES WE FACE

THIS STRATEGY ACKNOWLEDGES THE FOLLOWING CHALLENGES AND OUTLINES THE ASSUMPTIONS WE HAVE MADE IN PREPARING THIS STRATEGY:

## ROADING

### Co-investment by the NZTA

A main source of funding for roading comes from New Zealand Transport Agency (NZTA). A baseline level of funding is received for the maintenance of the existing roading network, while funding for new projects may be received depending upon the costs and benefits of each project. Based on information at hand the baseline levels of funding have been assumed as 60% in 2015/16, dropping to 59% for the remainder of this strategy. An annual inflation-

adjustment on the financially assisted roading programme of 2.4% has also been assumed.

### Aligning to nationally consistent levels of service

The One Network Road Classification (ONRC) is a joint initiative of Local Government New Zealand and the NZTA's Roading Efficiency Group (REG) to provide a nationally consistent framework to inform activity management planning including choices about roading investments, maintenance and operations.

The initiative aims to standardise the road user experience nationally, to support consistent asset management across the country. It also aims to facilitate collaboration and prioritisation between organisations responsible for planning and service delivery for the national road network.

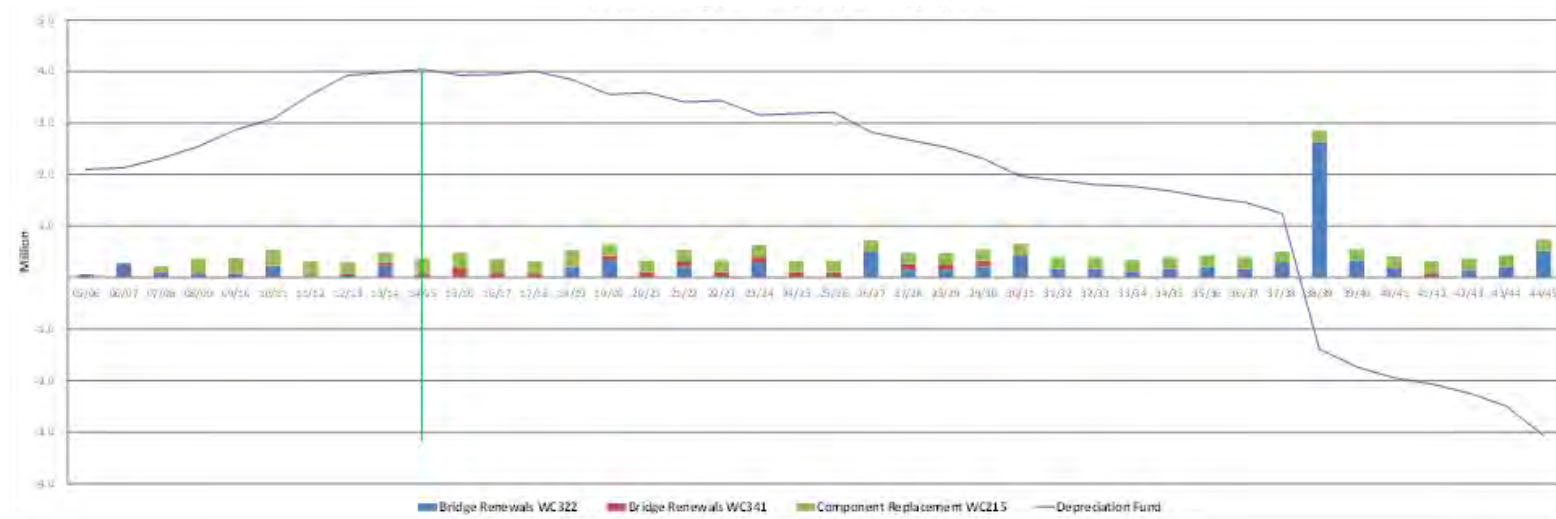
The classification aims to promote a customer focus and investment decisions will be based on whether the roads are fit for purpose and meeting the needs

of users. According the information at hand there are some aspects of our network, particularly for the rural sealed part of our network, that are above the ONRC standards.

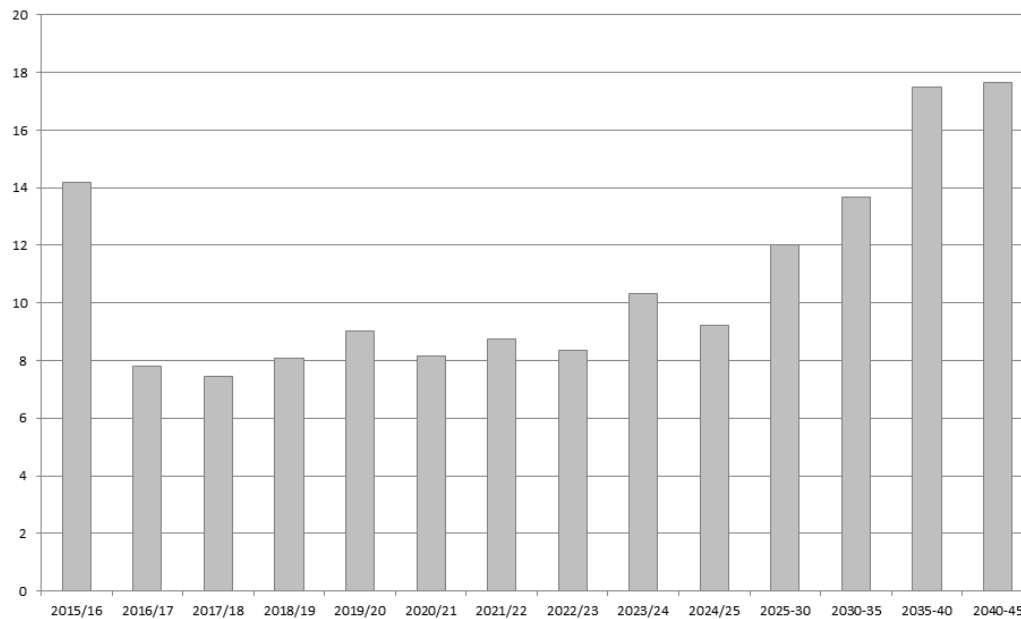
### Renewing our network of bridges

Bridges are a very important part of our transportation network and a forward works programme to renew and upgrade them has been identified. This programme includes the Clydevale Bridge which is a key transport link across the Clutha River and a very large and expensive bridge. Major strengthening work in the last few years has extended its life but it is projected to be replaced within the term of this strategy along with many smaller bridges. The projected renewal and component replacement programme is below including the proposed level of depreciation funding for our share. This shows a loan requirement in year 2038/39 at this stage when the Clydevale Bridge is due to be renewed.

## CDC Share - Bridge Renewals / Component Replacement



## Forecast Roding Capital Expenditure 2015/45 (\$M)



### WATER Improving water and compliance with drinking water standards

Council is required to “take all practicable steps” to meet national drinking water standards. This means that Council is undertaking treatment upgrades across all urban and rural water schemes.

Upgrades have been completed on Balclutha, Kaitangata, Lawrence and Tapanui water supplies with varying levels of funding assistance from the Ministry of Health’s Capital Assistance Programme. Milton’s new Water Treatment Plant is also capable of fully complying with the new standards.

Further treatment upgrades are required across all of Council’s other water supplies (including rural water

schemes). Funding assistance for these schemes is unlikely to be available as the communities they supply don’t meet funding requirements, and because of the high proportion of stock-water use in the case of rural water schemes.

It is assumed Council will continue working towards compliance for all schemes where this makes economic sense. A total of \$4 million has been budgeted for treatment upgrades between 2015/16 to 2017/18.

### Increasing environmental standards for discharges to the environment

Under the Resource Management Act 1991, Council is required to have various resource consents in place for its sewerage discharges. Many of these

consents require renewal over the next ten years, and in some cases this will mean Council will need to consider costly upgrade options to meet increasingly stringent conditions.

Treatment upgrades are planned for the Heriot and Kaitangata schemes in 2015/16 (\$280,000 and \$950,000 budgeted respectfully), Clinton (\$384,000 budgeted across 2017/18 and 2018/19) to meet requirements of new discharge consents.

A treatment plant upgrade is planned for Balclutha scheme (\$2.44 million budgeted across 2018/19 and 2019/20) in order for a new discharge consent to be granted.

In many places around New Zealand treatment of stormwater is required before it is discharged to streams and rivers. Some settling of sludge is achieved in street sumps in most places across our district at present. However, the Otago Regional Council has indicated that this issue is part of their review of the Regional Water Plan and it is expected that increased catchment management and possibly further treatment of stormwater may be required in the future. There is also the Freshwater National Policy Statement to consider. Council will monitor the proposed water plan changes but these may require changes to how we manage stormwater in the future.

### Renewal of water, sewerage and stormwater infrastructure

*Rural water schemes reservoir renewals* – many of the rural schemes reservoir tank farms are approaching to the end of their economic lives over the next ten or so years.

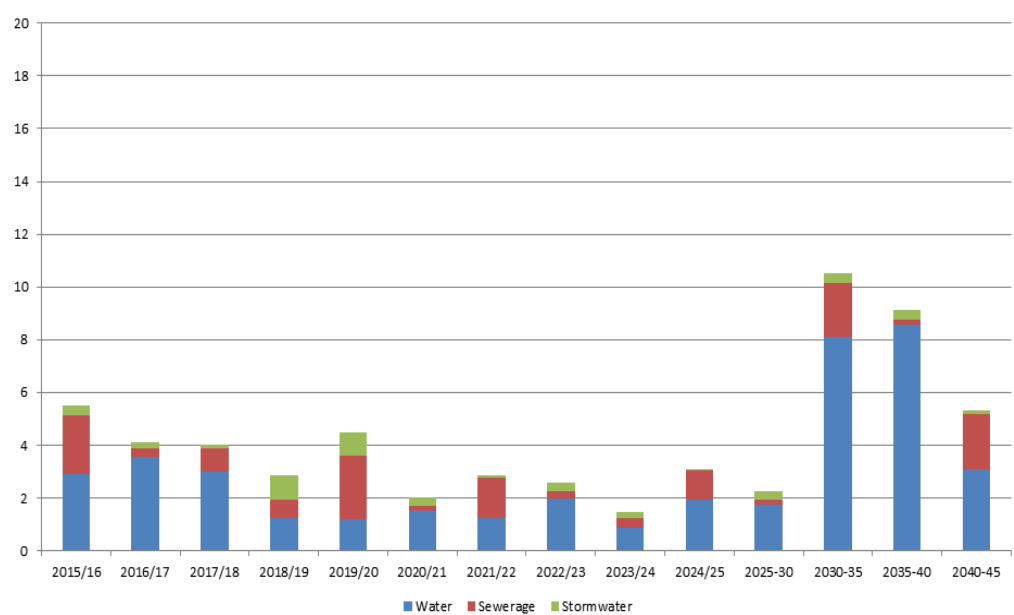
*Priority pipeline renewals (rural and urban)* – work has been undertaken to identify pipelines that need to be replaced. A programme of renewals has been set

based on criticality of these various pipelines. At this stage we are not expecting any widespread renewal projects for the next ten to twenty years. However, there may be older mains in some urban areas and critical rising mains and AC mains that require replacement within this timeframe.

*Asbestos concrete (AC) water main renewals –*

There is considerable uncertainty regarding the useful life of the AC water mains around our district and particularly for our rural supplies. Recent assessment work has indicated that some pipes are lasting about 75% to 85% of the typical useful life compared to the NZ average. This is interesting as other parts of NZ have found that these pipes are lasting longer than expected and this may be due to the specific ground conditions, water chemistry and the type of pipes in our district. This is identified as one of the key long term risks and challenges for our water supplies in the next 20-30 years as changes in the life of these pipes would have a significant impact on funding and rates requirements for our water supplies.

**Forecast Water, Sewerage and Stormwater Capital Expenditure 2015/45 (\$M)**



**OTHER INFRASTRUCTURE CHALLENGES WE FACE**

While not technically considered 'core infrastructure' our solid waste and community infrastructure are important, and there are some future challenges worthy of mention in this strategy.

**MT COOEE LANDFILL AND FUTURE OPTIONS FOR SOLID WASTE**

The current resource consent for Mount Cooee Landfill expires in 2023. Councils preferred option is to work towards renewing the resource consent for Mt Cooee rather than closing the landfill. Council has included a provisional sum in the budget for the installation of additional groundwater monitoring bores as well as increased data collection which will

help support an application for renewal. However, there is still a high degree of uncertainty attached to this; if the application is unsuccessful Council will need to close Mt Cooee and look at other options for managing waste produced throughout the district. This would most likely include building a resource recovery park at the Mt Cooee site and transporting this waste out of the district to another landfill. There would be a modest cost involved in building this infrastructure, as well as a moderate increase in user chargers to cover additional transport costs.

**EARTHQUAKE STRENGTHENING AND FUTURE OPTIONS FOR THE DISTRICT'S COMMUNITY FACILITIES**

Changes to the Building Act 2004 as a consequence of the Canterbury earthquakes means there will be requirements to strengthen buildings to at least 33%

of the Building Code, or to demolish them. During the life of this strategy Council is expecting to need to make decisions about future capital works and funding for a number of buildings that are either Council-owned or funded. Detailed structural analyses of these buildings will be carried out to help provide the information Council will need to make longer term decisions in conjunction with local communities. Council assumes that budgets will not be significantly affected by the work required following structural assessments. There is a high level of risk tagged for this assumption.



## WHAT WE PLAN TO DO:

- More investigative work to give us better quality information about our underground assets. This will help us refine and target renewal work to make sure it gets done at the best time to do it.
- More work to target where and how we should invest in our roading network and confirm that our proposed approach is sustainable.
- Look for greater efficiencies in our biggest areas of spending.
- Implement economic development actions and investigate other actions (Living and Working in Clutha) to generate growth in the medium to long term.
- Carry out a comprehensive range of activity reviews to generate efficiencies and economic benefit.

How these general principles will be implemented in each of the asset areas is outlined as follows:

### ROADING

Council is signalling that over the next three years we expect to change future spending. Instead of maintaining all roads to a similar level, Council will target roads with the greatest economic benefit to the district and that align with the ONRC hierarchy. In order for Council to be able to target investment on the roads, an 'Economic Network Plan' approach is proposed in addition to Council taking more risk of roads failing.

- **Transition to a 'one network' approach to managing Clutha's local roading**

network by 2018/19, by implementing the ONRC system and associated customer and technical levels of service.

- **For Council to start taking greater risks on the timing of maintenance and renewals, i.e. by not carrying out works even if the asset is not in an ideal condition but is still useable.**
- **Reduce spending by reducing road rehabilitation and reseal work. We expect the average reseal life will extend from 14 years to 15 years.**
- **Assess area wide pavement treatments on a case-by-case basis and make decisions about committing funding depending upon the economic benefit of the road, including traffic volumes. This is supported by our current sealed road 'roughness' being significantly better and urban roads being about right when compared to national standards.**
- **Mitigate the greater risk (including financial risk) being taken on by earmarking existing reserve funds of \$753K to a roading deferred renewal/maintenance fund to fund work should any unforeseen failures take place.**
- **Council has the option to use weight and speed restrictions to extend the life of bridges and we intend to refine the forward works programme to target spending where there is the greatest economic benefit. This may mean removal of bridges or a lower level of service for some bridges where there are alternatives or little value for the district in upgrading them.**

### ROADING IMPROVEMENTS

#### The Nuggets Road Sealing

The sealing of The Nuggets Road, which leads to the iconic Nugget Point lighthouse and scenic viewpoints, has been included in the plan for construction in the 2015/16 year. Completion of the project is still subject to securing NZTA funding assistance. An overall budget of \$2.6 million has been included and Council's share of \$1.0 million of this budget is proposed to be loan funded.

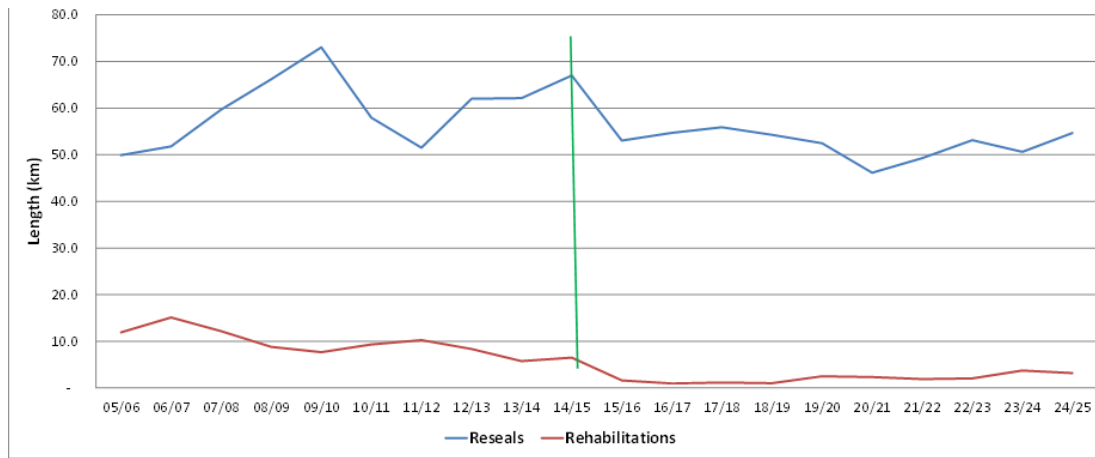
#### Continuing Balclutha Streetscape Improvements

Council has committed to completing improvements to Balclutha's streetscape, which will take place across the 2014/15 and 2015/16 financial years.

#### Safety Improvements

Safety on the network is of paramount importance to our road users. The majority of crashes occur on rural roads. Council will continue to actively target safety improvement opportunities to be incorporated within renewal and maintenance activities. This includes Council's Minor Improvement projects programme which includes work such as intersection improvements, traction seals, bridge renewals, visibility improvements, stock underpasses etc. Budgets to continue Road User Safety education programmes in the district have also been included. All these road safety initiatives support the aims of the National Road Safety Strategy, Safer Journeys 2020.

## Change in Reseal and Pavement Rehabilitations (Level of Service Change)



### WATER SERVICES

#### Treatment Upgrades

##### Renewals

An assessment programme is planned to confirm the condition and renewal requirements for rural water reservoirs; secondly a budget has been established five years after the inspection to replace or upgrade the reservoirs. Exact timing of the reservoir upgrades will be determined by inspection and budgeted spending may be moved forward or backwards following this. Maintenance and repair records will be assessed to consider the best economic time for minor renewals around schemes as is carried out at present.

AC pipelines - Budgets to enable further detailed assessment of AC pipelines have been included. This will enable Council to better predict the renewal requirements for the pipes and future funding requirements. These extensive renewals are currently projected to be in the final 10 years of this strategy and as such there is time to do this work. The final decision on timing of renewals will take a risk-based approach that will include economic and

criticality aspects which have already been used to assess current renewals.

A comprehensive programme of treatment upgrades has been approved by Council previously and is included in the first few years of the strategy. As such further detail on these is provided in the Council Activities section.

## THE 30-YEAR HORIZON

The graph below summarises our 30 year horizon for capital and operating expenditure for 2015-2045 based on the principles outlined in this strategy.

There are spikes in our forecast capital expenditure in 2034/35, 2039/40 and 2044/45. A big part of these are for asbestos cement pipe renewals across the district's extensive network of rural water schemes. These schemes were built during the 1970s and 1980s and the proposed renewals reflect the estimated 60 year life of these pipes.

## Summary of Major Infrastructure Expenditure 2015/45\*

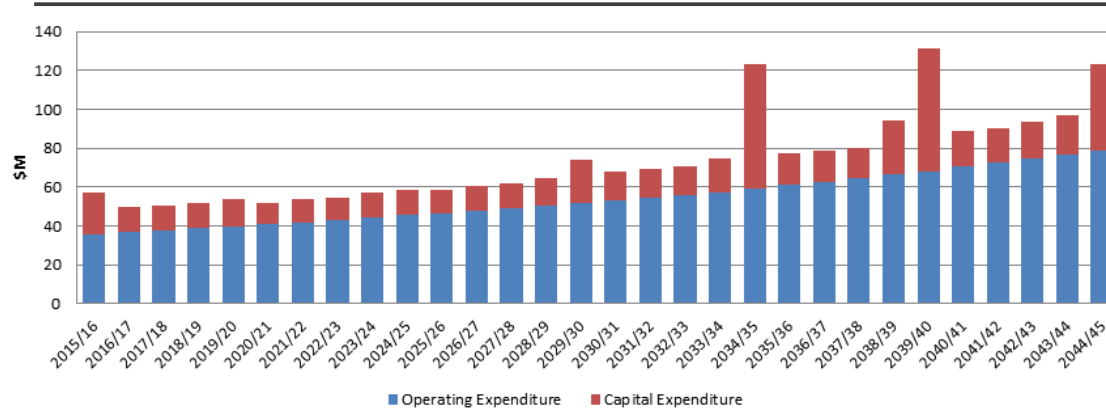
CORE INFRASTRUCTURE AREA	SUMMARY	VALUE (\$M)	* Greater than \$2 million
Roads and footpaths	Sealed road resurfacing	127.4	
	Unsealed road metalling	71.8	
	Pavement rehabilitation	70.9	
	Footpath renewals	68.7	
	Bridge renewals	29.8	
	Minor safety roading improvements	26.4	
	Bridge component replacements	26.2	
	Roading drainage renewals	18.4	
	Traffic services renewals	11.0	
	The Nuggets Road sealing	2.4	
Water supply (urban and rural)	Balclutha pipeline renewals	2.2	
	Balclutha cast iron renewals	2.1	
	Balmoral 2 pipeline renewals	7.7	
	Clydevale/Pomahaka AC renewals	4.9	
	Glenkenich AC renewals	10.2	
	Kaitangata AC renewals	2.0	
	Kaitangata treatment plant renewals	4.9	
	Lawrence AC renewals	3.3	
	Milton pipeline renewals	6.5	
	Milton renewals	4.7	
	Moa Flat AC renewals	13.9	
	Richardson AC renewals	8.4	
	Stirling pipeline renewals	3.0	
	Tapanui pipeline renewals	3.6	
Tuapeka pipeline renewals	8.6		
Sewerage	Balclutha pipeline renewals	3.5	
	Balclutha treatment plant upgrade	2.4	
	Clinton pipeline renewals	3.9	
	Milton pipeline renewals	8.5	
	Owaka pipeline renewals	3.9	
Stormwater	Balclutha pipeline renewals	4.0	

Clydevale Bridge is one of our district's most important bridges. Work was done to strengthen it in 2013/14 which is expected to extend its life by 25 years. At this stage Council is planning for its replacement in 2038/39.

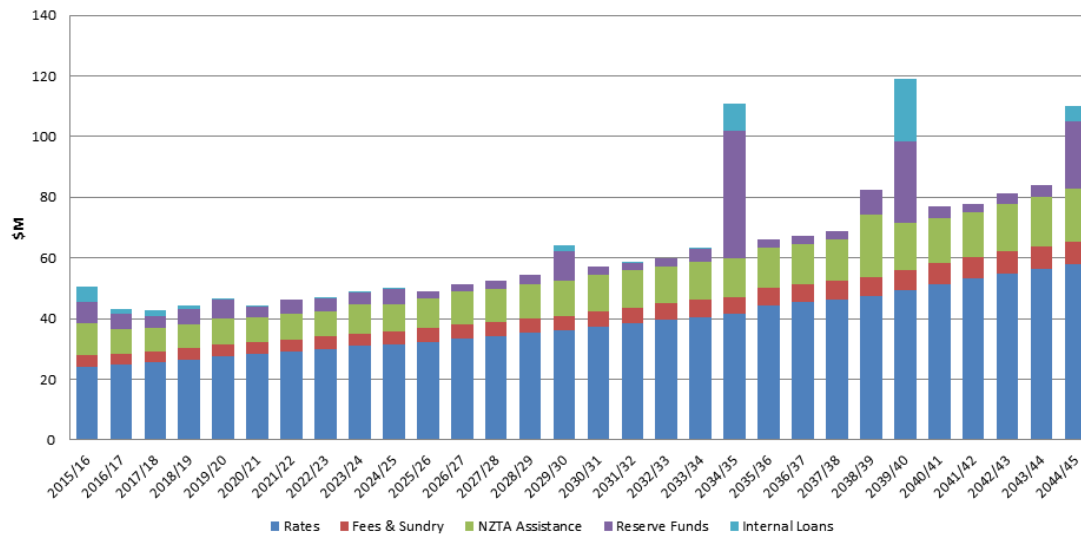
## HOW WE WILL AIM TO FUND IT

Council will continue to fund our services and activities from a number of sources, of which rates are a major component. Other income sources include reserves, fees, NZTA funding (for roads), and internal loans. The graph to the right signals Council's forecast funding profile for 2015/45.

Forecast Operational & Capital Expenditure 2015/45



Forecast Funding Profile 2015/45



# KEY PLANNING ASSUMPTIONS FOR THIS 30-YEAR INFRASTRUCTURE STRATEGY

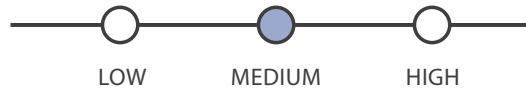
## WHAT WE HAVE ASSUMED

## LEVEL OF UNCERTAINTY

## WHAT WOULD HAPPEN IF THIS CHANGED:

### Amalgamation/Boundary Changes

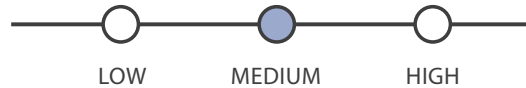
Council is assuming that the Clutha District will retain its existing boundaries, functions and status as a territorial authority during the life of this plan



Should amalgamation with neighbouring authorities or significant boundary changes take place, this would significantly impact on all of this plan in its entirety.

### Representation arrangements

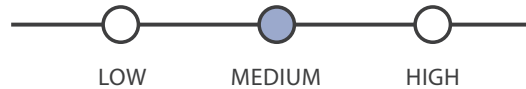
Council assumes that the current structure of representation will not change significantly.



In general, any changes to representation arrangements will not have significant budgetary implications. However, there would be changes to rates based on electoral ward.

### Stable and aging population

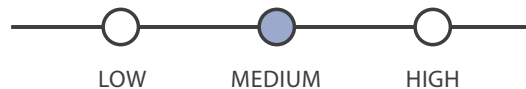
For planning purposes Council applies the medium series of the most recent projections supplied by Statistics NZ, the Clutha District Population Projections 2006-2046. The projections forecast a marginal 0.2% decrease during the life of this plan, but the biggest change expected is to the age structure of our population. Council assumes that the number of those aged 65 and over will grow over the next 10 years. This will create changes in demand, especially within the community services area. This strategy assumes that any changes can be met within existing budgets.



An ageing population may put pressure on levels of service which Council cannot meet within existing budgets. Council will be undertaking several strategic reviews that will aim to best plan for issues and opportunities related to our aging population.

### Changes to our rating base

Based on historical data and changes to the district's rating base Council is projecting that the number of rating units in the district will continue to grow at a rate of a minimum of 0.2% per annum. This doesn't take into account the impacts of Council's focus to grow the rating base as this is too difficult to predict in detail and at this early stage.



Growth following the integrated set of actions Council is proposing in this plan may generate growth at greater levels than what is forecast based on historical data. This may result in additional income, and the ability to spread costs over a greater number of ratepayers.



# KEY PLANNING ASSUMPTIONS FOR THIS 30-YEAR INFRASTRUCTURE STRATEGY

## WHAT WE HAVE ASSUMED

## LEVEL OF UNCERTAINTY

## WHAT WOULD HAPPEN IF THIS CHANGED:

### Roading maintenance contract renewal

Roading budgets assume the price for the Maintenance and Operations 5-year contract will not exceed current expectations.



Operating and maintenance expenditure forecasts for 2016/17 onwards would be lower than required and work would have to be reprioritised or additional funding sought.

### One Road Network Classification

The levels of service currently provided will be measured against that of the ONRC and it is predicted that for the foreseeable future changes may be required.



This may result in a further readjustment of levels of service or additional local funding if a different level of service is agreed to by our communities.

There is some uncertainty around how this will affect funding levels from year 4 and beyond 2018/19 onwards. It is anticipated that the development of a Transition Plan will reduce this uncertainty.

### The Nuggets Road seal extension

This project has been included in budgets and is part of the Otago Southland Regional Land Transport Plans 2015/21.



If priorities change and funding assistance is not secured, this project would not proceed.

### Volatility of oil based supplies

Recent history suggests that oil prices will remain volatile for the foreseeable future, but are likely to be lower than the last six years.



Historically, work programmes have been adjusted accordingly to account for price variability in oil based supplies. This approach is assumed to be sustainable over the next ten years.

# KEY PLANNING ASSUMPTIONS FOR THIS 30-YEAR INFRASTRUCTURE STRATEGY

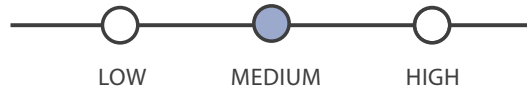
## WHAT WE HAVE ASSUMED

## LEVEL OF UNCERTAINTY

## WHAT WOULD HAPPEN IF THIS CHANGED:

### Useful lives of roading assets

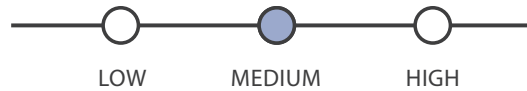
It is assumed that budgets at the revised requested levels to the NZTA will mean that the remaining lives of assets (design life for top surface is currently 15 years, design life for rehabs is currently 80 years) will not be exceeded.



If remaining lives are shorter than predicted renewals would have to be undertaken more frequently, impacting on capital renewals budgets. If budgets are not available, focus will be on keeping top surfaces water resistant, with money concentrated on reseals rather than rehabs. Loss in funding for rehabilitations will either result in increased maintenance or increased capital requirements.

### Impacts of climate change on roading

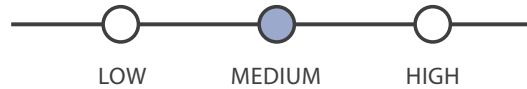
Climate change is expected to cause sea-level rise and increased frequency of storm events. Sea level changes are not expected to have an impact on roading assets during the life of this plan. However increased storm events and associated flooding are expected to increase the risk of road closures and failure at culverts and bridges. See below regarding Council's Emergency Fund.



If repairs of the roading network as a result of extreme weather events exceed the available budgets, this may affect priorities for other roading projects.

### Implications of natural disasters for roading

In terms of costs of natural disasters, it is assumed that Council's Emergency Fund would cover Council's share for the repair/replacement of roading assets.



Depending upon the scale and cost of the emergency some assets either won't be replaced/ repaired or will take longer to replace/repair.

If roads are disrupted for a period of time this can have significant flow on effects for users.

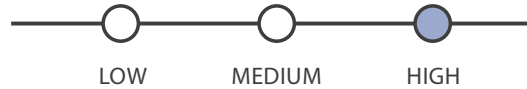
# KEY PLANNING ASSUMPTIONS FOR THIS 30-YEAR INFRASTRUCTURE STRATEGY

## WHAT WE HAVE ASSUMED

### Meeting drinking water standards

Balclutha, Kaitangata, Milton and Lawrence treatment plants have recently been upgraded to be capable of producing water that is compliant with Drinking Water Standards NZ: 2005 (revised 2008). Compliance with the standards will require significant capital investment to rural treatment plants and Council has committed to a programme of upgrades. It is assumed budgets in this plan will meet the costs of these upgrades.

## LEVEL OF UNCERTAINTY



## WHAT WOULD HAPPEN IF THIS CHANGED:

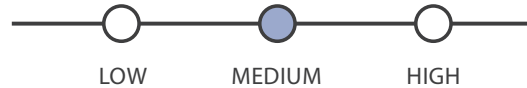
If more than the \$4 million budgeted is needed for the upgrades, Council's strategy towards meeting the standards would need to be reassessed.

### Increasing demand for water

Increased demand for rural water is expected due to continued conversion from sheep/beef to dairy farming and increasing herd sizes (although at slower rates than experienced in recent times). During the life of this plan Council will aim to supply additional water units where this is feasible and economically viable.

Council's approach to servicing any new major industries is to consider any proposal on a case-by-case basis. Provision of adequate water would be a fundamental issue for resolution by negotiation during project feasibility investigations.

Work to provide additional capacity for the Clydevale/Pomahaka RWS has been budgeted for 2014/15. It is assumed that demand can be met and the project will be undertaken in that year.



If additional demand or new water infrastructure is required, this would need to be assessed including budgetary/financial impacts.

If demand for additional units can't be met within the existing project scope and budgets for Clydevale-Pomahaka, this may affect budgets in this plan.

# KEY PLANNING ASSUMPTIONS FOR THIS 30-YEAR INFRASTRUCTURE STRATEGY

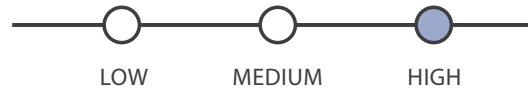
## WHAT WE HAVE ASSUMED

## LEVEL OF UNCERTAINTY

## WHAT WOULD HAPPEN IF THIS CHANGED:

### Impacts of climate change on water, sewerage and stormwater

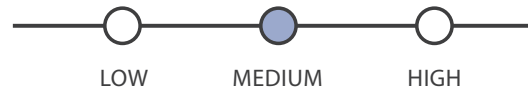
Potential risks from the impacts of climate change include temperature increases and drier conditions resulting in lower stream flows and water table levels (except those sourcing water from the Clutha River). Increased rainfall and rainfall intensity resulting in higher stream flow/flooding/erosion is also a risk along with sea level changes. At the current projected rates, changes are not expected to impact during the life of this plan. There may be unexpected failures or events affecting infrastructure (also see below).



Further investigative work may determine further capital works are needed to address the impacts of climate change on water infrastructure, with flow on impacts for budgets.

### Implications of natural disaster for water, sewerage and stormwater

In terms of costs of natural disasters, it is assumed that the current level of insurance, Council's Emergency Fund, combined with underground asset self-insurance would cover the repair/replacement of water assets. It is assumed that demand can be met and the project will be undertaken in that year.

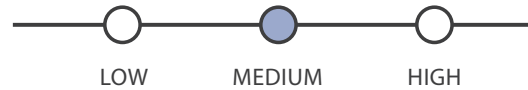


Depending upon the scale and cost of the emergency some assets either won't be replaced/ repaired or will take longer to replace/repair.

If schemes are disrupted for a period of time this can have significant flow on effects for users.

### Levels of service for Balclutha stormwater

There has been a budget included to increase the reticulation and outfall capacity for Balclutha. Further investigations into whether this is justified will be undertaken prior to committing the funding.



Further investigation work will determine the scope and nature of this project. This may have a flow on impact to budgets.

# KEY PLANNING ASSUMPTIONS FOR THIS 30-YEAR INFRASTRUCTURE STRATEGY

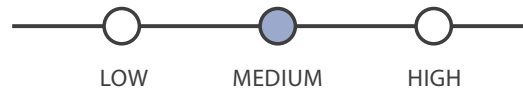
## WHAT WE HAVE ASSUMED

## LEVEL OF UNCERTAINTY

## WHAT WOULD HAPPEN IF THIS CHANGED:

### Resource consents

Upgrades to gain resource consents renewals for Balclutha, Clinton, Heriot, Kaitangata, Milton and Waihola are included in this strategy. It is assumed that these will progress as programmed, and that they can be achieved within allocated budgets. Council also assumes that it will meet longer term consent conditions for recently upgraded plants at Kaka Point, Lawrence, Owaka, Stirling and Tapanui.

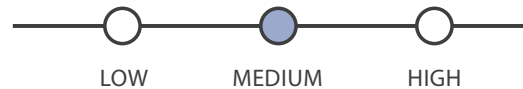


Changes in timing for capital works could affect budgets.

If additional capital or operating expenditure is needed this would affect budgets and funding allocations.

### Levels of service/demand for sewerage services

Provision of sewerage services have recently been extended to Benhar, Tokoiti and Pounaweia. This plan assumes that there are no other known residential or industrial developments that would change levels of service and network demand.



Council's approach to servicing new industries is to consider any proposal on a case-by-case basis. Provision of sewerage would be considered in conjunction with relevant parties during the project feasibility investigations. This would determine if there are any flow-on budget implications that need to be planned for.

### Increasing environmental standards

Through the Freshwater National Policy Statement (NPS) the Government signaled it expects improvements to how fresh water is managed in New Zealand. The full package of reforms is to be rolled out over the next few years as decisions are made and policy is developed.

Otago Regional Council has also indicated that stormwater discharges will be reviewed as part of their review of the Regional Plan: Water.

It is assumed that further treatment of stormwater flows into our rivers and streams will be required in the future for urban/industrial areas, but budgets have not been included at this time as the extent of potential regulations are not yet known.



Increasing environmental standards may have significant bearing on stormwater costs. If they become mandatory prior to 2018, Council will need to reassess and reprioritise budgets in order to meet the increased standards.



# FINANCIAL STRATEGY

YOUR COMMUNITY YOUR COUNCIL YOUR FUTURE 2015/25



# MANAGING OUR FINANCES

This financial strategy sets out how Council intends to manage its finances during the next 10 years, including our targets for investments along with the limits we have set ourselves for rates and internal debt.

## WHERE WE HAVE COME FROM

Clutha District Council was formed in 1989 with the merging of a number of boroughs and counties in varying financial positions. Since then Council has gone on to consolidate its financial position. This has been helped by asset sales and changing the way we operate e.g. contracting out the operation and maintenance of services, particularly core ones like roading, water, sewerage and solid waste.

## WHERE WE ARE NOW

We are a relatively small council, but with a sound financial base. As the summary of our Statement of Financial Position shows, we expect to maintain this position during the next ten years.

We have a widespread rural district with a relatively small, stable and aging population. We also have a lot of infrastructure to maintain, particularly for

roading and water supply. Like other rural areas throughout New Zealand, the Clutha District has experienced a period of population decline in recent times. Despite this, our rating base has continued to grow, albeit at a low rate.

### Summary - Statement of Forecast Financial Position 2015/25

(\$M)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Total Assets</b>	1,027.2	1,105.7	1,105.7	1,106.1	1,198.8	1,199.2	1,199.9	1,301.0	1,302.7	1,303.3
<b>Total Liabilities</b>	5.7	5.7	5.7	5.7	5.6	5.6	5.6	5.6	5.5	5.5
<b>Net Assets</b>	1,021.5	1,100.0	1,100.0	1,100.4	1,193.2	1,193.6	1,194.3	1,295.4	1,297.2	1,297.8

# CHALLENGES WE FACE

THIS STRATEGY ACKNOWLEDGES THE FOLLOWING CHALLENGES AND ASSUMPTIONS WE HAVE MADE IN PREPARING THIS STRATEGY:

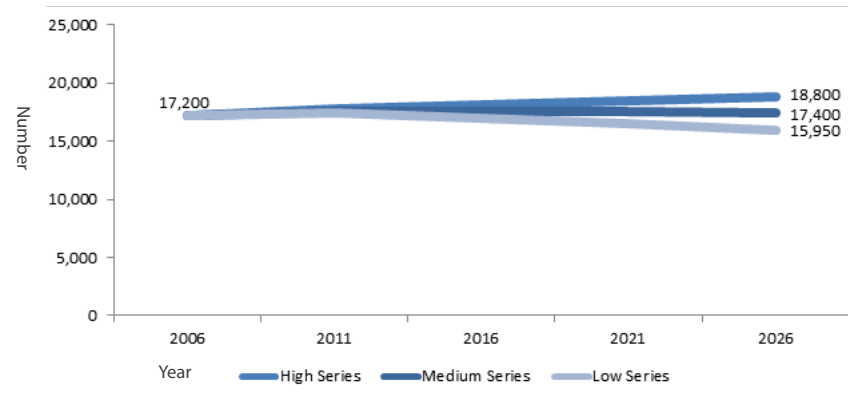
## Population Trends

We have a widespread rural district with a relatively small, stable and aging population.

At the time of putting together this plan the most recent projections (based on the 2006 Census) predict the following change for the Clutha District. For planning purposes Council has assumed that the population to remain relatively stable during the life of the Long Term Plan.

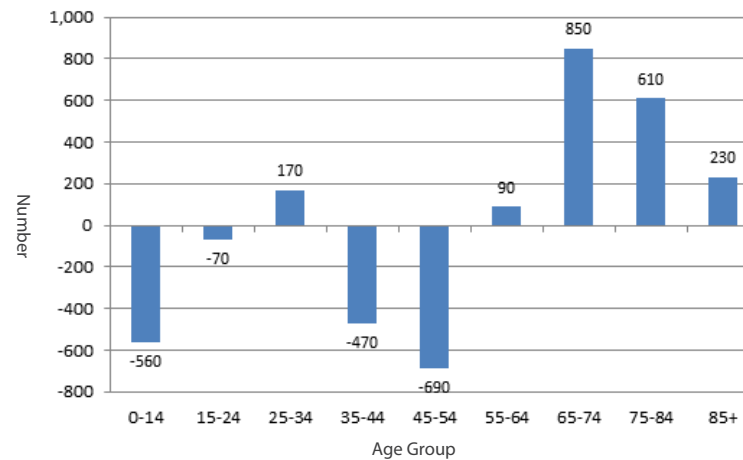
While the overall population is expected to remain relatively stable, the age structure of residents is expected to change substantially. Current projections predict a significant decrease in the number of young people and those who are of working age. At the other end of the age spectrum a significant increase in those who are 65+ is forecast.

## Clutha District Summary of Population Projections 2006 (Base) to 2026\*



\* Source: Statistics New Zealand (September 2014). Note: The most up-to-date population projections covering the period of the Financial and Infrastructure strategies uses the 2006 Census for its base.

## Projected Population Change by Age Group 2006 (Base) to 2026



\* Source: Statistics New Zealand (September 2014)

## Economic Trends

As our district's economy significantly depends on the primary sector, the ability to absorb and sustain labour in the district is influenced by this sector's economic performance. The sector has been positive across the previous decade, showing employment and GDP gains since 2000. Conversions to dairying have driven much of this. We assume this sector will continue to remain relatively strong over the next ten years, although its performance may be volatile due to factors the exchange rate, climate and fuel costs. Likewise, increased productivity trends and consolidation of rural processing industries will continue to impact on the number of jobs required to sustain this sector of the economy. The tourism sector has also shown growth in recent years, and is expected to continue to do so, although it is only about 3% of the district's economy.

## Land use changes

No major shifts in land use are expected during the life of this strategy that will impact on Council's finances.

It is expected that conversions to dairying and increases in dairy herd sizes will continue. Conversion and intensification are expected to be subject to water availability and being able to meet increasing standards for environmental discharges. Many recent conversions have sourced their own water supply and as such provision of Council water is not expected to be a barrier to future conversion in many areas.

Maturation of forestry blocks and subsequent harvesting and processing throughout the district may impact on roading infrastructure. However, our current regulatory framework provides for any impacts to be dealt with directly with forestry owners as the demand for this infrastructure arises. Council has made provision for urban growth in

some areas of the district over the last 10 years and with the growth focus into the future this is expected to continue through the District Plan review, so as to facilitate urban and industrial growth where there is demand in key areas of the district.

## Changes in our rating base

Based on historical data and changes to the district's rating base Council is projecting that the number of rating units in the district will continue to grow at a rate of a minimum of 0.2% per annum. This doesn't take into account the impacts of Council's focus to grow the rating base as this is too difficult to predict in detail and at this early stage.

## Roading uncertainties

Maintaining our roading network is essential to our economy. This is our biggest and most expensive asset. Through rates Council only has to fund 40%, but this is going to change with the New Zealand Transport Agency (NZTA) under pressure to fund major projects of national significance. We have certainty from 2015 we will need to fund 41%, and have budgeted at this level for the remaining ten years of this strategy. An annual inflation-adjustment on the financially assisted roading programme of 2.4% (compounded) has also been assumed. This has been informed by the National Policy Statement on Land Transport 2015/16 - 2024/25.

## Legislative and structural uncertainties

Council is assuming that the Clutha District will retain its existing boundaries, functions and status as a territorial authority during the life of this plan. Should amalgamation with neighbouring authorities or significant boundary changes take place, this could have a significant impact. Council also acknowledges the ever changing legislative environment, with further changes to legislation, such as the

Resource Management Act 1991. Overall we have tagged this as a medium risk for the ten year term of this strategy.

## Natural hazard risks

Managing the risks associated with natural hazards is an issue that has been flagged. Council utilises guidance from the Ministry for the Environment, information being developed by Otago Regional Council and Risk Reductions lifelines group. Resilience and natural hazard mitigation is considered on a project-by-project basis for all capital projects.

## Earthquake strengthening

Changes to the Building Act 2004 as a consequence to the Canterbury earthquakes means there will be requirements to strengthen buildings to at least 33% of the Building Code, or to demolish them. During the life of this strategy Council is expecting to need to make decisions about future capital works and funding for a number of buildings that are either Council-owned or funded. Detailed structural analyses of these buildings will help provide the information Council will need to make longer term decisions about these buildings in conjunction with local communities. Council assumes that budgets will not be significantly affected by the work required following structural assessments of Council's halls and community centres. There is a high level of risk tagged for this assumption.

## WHERE WE WANT TO BE

We are expecting our district to change. We will have a similar number of people but we will be older. The primary sector will continue to be the largest portion of our economy. In developing our 2015/25 Financial Strategy, Council has taken the opportunity to examine the current and future needs of the district. It is important to look ahead and consider what our organisation can do to help future proof our district. We want to continue to consolidate and build on our sound financial base.

As is mirrored in our Infrastructure Strategy, Council has committed to continuing to sustainably manage and maintain key infrastructure for residents throughout our district. In some instances we will increase levels of service to meet compulsory requirements, such as increasing standards for sewage discharges and drinking water.

Council will also look at facilitating growth where there is potential for this, to help achieve our goal of growing our rating base. We acknowledge this is a medium to longer term goal.

## OUR FINANCIAL STRATEGY IS TO:

- **Keep rates affordability at the forefront of our actions and decisions, and work to keep rates increases at a low level.**
- **Collect annual revenue sufficient to fund expenditure needs. Our strategy for funding depreciation is to:**
  - **Fully fund depreciation for water, sewerage and stormwater and phase in depreciation changes from subsequent revaluations if they are significant.**
  - **Review levels of depreciation for roading, to ensure correct levels going forward in light of proposed changes to levels of service and extending asset lives.**
- **Look at how we can increase non-rates income and maximise investment returns. But we will seek to preserve ratepayer funds when investing, and be risk averse with what we invest in.**
- **Continue to use internal borrowing/debt to fund infrastructure that residents and ratepayers will benefit from, both now and into the future (intergenerational equity approach). We will not use debt to fund operational costs.**
- **Use our solid financial position and existing infrastructure as a platform to provide for the impacts of medium to long term growth in our rating base.**

## PROPOSED CHANGES IN LEVELS OF SERVICE

During the next ten years the following are notable changes in levels of service:

- **Increasing levels of service to meet compulsory requirements, such as increasing standards for sewage discharges and drinking water.**
- **Decreasing levels of service for the sealed roading network. Council to start taking greater risks on the timing of maintenance and renewals, i.e. by not carrying out works even if the asset is not in an ideal condition but is still useable. We are planning to reduce spending by reducing road rehabilitation and reseal work. Mitigate the greater risk (including financial risk) being taken on by earmarking existing reserve funds of \$753K to a roading deferred renewal/maintenance fund to fund work should any unforeseen failures take place.**
- **Rationalisation of some assets where they are no longer sustainable, for example Kaitangata pool and hall. We will need to do more work to determine what impact the cost of earthquake strengthening will have on the longer term sustainability of community facilities.**

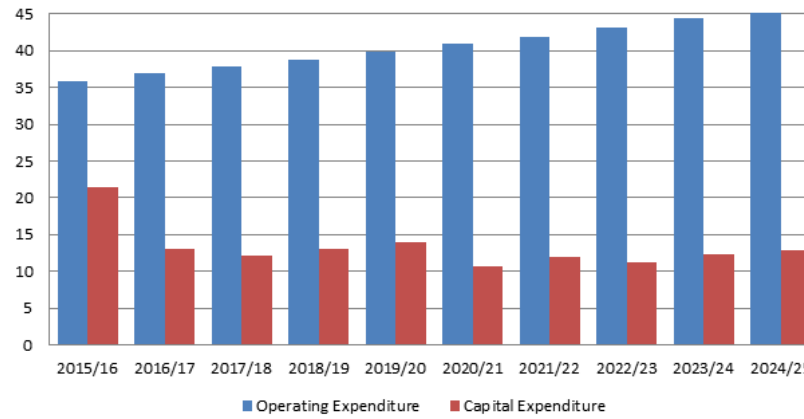


# OPERATING AND CAPITAL EXPENDITURE

The Forecast Operational and Capital Expenditure 2015/25 graphs below right demonstrate the dominance roading has in both operational and capital expenditure, and also water to a lesser degree.

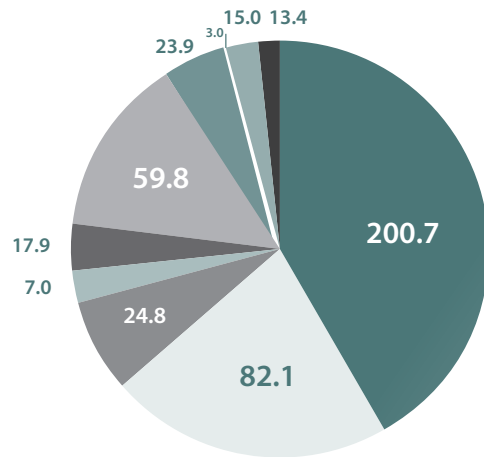
The Forecast Capital Expenditure By Type 2015/25 graph to the far right below illustrates Council's focus on renewing existing infrastructure. It also signals we are forecasting relatively similar portions of compulsory expenditure to improve level of service e.g. for sewage upgrades and drinking water standards, and discretionary level of service spending e.g. Balclutha streetscape improvements, roading safety improvements and sealing The Nuggets Road.

## Forecast Operating & Capital Expenditure 2015/25 (\$M)



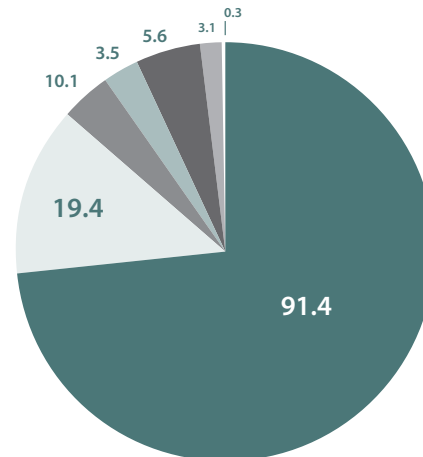
The graph above shows operating expenditure is expected to increase by the rate of inflation built into our financial forecasts. It also shows a steady programme of capital expenditure during the next ten years.

### Forecast Operational Expenditure by Activity Group 2015/25 (\$M)



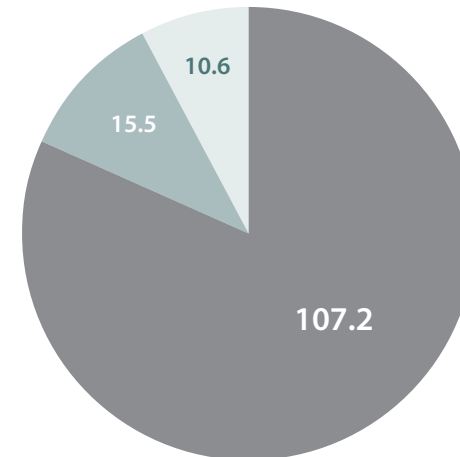
- Roading
- Water
- Sewerage
- Stormwater
- Solid Waste
- Community Services
- Reg & Emergency Services
- Internal Services
- Community Leadership
- Eco & Com Development

### Forecast Capital Expenditure by Activity Group 2015/25 (\$M)



- Roading
- Water
- Sewerage
- Stormwater
- Community Services
- Internal Services
- Solid Waste

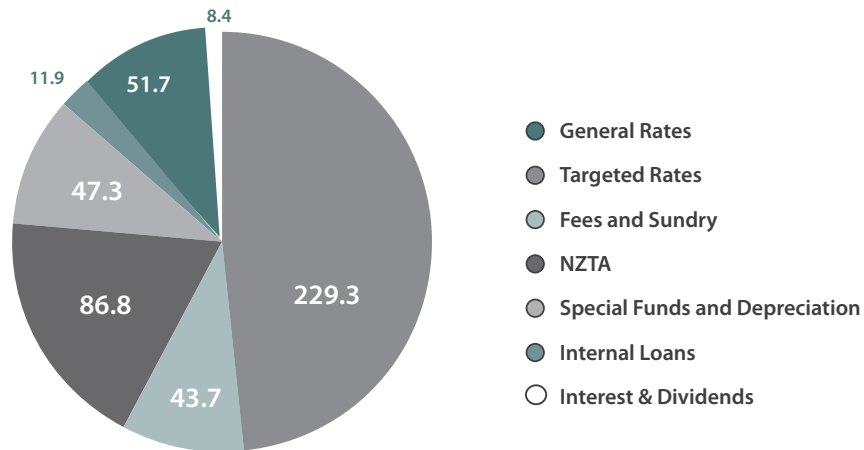
### Forecast Capital Expenditure by Type 2015/25 (\$M)



- Renewals
- Level of Service - Discretionary
- Level of Service - Compulsory

# FUNDING PROFILE

Council will continue to fund services and activities from a number of sources, of which rates are a major component. Other main income sources include reserves, fees, NZTA funding (for roads), and internal loans.



## BALANCING THE BOOKS

LIKE WE HAVE TO DO AT HOME, COUNCIL MUST BALANCE IT'S BOOKS, I.E. MAKE SURE WHAT GOES OUT ISN'T MORE THAN WHAT'S COMING IN

Council is required to ensure that each years' projected operating revenues (including rates) are set at a level sufficient to meet that years projected operating expenses. The only time that a Council can deviate from this is when it is financially prudent to do so.

When considering setting revenue at less than operating costs Council must take into account the cost of achieving and maintaining service levels over the ten years of the Long Term Plan. Council must also take into account its ability to meet the costs of maintaining the service capacity and integrity of assets over their useful life whilst ensuring the equitable distribution of those costs during that lifetime.

The surpluses we are achieving will be used to fund our capital programme. Within these calculations Council is funding the depreciation expense. As a prudent asset manager, Council treats depreciation (decline in value) as an operating cost. To balance

the operating account, money must be raised from rates each year to reflect the value of the service consumed annually, reflected by the reduction in the value of the assets. This depreciation charge is a substantial item in the rates-funded operating budgets.

Council places depreciation funds in interest-earning reserves and uses them to fund future costs of renewing the asset or to repay principal on existing loans.

Council has budgeted to fund depreciation in full for water, sewerage and stormwater for the ten years of this plan. But if faced with significant increases following the 2017 and 2021 revaluations, we would elect to phase in the increases over a three year period following each revaluation.

We have identified we need to do more work to determine the impact the proposed reduction in level of service for roading will have on asset lives, particularly for sealed roads. Because of the uncertainty over asset lives we have not fully funded all depreciation for roading during the ten year period of this Long Term Plan. Work will be carried out to ensure correct levels of depreciation funding are confirmed in conjunction with the 2017 revaluation for roading.

### FUNDED DEPRECIATION (000'S)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total depreciation</b>	12,039	12,380	12,702	13,044	13,406	13,775	14,166	14,568	14,995	15,436
<b>Total unfunded depreciation</b>	0	1,172	1,884	1,202	535	1,626	1,271	1,901	231	1,898
<b>UNFUNDED DEPRECIATION</b>										
<b>Roads</b>	0	1,172	1,884	1,202	535	1,626	1,271	1,901	231	1,898

Note: The unfunded depreciation is the difference between the roading programme agreed with the NZTA, and the depreciation recognised for accounting purposes. Theoretically they should match, but the difference highlights the need for further work in respect to asset lives and proposed reduction in service levels.

# INVESTMENTS

## COUNCIL EXPECTS AN INCREASE IN INVESTMENTS DURING THE NEXT TEN YEARS

Council manages its investment funds in a way that ensures there is an availability of operating and capital funds when needed, and that it receives an investment return competitive with comparable funds and financial market indices.

### COUNCIL MAINTAINS INVESTMENTS TO:

- Provide cash in the event of a natural disaster. Council currently has set aside a special fund of \$3.6 million to meet costs resulting from a natural disaster. Council also established a separate self-insurance fund in 2013/14 for the costs associated with replacing underground assets destroyed or damaged in a natural disaster. The fund was \$52,000 as at 30 June 2014.
- Invest amounts allocated to special funds and reserves.
- Invest amounts allocated for future expenditure (depreciation reserves), to implement strategic initiatives, or to support intergenerational allocations. Because we fund depreciation, these amounts are set aside in reserve funds to meet the costs of future asset renewal purchases.
- Invest the proceeds from the sale of assets (if any).
- Invest surplus cash. Cash flow surpluses often arise from day-to-day operations. These

### FORECAST INVESTMENTS 2015/25

INVESTMENTS (\$M)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Opening	20.3	14.6	14.3	14.6	14.9	15.3	18.7	22.1	26.0	30.2
Closing	14.6	14.3	14.6	14.9	15.8	18.7	22.1	26.0	30.2	33.5
Change	(5.7)	(0.3)	0.3	0.3	0.4	3.4	3.3	3.9	4.2	3.3

surpluses are invested in a bank money market account. The interest from these surpluses is used to offset rates.

Investments as at 1 July 2015 are forecast at \$20.1 million. Council has budgeted on receiving 4.5% interest per annum over the ten year period and investments are projected to increase to \$31.5 million by year 10.

## TARGETS ON INVESTMENTS

**Council's external investments are principally comprised of Government stock, bank, local authority and corporate bonds. The investment return on this portfolio is to achieve 0.8% to 1.0% per annum above the New Zealand Government Stock Index over a rolling three year period.**

## RESERVE INVESTMENTS

Council's equity balance shows that \$31.9 million is held in reserves (June 2014). It is acknowledged that where Council borrows internally, only ratepayers who receive the benefit of those activities pay the cost of that borrowing through targeted rates and charges.

The primary objective in funding internally is to use Council reserves effectively. This creates operational efficiencies as savings are created by eliminating the marginal cost through Council separately investing and borrowing externally. The following specific reserves are used for internal borrowing purposes:

- **General Funds**
- **Special Funds**
- **Depreciation Funds**

Interest is charged by the finance function to the activity centre on quarterly loan balances at an agreed rate, which is fixed for a twelve month period and reviewed annually. Interest is paid quarterly. Interest received is allocated to the specific reserve or fund account.

The internal borrowing rate is referenced to a three year borrowing rate comprising; the three-year borrower swap bid rate as quoted by Council's principal bank and three year borrowing margin as determined by the Council's principal bank. The all-up rate is set at the beginning of each financial year. For the value of internal investments, refer to the section on debt.

## EQUITY INVESTMENTS

Council does not actively invest in equity investments. The only equity investments Council holds are shares in Civic Assurance Corporation.

## FORESTRY INVESTMENTS

Council has approximately 358 hectares of planted forestry. Approximately 105 hectares of that can be harvested. The status of the land under individual forests varies from reserve land to freehold. The book value of forestry is \$2.8 million, and internal debt associated with it is \$1.0 million (June 2014).

## DEBT (INTERNAL AND EXTERNAL)

COUNCIL HAS NO EXTERNAL DEBT AND NO PLANS TO RAISE ANY DURING THE LIFE OF THIS STRATEGY. BUT WE WILL HAVE WHAT WE REFER TO AS INTERNAL DEBT.

Council is in the position where it can borrow from its own reserves to finance capital expenditure, i.e. one part of Council lends to another. This debt is not allowed to appear in Council's balance sheet under current accounting rules. Nonetheless it is a commitment that impacts on rates, as there are interest costs and principal repayments for the internal borrowing. This approach recognises our commitment to use the funds for the purpose we have collected it from your rates.

As internal debt could be required to be borrowed externally should the reserve funds from which is borrowed be called upon, Council has established some limits by which it will manage its internal borrowing practices.

## LIMITS ON INTERNAL DEBT

**We have set ourselves the following limits for debt – that the interest cost is less than 10% of our annual rate income, and that total internal debt per capita will not exceed \$1,800.**

### INTERNAL DEBT – CHANGES AND LIMITS 2015/25

(\$M)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Opening balance	24.3	28.5	29.1	30.1	30.6	29.7	28.9	27.6	26.3	25.2
New internal debt	5.0	1.6	2.1	1.6	0.3	0.4	0.0	0.1	0.3	0.6
Capital repaid	-0.9	-1.0	-1.0	-1.1	-1.2	-1.2	-1.3	-1.4	-1.4	-1.5
Closing balance	28.5	29.1	30.1	30.6	29.7	28.9	27.6	26.3	25.2	24.3
Interest costs as a % of rates	5.07%	5.83%	5.82%	5.83%	5.80%	5.40%	5.16%	4.77%	4.40%	4.17%
Debt per capita (\$)	1,628	1,664	1,722	1,750	1,699	1,652	1,578	1,504	1,441	1,389

Overall internal debt is budgeted to move from \$28.4 million in year 1, peaking at \$30.3 million in year 4, then reducing to \$24.1 million at the end point of the ten year period covered by this strategy.

### GIVING OF SECURITY ON BORROWINGS

Council from time to time borrows externally to meet short to medium term funding shortfalls. A committed bank facility (Multi Option Credit Line or bank overdraft facility) is a practicable method for meeting these shortfalls.

Council has entered into a "negative pledge" as security for these lending facilities. A negative pledge essentially is borrowing without security that involves a promise by Council that it will not

grant security over any assets to any other lender or creditor. A negative pledge is granted on the basis that Council's unsecured promise to pay should of itself be adequate comfort to the lender and that none of Councils other lenders/creditors would be put in a preferred position in the event of a default.

Whilst Council has the option to borrow externally long term is not budgeting to do so. Should the situation arise where long term funding is required it is likely that Council may have to put in a place a charge over rates by way of a Debenture Trust Deed.



# RATES

## RATES ARE ONE OF THE MOST IMPORTANT SOURCES COUNCIL USES TO FUND THE COST OF ITS SERVICES

The level of rates increases set out below is considered sustainable and required to enable Council to fund the proposed levels of service.

The overall funding required from rates in 2015/16 year, as shown in the table is \$24.2 million. Council is forecasting that funding required from rates will increase to \$31.3 million by 2024/25. This increase includes price adjustments for inflation.

### VARIATIONS TO RATES

Council splits the district into 11 different areas for some types of rating: Balclutha, Clinton, Kaitangata, Kaka Point, Lawrence, Milton, Owaka, Stirling, Tapanui, Waiholo and Rural. Rates in each of these rating areas vary depending on the range and cost of services in each of these areas.

It is also important to keep in mind that the values of all properties in the Clutha District are reviewed every three years. The latest values were published in November 2014 and will come into effect for rating purposes from July 2015. The exact rates percentage change for a property will depend on which of the rating area a property is in, and whether an individual property's value has changed more or less than the average increase/decrease in the district and in that rating area.

## LIMITS ON RATES AND RATES INCREASES

Rates are a key funding source for Council services. We expect our overall rates to increase around 2.90% on average during the next ten years. This is marginally above the 2.88% average increase due to inflation that we are required to build into our budgets. It is also below the 4% limit we have set ourselves. But as you may have read in other sections, we want to work to improve on this and have a number of proposals to continue working towards reducing rates increases.

## WHERE WE EXPECT TO BE IN TEN YEARS TIME

Council believes that this Financial Strategy will achieve the following financial end points on behalf of the District.

- A projected increase in Council's investment funds from \$20.3 million at 1 July 2015, to \$33.5 million at 31 June 2025.
- The responsible use of internal debt to spread capital costs across the future ratepayers who will benefit from the capital expenditure on infrastructure. Council's level of internal debt will be just over \$1,389 per capita by 2024/25.
- A level of rates and rate increases that are within ratepayers' ability to pay. Increases for most years of the plan are in keeping with inflationary factors. This is an area for ongoing work.

### FORECAST RATES CHANGES, RATES LIMITS AND INFLATION 2015/25

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Forecast rates (\$M)	24.2	25.1	25.9	26.6	27.6	28.4	29.0	29.9	30.9	31.3
Forecast rates change (%)	3.19%	3.34%	3.23%	2.91%	3.78%	2.81%	2.13%	3.15%	3.29%	1.21%
Inflation	BASE YEAR	2.79%	2.56%	2.72%	2.84%	2.85%	2.87%	3.13%	3.20%	2.98%
Rates limit at 4% (\$M)	24.4	25.2	26.1	26.9	27.7	28.7	29.5	30.2	31.1	32.1

You will find more information about rates in the Community and Rates sections of the 2015/25 Long Term Plan.

# COUNCIL ACTIVITIES

YOUR COMMUNITY YOUR COUNCIL YOUR FUTURE 2015/25



# GUIDE TO ACTIVITIES

The services Council provides have been categorised into nine groups of activities. This section sets out each of the activity groups, how they contribute to the district, and how Council will maintain, measure and fund each activity.

COMMUNITY OUTCOME	ACTIVITY GROUP	ACTIVITY
1. A well informed community where people have a say in the decisions that affect them	COMMUNITY LEADERSHIP	1. Governance
2. An economic environment that encourages growth in a way that sustainably supports the community	ECONOMIC & COMMUNITY DEVELOPMENT	1. Economic Development 2. Community Development
3. Roading infrastructure that sustainably supports the community and economy	ROADING	1. Roading
4. Water services that sustainably supports the community and economy	WATER	1. Urban Water 2. Rural Water
	SEWERAGE	1. Sewerage
	STORMWATER	2. Stormwater

Continues on next page

COMMUNITY OUTCOME	ACTIVITY GROUP	ACTIVITY
5. Community facilities that sustainably benefit users and the wider community	COMMUNITY SERVICES	<ol style="list-style-type: none"> <li>1. Library/Service Centre/Information Services</li> <li>2. Swimming Pools</li> <li>3. Parks, Reserves, Sportsgrounds &amp; Playgrounds</li> <li>4. Public Conveniences</li> <li>5. Cemeteries</li> <li>6. Halls &amp; Community Centres</li> <li>7. Community Housing &amp; Property</li> </ol>
6. A sustainable environment that promotes a clean, green image	SOLID WASTE MANAGEMENT	<ol style="list-style-type: none"> <li>1. Solid Waste Management</li> </ol>
7. A safe and supportive community	REGULATORY & EMERGENCY SERVICES	<ol style="list-style-type: none"> <li>1. Resource Management</li> <li>2. Animal Control</li> <li>3. Environmental Health</li> <li>4. Building Control</li> <li>5. Liquor Licensing</li> <li>6. Civil Defence</li> <li>7. Rural Fire</li> </ol>
	CENTRAL ADMINISTRATION	<ol style="list-style-type: none"> <li>1. Central Administration</li> </ol>

Each of the activity groups have been set out using the headings as follows:

## WHAT WE DO

Under this heading you will find a description about what Council does within this group of activities. It includes information about the levels of service Council provides, and in some instances there is an outline of the assets involved.

## WHY WE DO IT

This part includes the rationale for why Council is involved with this group of activities and how the activity contributes to Council's community outcomes. Each of the services Council provides contributes to one or more of the community outcomes which are explained in greater detail in Section 2: Council's Community Outcomes.

## SIGNIFICANT EFFECTS

Provides information about the significant negative effects of the activity on community wellbeing, along with what Council will do in response.

## PROGRESS DURING THE PAST THREE YEARS

Outlines key projects that Council has undertaken or key achievements that have been made within the activity group since the last Long Term Plan was adopted in 2012.

## MAINTAINING CURRENT LEVELS OF SERVICE

This is where information is provided on what Council intends to do to continue providing the current level of service. For activities with major assets it outlines the maintenance and renewal/replacement programmes for these assets.

## IMPROVEMENTS OR CHANGES WE'RE PROPOSING

As the heading suggests this part sets out what capital projects are planned in order to create improvements. Any proposals for new or enhanced assets are included here as well as any projects which are to be carried out to expand asset capacity. This is where any decreases in level of service are also flagged. Information about how these projects will be funded is also included.

## WHAT'S NOT INCLUDED IN THE PLAN

This section includes information about issues that Council is aware but for which there is no budget. Examples include work required to bring some of Council's buildings 'up to standard' in relation to required earthquake strengthening.

## WHAT WE'RE AIMING FOR

These tables outline the level of service provided for each activity in that group and the key measurements that Council uses to evaluate how well these service levels are being met. Performance targets for the coming years are also presented, and these will be reported against in future Annual Reports. Where they apply, information about the Otago Regional Performance Improvement Framework benchmarking measures and mandatory Department of Internal Affairs measures have been included.

## HOW THE ACTIVITY GROUP IS FUNDED

This section provides information from Council's Revenue and Financing Policy about how the activities within the groups are funded.

## WHAT IT WILL COST

Funding Impact Statements provide financial information about each group of activities and how they will be funded for each of the next ten years.

## CALLS WE HAVE MADE IN PUTTING BUDGETS FOR THIS PLAN TOGETHER

Significant forecasting assumptions are defined as something taken to be true for the purposes of future action. This section outlines these assumptions together with the level of uncertainty and some comments on what might happen if the assumption is wrong.

# COMMUNITY LEADERSHIP

Our elected members represent the Clutha District and its communities, undertaking an important oath to make decisions in the best interests of the Clutha District.

An important part of elected members role also includes representing their community, including communicating with residents, informing them of the reasons for Council decisions and advocating on their behalf.

This activity also includes the conduct of elections, by-elections and review of representation arrangements.

## WHAT WE DO



**MAYOR**  
Bryan Cadogan

Clutha District Council comprises 14 councillors and the Mayor.

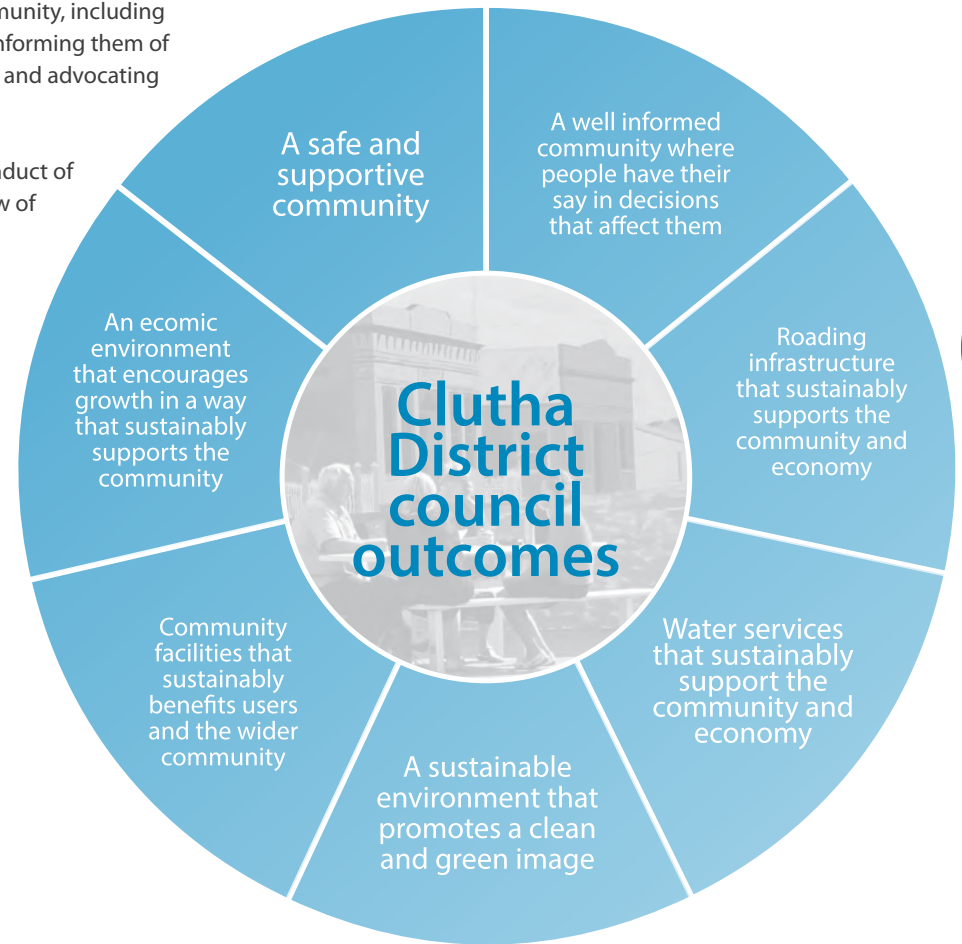
The 14 councillors represent eight wards - Balclutha, Bruce, Catlins, Clinton, Clutha Valley, Kaitangata-Matau, Lawrence-Tuapeka and West Otago.

Together the Councillors and Mayor provide leadership for the district by setting priorities and making decisions on the scope and levels of service for services and activities. Decision making is an important part of their role, including what Council will do, and how to pay for activities.

The Mayor and Councillors oversee the performance of Council activities and assets to ensure the best operation, maintenance and use of community resources. Much of this work takes place in Council and Committee meetings.

## WHY WE DO IT

Council is involved in this activity to help our district and its communities develop and move forward. Decisions are made in the interests of the whole of the district, with current and future generations in mind. This activity contributes to all of Council's outcomes, with a particular association with the outcome of "a well-informed community where people have their say in decisions that affect them".





# PROGRESS WE'VE MADE

Over the last three years, Council has continued to develop and pursue opportunities for collaboration with neighbouring councils in both the Southland and Otago regions. Specific examples of collaboration are:

- **Being part of the shared services agreement with Ngai Tahu based on a charter of understanding:** The purpose of the charter is to develop a relationship of mutual benefit between the councils and the Mana Whenua of Murihiku and Te Runanga O Ngai Tahu. The charter establishes and provides for a clear understanding of the basis and ongoing conduct of the relationship between the councils and the Tangata Whenua in the context of both the Resource Management Act 1991 and the Local Government Act 2002.

- **Building consent authorities working collaboratively:** The four Building Control Authorities of Clutha, Gore, Southland and Invercargill City are collaborating on development of shared forms, quality assurance, process manuals, inspection processes and a shared fee structure.

- **Becoming part of the Otago-wide rural fire authority.**

We also do our best to advocate on behalf of our constituents, even though overall it is a relatively small rural council with limited resources. This does affect what we do on our own and we continue to work together with other councils on issues and

matters that affect us, for example, combined Otago/Southland submissions on legislation, and the Shared Services Southland initiatives outlined above.

Council also continues to be part of the Otago Mayoral Forum. The Forum looks at ways to improve efficiencies so as to deliver better results from an Otago regional point of view. This includes work on projects such as the Otago enlarged rural fire authority, seismic strengthening, digital strategy and Civil Defence.

We have also continued to help communities who help themselves. Assisting with the West Otago Health Trust's new health and aged care facility in Tapanui, and Tuapeka Aquatic Centre in Lawrence are examples of this. After clear community support was shown, Council became a major funder, committing \$1 million and \$1.35 million respectively to these community facilities. These were in the form of loan-funded grants, that will be repaid via rates during the next 25 years.

## MAINTAINING LEVELS OF SERVICE

### RENEWALS AND REPLACEMENTS

This activity doesn't include assets, so there are no asset management, maintenance, renewal and replacement issues.

### TRIENNIAL ELECTIONS

Local elections are held once every three years with the next election taking place in October 2016. CDC is also mandated with the responsibility to hold elections for Lawrence/Tuapeka and West Otago

community boards, and to act as the electoral officer for the Clutha Licensing Trust and Clutha Health First.

Public confidence in the local electoral processes is fundamental to a healthy local democracy. There are political and public risks of getting things wrong and this could potentially undermine the electoral process. Previously triennial elections have been carried out via a combination of staff and outside consultants. Council has resolved to reduce potential risk by outsourcing the role of electoral officer in its entirety to an independent contractor from the 2016 election on.

## AUDIT AND RISK

Council has provided funding for an independent member or chair of the Audit and Risk Committee, in accordance with Office of the Auditor General best practice guidelines. An independent review has identified the need for a formal risk management framework and this will be introduced progressively through the next three years.

## IMPROVEMENTS OR CHANGES WE'RE PLANNING

### GROWING OUR RATING BASE

Like other rural areas throughout New Zealand, the Clutha District has experienced a period of population decline in recent times. In developing this plan Council has taken the opportunity to examine the current and future needs of the district and look ahead and consider what our organisation can do to help future proof our district.

In terms of overall direction in this plan, Council has committed to continuing to sustainably manage and maintain key infrastructure for residents throughout our widespread rural district. In some instances there will be moves to increase levels of service to meet compulsory requirements, such as increasing standards for sewage discharges and drinking water. And importantly Council will also look at facilitating growth where there is potential for this, with a goal of growing our rating base. Council sees promoting growth as a priority and believes there are opportunities out there to promote the District's potential as an attractive place to live, work and invest.

Proposals and actions to maximise these opportunities to grow the rating base are recognised throughout this plan and across the majority of Council's activities. They can be linked to both the proposed Economic Development Strategy and the Working and Living Strategy, both of which both underpin this plan.

### **RATES AFFORDABILITY – THE FUTURE WE WANT AT THE PRICE WE CAN AFFORD**

Making decisions about rates, including who pays and how much, is a consideration that heavily influences Council's decision-making. In developing this plan Council has carefully considered it a priority to examine how to make rates as affordable as possible given our challenges of a small population and large land area and amount of infrastructure in comparison.

Council is proposing a range of options within this plan including controlling costs, setting rates limits and promoting the rates rebate scheme for lower income households in our district.

The approach of encouraging growth in the parts of the district that have potential is also expected to impact and contribute to rates affordability. Council

has carefully considered levels of service in other areas that are no longer a sustainable use of rates (e.g. proposing to close or divest the Kaitangata pool).

### **OTAGO BENCHMARKING**

As part of the Otago Region Triennial Agreement 2013-2016 Council joined with the other Otago councils in establishing a common benchmarking and performance measurement framework. The framework was agreed with the purpose of:

- 1. Providing communities with better context to assess the performance of their Council across the region;**
- 2. Enabling better support and collaboration to drive improvement across Otago;**
- 3. Helping to drive standards for future local government reforms;**
- 4. Providing consistent performance information that allows closer scrutiny of efficiency and effectiveness.**

A working group, inclusive of representatives from all Councils mapped existing benchmarking activities and identified where benchmarking performance would add value and contribute to the performance story for the region. Seven key performance indicators are included in each Council's performance framework and will be benchmarked annually. These are included throughout this plan in the activity area they relate to. The measures that have been agreed are:

- Percentage of budgeted capital works programme, including renewals, completed annually**
- Percentage of ratepayers who are satisfied with**

### **overall Council performance**

- Percentage of ratepayers who are satisfied with Council communications**
- Percentage of residents and ratepayers who are satisfied with the quantity and quality of community facilities**
- Percentage of building and resource consents issued within statutory times, and average building and resource consent processing days**
- Rates per ratepayer as a percentage of median household income**
- Cost of administrative and support services as a percentage of organisational running cost.**

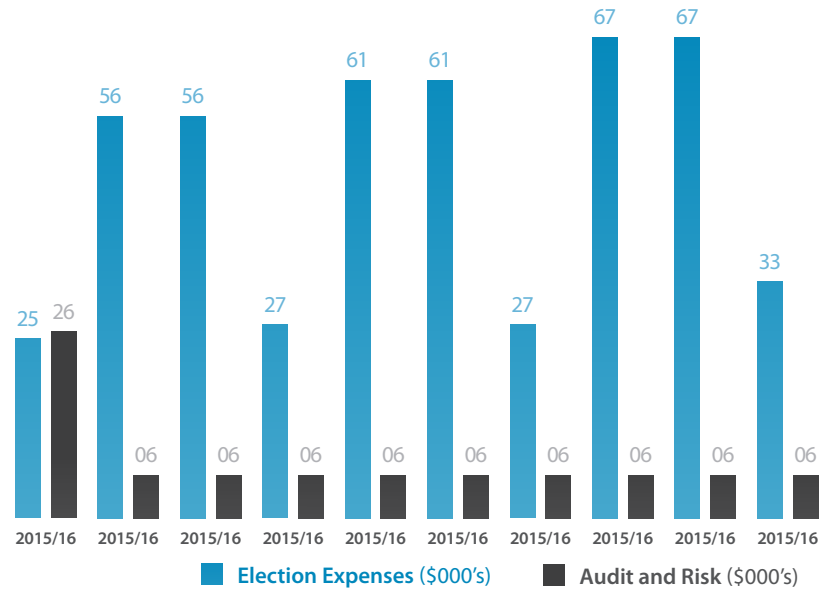
## **WHAT'S NOT IN THE PLAN**

Council recognises that promoting growth must be done in a sustainable way. This plan and its budgets have been developed on the basis that Council supports initiatives to growth, subject generally to any initiative being at worst rates neutral. When specific rates funding is required for any initiative or action that is not rates neutral, Council will take a business case approach to assessing it and make any budgets changes through the annual planning process.

# WHAT WE ARE PLANNING FOR COMMUNITY LEADERSHIP

WORK WE WILL BE FOCUSING ON IN THIS PLAN:

- Leadership of Council's growth focus
- Ongoing work around rates affordability
- Appointing an independent member or chair to the Audit and Risk Committee
- Developing Council's approach to the management of risk
- Reviewing governance and committee structures



## WHAT WE'RE AIMING FOR

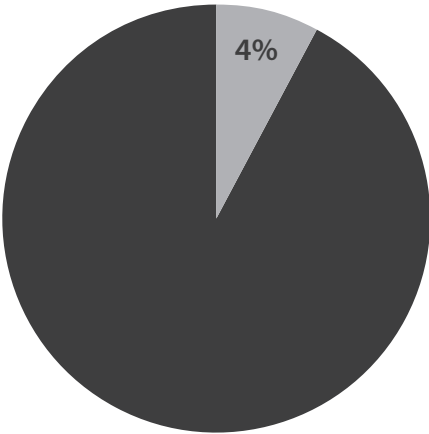
WHAT WE'RE WORKING TOWARDS (level of service)	HOW WE'LL MEASURE PROGRESS	HOW WE'RE PERFORMING NOW 2013/14	WHAT WE'RE AIMING FOR			
			2015/16	2016/17	2017/18	2018/19 - 2024/25
Provide effective leadership, representation and service to residents and ratepayers	Satisfaction with decision-making, leadership and planning of elected members (Council)	83%	≥80%	≥80%	≥80%	≥80%
Monitor rates affordability and provide prudent, effective and efficient financial management	Rates per ratepayer as a percentage of median household income*	NM	≤4%	≤4%	≤4%	≤4%
	Percentage movement in total rates income	3.87%	≤4%	≤4%	≤4%	≤4%
	Internal debt per capita	\$1,283	≤\$1,800	≤\$1,800	≤\$1,800	≤\$1,800
	Percentage of rates income used to service internal debt	4.97%	≤10%	≤10%	≤10%	≤10%

\* Also an Otago regional benchmarking measure

# HOW COMMUNITY LEADERSHIP IS FUNDED

Representation by Council is provided for the benefit of the community as a whole, and therefore is funded by the whole district.

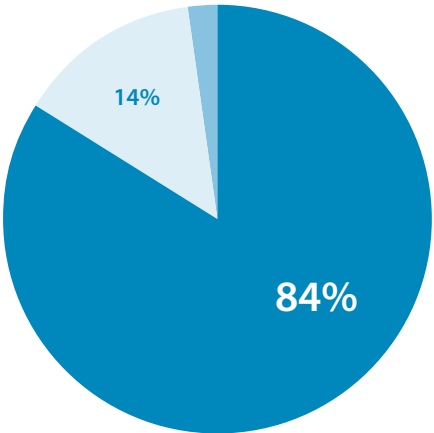
**% of Rates Spent on Community Leadership**



● Community Leadership

**How community leadership is funded**

(For operating and capital costs)



● Uniform Annual General Charge ● Reserves  
○ Targeted Rates

## Rating for community leadership

ACTIVITY	FEES & CHARGES	DISTRICT-WIDE RATES		RATES BASED ON AVAILABILITY OF SERVICES AND/OR LOCATION	
		UNIFORM CHARGE (UAGC)	CAPITAL VALUE (CV)	UNIFORM CHARGE (UAGC)	LAND VALUE (LV)
<b>Council</b>	100%	100%	100%	100%	100%
<b>Community Board <sup>1</sup></b>	100%	100%	100%	100%	100%

<sup>1</sup> Lawrence/Tuapeka and West Otago wards

# WHAT IT WILL COST FOR COMMUNITY LEADERSHIP

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Sources of Operating Funding</b>											
General rates, UAGCs, rates penalties	870	990	991	1,000	1,016	1,042	1,079	1,099	1,131	1,174	1,200
Targeted rates	91	158	157	161	163	166	171	173	177	182	186
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL OPERATING FUNDING</b>	<b>961</b>	<b>1,148</b>	<b>1,148</b>	<b>1,161</b>	<b>1,179</b>	<b>1,208</b>	<b>1,250</b>	<b>1,272</b>	<b>1,308</b>	<b>1,356</b>	<b>1,386</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	(1,263)	(697)	(720)	(681)	(726)	(780)	(740)	(793)	(855)	(815)	(876)
Finance costs	(55)	(80)	(78)	(75)	(73)	(71)	(68)	(66)	(63)	(60)	(57)
Internal charges and overheads applied	(292)	(311)	(318)	(337)	(336)	(345)	(365)	(364)	(374)	(394)	(394)
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>(1,610)</b>	<b>(1,088)</b>	<b>(1,116)</b>	<b>(1,093)</b>	<b>(1,135)</b>	<b>(1,196)</b>	<b>(1,173)</b>	<b>(1,223)</b>	<b>(1,292)</b>	<b>(1,269)</b>	<b>(1,327)</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>(649)</b>	<b>60</b>	<b>32</b>	<b>68</b>	<b>44</b>	<b>12</b>	<b>77</b>	<b>49</b>	<b>16</b>	<b>87</b>	<b>59</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt (internal debt)	673	(39)	(41)	(44)	(46)	(48)	(51)	(53)	(56)	(59)	(62)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated sources of funding	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>673</b>	<b>(39)</b>	<b>(41)</b>	<b>(44)</b>	<b>(46)</b>	<b>(48)</b>	<b>(51)</b>	<b>(53)</b>	<b>(56)</b>	<b>(59)</b>	<b>(62)</b>

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## WHAT IT WILL COST FOR COMMUNITY LEADERSHIP

COMMUNITY LEADERSHIP (All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Applications of capital funding</b>											
Capital expenditure to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
(Increase) decrease in reserves	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)
(Increase) decrease of investments	(17)	(14)	16	(17)	9	43	(19)	11	47	(21)	10
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>(24)</b>	<b>(21)</b>	<b>9</b>	<b>(24)</b>	<b>2</b>	<b>36</b>	<b>(26)</b>	<b>4</b>	<b>40</b>	<b>(28)</b>	<b>3</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>649</b>	<b>(60)</b>	<b>(32)</b>	<b>(68)</b>	<b>(44)</b>	<b>(12)</b>	<b>(77)</b>	<b>(49)</b>	<b>(16)</b>	<b>(87)</b>	<b>(59)</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



# CALLS WE HAVE MADE IN PUTTING BUDGETS FOR THIS PLAN TOGETHER

## KEY PLANNING ASSUMPTIONS FOR COMMUNITY LEADERSHIP AND OUR DISTRICT OVERALL

### WHAT WE HAVE ASSUMED

### LEVEL OF UNCERTAINTY

### WHAT WOULD HAPPEN IF THIS CHANGED:

#### Amalgamation/Boundary Changes

Council is assuming that the Clutha District will retain its existing boundaries, functions and status as a territorial authority during the life of this plan.



Should amalgamation with neighbouring authorities or significant boundary changes take place, this would significantly impact on all of this plan in its entirety.

#### Representation arrangements

Council assumes that the current structure of representation will not change significantly.



In general, any changes to representation arrangements will not have significant budgetary implications. However, there would be changes to rates based on electoral ward.

#### Stable and aging population

For planning purposes Council applies the medium series of the most recent projections supplied by Statistics NZ, the Clutha District Population Projections 2006-2046. The projections forecast a marginal 0.2% decrease during the life of this plan, but the biggest change expected is to the age structure of our population. Council assumes that the number of those aged 65 and over will grow over the next 10 years. This will create changes in demand, especially within the community services area. This plan assumes that any changes can be met within existing budgets.



An ageing population may put pressure on levels of service which Council cannot meet within existing budgets. As Council undertakes several strategic reviews during the life of this plan consideration to and planning to adapt to our ageing population will be taken into account.

#### Changes to our rating base

Based on historical data and changes to the district's rating base Council is projecting that the number of rating units in the district will continue to grow at a rate of a minimum of 0.2% per annum. This doesn't take into account the impacts of Council's focus to grow the rating base as this is too difficult to predict in detail and at this early stage.



Growth following the integrated set of actions Council is proposing in this plan may generate growth at greater levels than what is forecast based on historical data. This may result in additional income, and the ability to spread costs over a greater number of ratepayers.

# FACILITATING GROWTH

Council is proposing a coordinated, integrated set of actions orientated towards growing the rating base. These feature in the proposed Economic Development strategy. Proposed initiatives and actions relating to different areas of Council are summarised below:

## COMMUNITY LEADERSHIP & PLANNING

- Co-invest/partner in:
  - Housing and commercial development including town centres
  - Business parks
  - Opportunities to support growth
- Take into account economic impact in policy decisions
- Actively encourage the roll out of the Rural Broadband Initiative (RBI)
- Investigate opportunities for public/private co-invest in broadband infrastructure
- Review Council's procurement policy to support the local economy
- Maintain a business friendly culture within Council
- Co-invest/partner of opportunities to support growth (residential/commercial)

## ECONOMIC & COMMUNITY DEVELOPMENT

### ECONOMIC DEVELOPMENT

- Contribute to business support services
- Contribute to business expansion and retention programmes
- Identify needs and help growing sectors develop e.g. tourism sector
- Facilitate and support industry hubs/networks/clusters
- Facilitate business support services
- Facilitate tailored development programmes for the primary sector
- Facilitate the promotion of events\*
- Create a coordinated marketing strategy for the district.\*

- Develop an Events Strategy for the district to focus on attracting of residents and visitors.\*

- Support and facilitate group initiatives within communities such as cycle trails, wetlands and community facilities.\*

- Support the development of job and training opportunities including Mayors Taskforce For Jobs and Clutha Country Training and Development Awards.

- Invest in attraction and retention of people in the workforce

- Develop a Live, Work and Invest in Clutha promotional tool and website.

- Encourage an environment where professional development, on the job training, apprenticeships and earn as you learn programmes are supported by and promoted to local employers.

- Develop Clutha District as a destination

### COMMUNITY DEVELOPMENT

- Engage with communities on local community initiatives.

- Promote the value of volunteering

- Support young people into leadership roles (Youth Council, leadership forums and programmes).

- Foster partnerships that facilitate better access to health and education services.

- Support leadership and mentoring programmes

- Support community beautification projects

- Investigate opportunities to utilise empty buildings

- Promote and develop pride in the Clutha District

# INFRASTRUCTURE (ROADING, WATER, SEWERAGE, STORMWATER)

- Invest to a level to meet regulatory requirements as a minimum standard e.g. environmental discharges, drinking water standards
- Ensure a level of infrastructure to meet present and future needs to ensure the ability to be responsive to growth opportunities
- Council expenditure on roading to meet agreed levels of service
- Invest in streetscape upgrades in towns around the district including town entrance ways
- Review town signage e.g. for attractions, services and town parking areas

# COMMUNITY SERVICES

- Future proof current Council community housing stock
- Develop a Recreation and Leisure Strategy\*
- Update reserve management plans\*

# REGULATORY & EMERGENCY SERVICES

## RESOURCE MANAGEMENT

- Enabling the consenting process
- Facilitating the development of district hubs via the District Plan, e.g. Milton as an industrial hub and Balclutha as a service hub
- Council to support and enable the utilization of land for development.
- Council decision making process and staff support will allow for flexibility within the District Plan
- Assess current land availability and potential for use
- Research where our gaps are in housing, commercial property, industrial land and town aesthetics.

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\* These initiatives and actions are also identified in the Living and Working strategy

# LIVING AND WORKING IN CLUTHA

Council is proposing to do more work with communities and key stakeholders towards developing a coordinated, integrated set of actions that promote Living and Working in Clutha.

This work reflects that economic and community development work alongside each other in determining what creates the economic and social infrastructure needed to sustain and grow the district. Some of these actions already feature in the proposed Economic Development Strategy.

The following areas have been identified as helping promote Living and Working in Clutha:

## COMMUNITY LEADERSHIP & PLANNING

- Overall leadership for the strategy

## ECONOMIC & COMMUNITY DEVELOPMENT

### ECONOMIC DEVELOPMENT

- Facilitate the promotion of events\*
- Create a coordinated marketing strategy for the district.\*
- Develop an Events Strategy for the district to focus attracting of residents and visitors.\*
- Support and facilitate group initiatives within communities such as cycle trails, wetlands and community facilities.\*
- Develop a Live, Work and Invest in Clutha promotional tool and website.\*

### COMMUNITY DEVELOPMENT

- Engage with communities on local community initiatives.\*
- Support young people into leadership roles (Youth Council, leadership forums and programmes).\*
- Foster partnerships that facilitate better access to health and education services.
- Support community beautification projects
- Investigate opportunities to utilise empty buildings
- Promote and develop pride in the Clutha District

# INFRASTRUCTURE (ROADING, WATER, SEWERAGE, STORMWATER)

- Invest to a level to meet regulatory requirements as a minimum standard e.g. environmental discharges, drinking water standards.
- Ensure a level of infrastructure to meet present and future needs to ensure the ability to be responsive to growth opportunities.
- Invest in streetscape upgrades in towns around the district including town entranceways

# COMMUNITY SERVICES

- Future proof current Council community housing stock.
- Develop a Recreation and Leisure Strategy\*
- Update reserve management plans\*

# REGULATORY & EMERGENCY SERVICES

## RESOURCE MANAGEMENT

- Research where our gaps are in housing, commercial property, industrial land and town aesthetics

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\* These initiatives and actions are also identified as an action in the Economic Development Strategy

# ECONOMIC & COMMUNITY DEVELOPMENT

Future growth and sustainability for our district means putting economic and community development at the forefront of our actions and decisions.

## WHAT WE DO

Part of Council's leadership involves supporting the economy and communities through economic and community development functions. The following functions and services are included in this activity group:

- Economic Development which involves leading and delivering activities that aim to support, sustain and grow the economy via the economic development agency – Clutha Development Incorporated.
- Destination marketing for the district, including being an Regional Tourism Organisation (RTO, provided under the umbrella of Clutha Development Incorporated.

- Community Development which involves providing support and facilitation for community-driven initiatives throughout the district.
- Youth development which involves part-funding the Clutha District Youth Development Programme.
- Providing coordination and support for the Clutha District Youth Council.
- Providing financial assistance through a range of community grants and funding schemes.





## WHY WE DO IT

The Clutha District faces some significant challenges. We need be aware of the risks to our local economy, businesses and communities, and the opportunities that our challenges will bring. Council sees promoting growth as a priority and believes there are untapped opportunities to promote the district's potential as an attractive place to live, work and invest. Economic and community development are services that enable growth.

Economic and Community Development primarily contributes to the outcome: "An economic environment that encourages growth in a way that sustainably supports the community".

## PROGRESS WE'VE MADE

### CHANGES TO STRUCTURE

In 2012/13 Council confirmed its commitment to contributing towards economic development services for the district, by entering into a service contract with the newly formed Clutha Development Trust. The Trust was formed following a review of the structure of economic and community development functions. Since its inception work has focused on support and development relating to businesses, workforce, primary production and destination marketing and tourism.

The Trust has since evolved into Clutha Development Incorporated, and Clutha Community Trust, to give a clearer differentiation between the charitable and non-charitable activities of the Clutha Development Trust.

## COMMUNITY AND YOUTH DEVELOPMENT

At the time of the review community development services were brought 'in-house'. The role also included supporting the Clutha District Youth Council, Mayors Taskforce for Jobs and district promotional activities.

This area has provided support and facilitation for many community groups and organisations throughout the district. It has overseen the development of the By Youth 4 Youth and Clutha District Youth programmes. Another highlight has been the hosting of the New Zealand Small Town Conference in 2013.

## MAINTAINING CURRENT LEVELS OF SERVICE

### MAINTENANCE AND OPERATIONS

Council will continue to deliver economic development and destination marketing through contracted service providers. We will also continue to part-fund youth development services through contracted services. Community development services will continue to remain 'in-house'.

# IMPROVEMENTS OR CHANGES WE'RE PROPOSING

## IMPLEMENTING OUR ECONOMIC DEVELOPMENT STRATEGY

Council is proposing to implement a new economic development strategy, to work towards supporting ratepayer growth. Council is also consulting on the proposed strategy simultaneously with this draft plan.

Some of the highlights of the strategy are included as follows:

GOAL	SOME OF THE ACTIONS WE'RE PROPOSING:
Encourage investment in our district to create businesses and jobs	<ul style="list-style-type: none"> <li>• Enabling the consenting process</li> <li>• Ensuring there are purpose-built properties available for lease</li> <li>• Investing in business parks</li> <li>• Developing a 'Live, Work and Invest' promotional tool to help connect with information and support and how Council can help prospective businesses and residents</li> </ul>
Retain and sustain our existing businesses	<ul style="list-style-type: none"> <li>• Facilitating the development of growth hubs via the District Plan, e.g. Milton as an industrial hub and Balclutha as a service hub</li> <li>• Facilitating business support services</li> <li>• Supporting a business expansion and retention programme</li> </ul>
Enhance the economic performance of the primary sector	<ul style="list-style-type: none"> <li>• Facilitate tailored development programmes for the sector</li> </ul>
Enable urban and rural planning that allows for potential growth of the district	<ul style="list-style-type: none"> <li>• Identify where the gaps are in housing, commercial property and town aesthetics</li> <li>• Council to engage in urban design, main street revitalization, unique identities - transformation strategy to create places of significance</li> <li>• Community, council and businesses to work together on community projects such as town themes/features and community gardens</li> <li>• Council to support and enable the utilization of land for development</li> <li>• Invest in housing and commercial development including town centres</li> </ul>
Foster the development of events, tourism activities and enterprises that will attract people to the district	<ul style="list-style-type: none"> <li>• Facilitate the promotion of events</li> <li>• Create a coordinated marketing strategy for the district</li> <li>• Develop an Events Strategy for the district to focus on attracting residents and visitors</li> <li>• Support and facilitate group initiatives within communities, such as cycle trails, wetlands and community facilities</li> </ul>

# IMPROVEMENTS OR CHANGES WE'RE PROPOSING

GOAL	SOME OF THE ACTIONS WE'RE PROPOSING:
<p>Ensure that the district's towns have the social infrastructure to support and encourage growth</p>	<ul style="list-style-type: none"> <li>• Foster partnerships that facilitate better access to health and education services</li> <li>• Future proof current Council community housing stock</li> <li>• Connect to opportunities to broaden the range of education options in the District specifically the expansion of tertiary opportunities</li> <li>• Support the social infrastructure to assist a changing workforce</li> </ul>
<p>Grow a pool of talented people that will lead the district</p>	<ul style="list-style-type: none"> <li>• Engage with communities on local community initiatives.</li> <li>• Promote the value of volunteering</li> <li>• Support young people into leadership roles (Youth Council, leadership forums).</li> <li>• Create Community Development Plans</li> <li>• Support leadership and mentoring programmes</li> </ul>
<p>Build an environment that attracts and retains skilled and talented people in the district</p>	<ul style="list-style-type: none"> <li>• Support the development of job and training opportunities including Mayors Taskforce For Jobs and Clutha Country Training and Development Awards</li> <li>• Council to invest in attraction and retention of people in the workforce – Live, Work and Invest promotional tool</li> <li>• Encourage an environment where professional development, on the job training, apprenticeships and earn as you learn programmes are supported by and promoted to local employers</li> </ul>
<p>Foster strong mutually beneficial relationships between the business and education sector</p>	<ul style="list-style-type: none"> <li>• Support the business and education sector. Share the skill-gap knowledge identified and enable understanding of local career opportunities available in the district</li> <li>• Council to lead by example in identification of career, internships, graduate programmes and promotion from within</li> </ul>
<p>Ensure our businesses understand the impacts and opportunities of an aging workforce</p>	<ul style="list-style-type: none"> <li>• Identify initiatives and opportunities across the district</li> </ul>
<p>Ensure that the best possible technology services are available in the district</p>	<ul style="list-style-type: none"> <li>• Council is proactive in encouraging the roll out of RBI by taking a lead role</li> <li>• Investigate options and opportunities and actively encourage and facilitate providers to invest in the District</li> <li>• Explore opportunities for public/private co-investment in broadband infrastructure</li> </ul>

# IMPROVEMENTS OR CHANGES WE'RE PROPOSING

GOAL	SOME OF THE ACTIONS WE'RE PROPOSING:
<p>Grow and maintain the district by meeting regulatory requirements and ensuring high standard infrastructure is available.</p>	<ul style="list-style-type: none"> <li>• Invest to a level to meet regulatory requirements as a minimum standard.</li> <li>• The level of infrastructure to meet present and future needs will allow the ability to be responsive to growth opportunities</li> <li>• Council expenditure on roading will meet agreed levels of service</li> </ul>
<p>Promote policy that encourages economic growth and development</p>	<ul style="list-style-type: none"> <li>• Review council's procurement policy to support the local economy</li> <li>• Consider the economic impact for decision-making on policies, include on policy planning and reviews.</li> <li>• Maintain a business friendly culture within Council</li> </ul>
<p>Ensure that land is available for potential investment opportunities</p>	<ul style="list-style-type: none"> <li>• Council decision making process and staff support will allow for flexibility within the District Plan</li> <li>• Assess current land availability and potential for use</li> <li>• Co-invest/partner in opportunities to support growth (residential/commercial) (support with infrastructure costs)</li> </ul>
<p>Maximise the potential of natural resources</p>	<ul style="list-style-type: none"> <li>• Maintain a key relationship with the Otago Regional Council to maximize the potential use of natural resources (water takes and discharges, closed landfill monitoring)</li> <li>• Protect the natural environment to aid and promote eco-tourism (Council has a stewardship role)</li> <li>• Support and enable groups to utilize and/or capitalize on the district's natural resources (e.g. wetlands, cycle ways, irrigation schemes, and eco-tourism)</li> </ul>

# COMMUNITY DEVELOPMENT

A key role for community development in this plan is to implement a range of initiatives identified in the Working and Living programme being developed. This is also being consulted on concurrently and more information can be found at [www.cluthadc.govt.nz](http://www.cluthadc.govt.nz).

Some of the highlights of the strategy Council is proposing community development will focus on are included to the right:

## WHAT'S NOT IN THIS PLAN?

Council recognises that promoting growth must be done in a sustainable way. The Economic Development and the Living and Working strategies have been developed on the basis that Council supports initiatives that encourage investment in our district, subject generally to any initiative being at worst rates neutral.

When specific rates funding is required for any initiative or action that is not rates neutral, Council will determine additional funding depending on the business case presented through the annual planning process.

## WORKING AND LIVING IN CLUTHA

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### GOAL

### SOME OF THE ACTIONS WE'RE PROPOSING:

**For the Clutha District to be a great place for people to live, work and play.**

**Engage with communities on local community initiatives.**

- Promote the value of volunteering
  - Support young people into leadership roles (Youth Council, leadership forums, youth development programme).
  - Foster partnerships that facilitate better access to health and education services.
  - Support leadership and mentoring programmes
  - Support community beautification projects
  - Promote and develop pride in the Clutha District
-

# WHAT WE'RE AIMING FOR

STRATEGIC GOAL – COUNCIL OUTCOME:

A WELL INFORMED COMMUNITY WHERE PEOPLE HAVE THEIR SAY IN THE DECISIONS THAT AFFECT THEM

WHAT WE'RE WORKING TOWARDS (Level of service)	HOW WE'LL MEASURE PROGRESS	HOW WE'RE PERFORMING NOW	WHAT WE'RE AIMING FOR			
		2013/14	2015/16	2016/17	2017/18	2018/19 - 2024/25
Support external organisations tasked with providing economic development services on Council's behalf	Percentage of contract specifications met as identified in the Economic Development Strategy and related contracts	100%	100%	100%	100%	100%
Support the District's communities and economy through community development facilitation and support	Percentage of annual work programme completed as identified in the Working and Living Strategy and related Action Plan	100%	100%	100%	100%	100%

# WHAT WE ARE PLANNING FOR ECONOMIC & COMMUNITY DEVELOPMENT

PROJECT (All in \$000s)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Economic Development Agency – Clutha Development Incorporated service agreement	372	381	391	402	413	425	439	453	469	486
Economic Development Agency – Clutha Development Incorporated agreed projects	54	55	57	58	60	62	64	66	68	70
Contracted youth development services	27	28	28	29	30	31	32	33	34	35
Otago Digital Strategy <sup>1</sup>	15	15	16							

<sup>1</sup> Council's contribution to the Otago-wide digital strategy

BE FOCUSING ON IN THIS PLAN:

- Implementing the Clutha Economic Development Strategy
- Developing Living and Working initiatives and work programmes

## BUDGETED COMMUNITY FUNDING\*

ORGANISATION	DESCRIPTION	2015/16	2016/17	2017/18
Clutha District Combined Museums	Funding towards operating costs for museums throughout the district under the umbrella of Clutha District Combined Museums	89	91	93
Information services – Lawrence	For providing contracted information services in Lawrence	33	33	34
Information services – Milton	For providing contracted information services in Milton	11	11	12
Information services – Owaka	For providing contracted information services in Owaka	18	19	19
Clutha Gold Trail maintenance fund	Funding set aside for future maintenance requirements on the Clutha Gold Trail	25	26	26
Clutha District Youth Council	Budget for annual activities of the Youth Council including the Youth Development Fund	5	5	5
Mayors Taskforce for Jobs	Cost for involvement in this programme for Youth	6	6	6
Fees Reimbursement Scheme	Scheme which provides for reimbursement of Council-related fees and charges to community groups and volunteers	10	10	11
Property Rent Assistance Scheme	Scheme which reimburses community groups who lease Council land and buildings	8	8	9
Swimming pool support grants	Grants towards operating costs for various pools throughout the district	30	31	32
Clean air warm homes	CDC contribution this insulation programme that assists Clutha District residents	11	11	11
Womens Refuge services	Funding to Gore Womens Refuge which provides support services in the Clutha District	8	9	9
Heartland Life Education Trust	Sponsorship towards the charitable trust providing life education services to Clutha District Youth	5	5	5
Sport Clutha	Council portion of funding Sport Clutha coordination services	44	45	47
Kaka Point Lifesaving	Funding for retaining lifeguard patrol services at Kaka Point	19	19	20

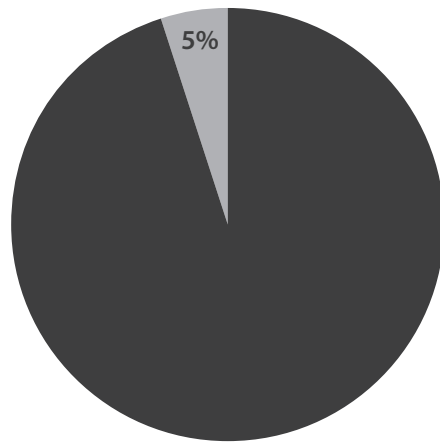
\* Grants are approved for a three year term and reviewed during the development of each long term plan



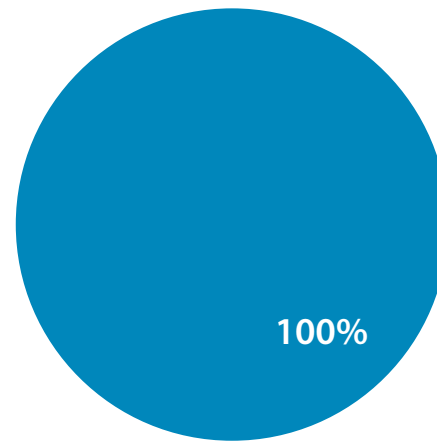
# HOW ECONOMIC AND COMMUNITY DEVELOPMENT IS FUNDED

The district-wide benefits for these activities are recognised in the way they are funded.

**% of Rates Spent on Economic and Community Development**



**How Economic and Community Development is Funded**  
(For operating and capital costs)



● Community Leadership

● Uniform Annual General Charge

## Existing Rating for Economic & Community Development

ACTIVITY	FEES & CHARGES	DISTRICT-WIDE RATES		RATES BASED ON AVAILABILITY OF SERVICES AND/OR LOCATION	
		UNIFORM CHARGE (UAGC)	CAPITAL VALUE (CV)	UNIFORM CHARGE	LAND VALUE (LV)
Economic Development	100%	100%	100%	100%	100%
Community Development	100%	100%	100%	100%	100%

## WHAT IT WILL COST FOR ECONOMIC AND COMMUNITY DEVELOPMENT

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Sources of Operating Funding</b>											
General rates, UAGCs, rates penalties	1,267	1,230	1,255	1,284	1,299	1,329	1,364	1,397	1,435	1,478	1,520
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL OPERATING FUNDING</b>	<b>1,267</b>	<b>1,230</b>	<b>1,255</b>	<b>1,284</b>	<b>1,299</b>	<b>1,329</b>	<b>1,364</b>	<b>1,397</b>	<b>1,435</b>	<b>1,478</b>	<b>1,520</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	(1,417)	(1,128)	(1,151)	(1,176)	(1,191)	(1,219)	(1,250)	(1,282)	(1,318)	(1,357)	(1,398)
Finance costs	0	(12)	(11)	(10)	(9)	(8)	(7)	(6)	(4)	(3)	(2)
Internal charges and overheads applied	(80)	(73)	(75)	(79)	(79)	(81)	(85)	(85)	(88)	(92)	(92)
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>(1,497)</b>	<b>(1,213)</b>	<b>(1,237)</b>	<b>(1,265)</b>	<b>(1,279)</b>	<b>(1,308)</b>	<b>(1,342)</b>	<b>(1,373)</b>	<b>(1,410)</b>	<b>(1,452)</b>	<b>(1,492)</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>(230)</b>	<b>17</b>	<b>18</b>	<b>19</b>	<b>20</b>	<b>21</b>	<b>22</b>	<b>24</b>	<b>25</b>	<b>26</b>	<b>28</b>
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt (internal debt)	230	(17)	(18)	(19)	(20)	(21)	(22)	(24)	(25)	(26)	(28)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	(0)	0	0	0	0	0	0	0	0	0
Other dedicated sources of funding	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>230</b>	<b>(17)</b>	<b>(18)</b>	<b>(19)</b>	<b>(20)</b>	<b>(21)</b>	<b>(22)</b>	<b>(24)</b>	<b>(25)</b>	<b>(26)</b>	<b>(28)</b>

Continues on next page

## WHAT IT WILL COST FOR ECONOMIC AND COMMUNITY DEVELOPMENT

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Applications of capital funding</b>											
Capital expenditure to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
(Increase) decrease in reserves	0	0	0	0	0	0	0	0	0	0	0
(Increase) decrease of investments	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>230</b>	<b>(17)</b>	<b>(18)</b>	<b>(19)</b>	<b>(20)</b>	<b>(21)</b>	<b>(22)</b>	<b>(24)</b>	<b>(25)</b>	<b>(26)</b>	<b>(28)</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# CALLS WE HAVE MADE IN PUTTING BUDGETS FOR THIS PLAN TOGETHER

## KEY PLANNING ASSUMPTIONS FOR ECONOMIC AND COMMUNITY DEVELOPMENT\*

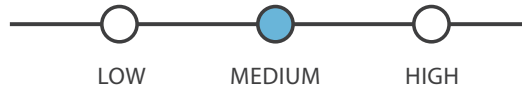
### WHAT WE HAVE ASSUMED

### LEVEL OF UNCERTAINTY

### WHAT WOULD HAPPEN IF THIS CHANGED:

#### Current delivery of services

These budgets assume that the current method of delivery of services will continue, i.e. youth, economic and tourism development are contracted services. It is assumed that community development will continue to be carried out in-house.



If this changes levels of funding and/or levels of service might be affected.

#### Funding for youth services

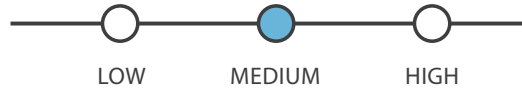
Council has assumed it will continue to partner with other funders and part-fund contracted services for youth development in current levels.



If availability of funding from other funders changes Council would need to review levels of funding and/or levels of service.

#### Funding for community grants

These budgets allow for grants and community contract services funding to continue at current levels.



Grants and community-contract services funding will be reviewed on a triennial basis as part of the development of the Long Term Plan. Continuation of funding will be considered on a case-by-case basis.

\*Universal financial assumptions that also affect economic and community development are included in the financial section of this document.

# ROADING

Roading is a fundamental core service for Council. We have the third largest local network in the country, and roading accounts for over 40% of expenditure.

## WHAT WE DO

Within the Clutha District, roads are managed by two separate roading authorities. The New Zealand Transport Agency (Highway Network Operations) takes care of the State Highways, while Clutha District Council maintains all other roads, known as local roads.

With a total roading network of 2,917 km, the Clutha District Council has the third largest local roading network in New Zealand. Of the 2,917km, 28% (826km) is sealed and 72% (2091km) is unsealed. It supports a resident population of around 16,890 people. Rural roads make up 95% of our network and form an important part of the export supply chain with the main land uses in the District being dairy, pastoral farming, forestry and horticulture. There are also key tourist routes through the District.

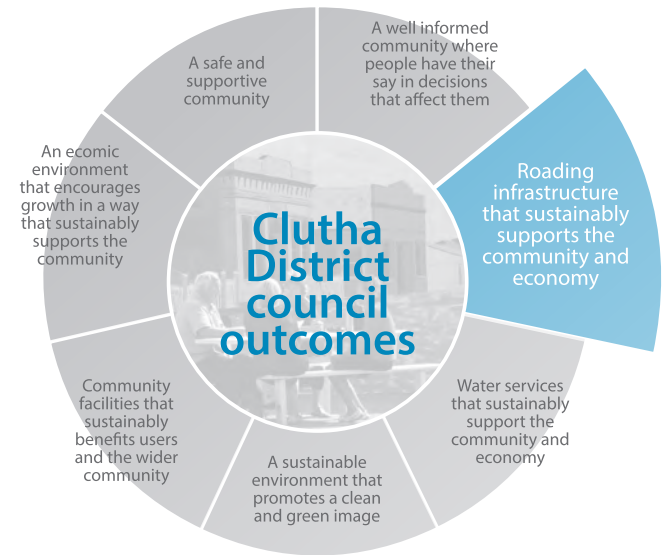
The roading assets administered by the Council include more than just roads. There are also footpaths, bridges, streetlights and other assets associated with transportation. The total replacement cost for Council's roading assets is \$859.4 million. The table to the right illustrates the main features of the roading network.

## WHY WE DO IT

Council considers that the provision of the transport services is a core function of local government. The local roading network is vital for the District as the lives and prosperity of the community revolve around these roads. The network links communities, makes it possible for work and business to take place, transports the District's goods to markets, is a thoroughfare for people travelling to our district and to other parts of the South, and enables people to get together for work, social, sporting and cultural events.

This activity contributes to: Roding infrastructure that sustainably supports the community and economy, with our goal towards this being to grow and maintain the district to meet regulatory requirements and a high standard of infrastructure.

Our approach will be to invest in roading to meet agreed levels of service and to provide a safe and resilient network.



## Roding Asset Information

ASSET COMPONENT	QUANTITY	ASSET VALUE* (\$MILLION)
Formation	23,979,495 m <sup>2</sup>	533.2
Sealed Pavement Surface	826 km	12.9
Sealed Pavement Structure	826 km	138.5
Unsealed Pavement Structure	2,091 km	79.6
Drainage	-	22.0
Surface Water Channels	161,301 m	11.6
Footpaths (sealed + unsealed)	239 km	8.8
Signs/RRPM's/Markings/Railings	-	3.6
Edge Marker Posts	15,053 units	0.2
Street Lights	1,654 units	0.5
Minor Structures, Retaining Walls	3,458 m	2.0
Bridges and Major Culverts	401 units	46.5
<b>TOTAL</b>		<b>\$859.4</b>

\* Depreciated replacement value (2014)

# SIGNIFICANT EFFECTS

Although the road network provides many important benefits to the community and is vital to enable trade, commerce and personal travel, there are a number of negative effects arising from both the construction and maintenance activities within the road corridor and its use by motor vehicles.

POTENTIAL SIGNIFICANT NEGATIVE EFFECT	CULTURAL	SOCIAL	ECONOMIC	ENVIRONMENTAL	OUR RESPONSE
Road and environment factors can contribute to crashes, particularly those that involve loss of control	●	●	●	●	Continue to undertake Minor Safety Improvement projects and target road user safety education
Speed restrictions imposed at inappropriate locations causing speed limits to be ignored	●	●	●	●	Set speed limits in accordance with Setting of Speed Limit Rules and regularly review
Stock movement may result in traffic hazards and public nuisance, particularly if the Roding Bylaw – Stock Movement is not adhered to	●	○	●	●	Monitor Roding Bylaw – Stock Movement to ensure appropriate movement of stock
Economically, the cost of desired infrastructure may exceed the community's ability to pay	○	●	●	○	Reassess roading programmes and expenditure and consult on Levels of Service through the LTP process  Utilise an Economic Network Plan to help target investment
The impact of surface runoff from roads that discharges into adjacent coastal or other waters or onto land	○	●	●	○	Compliance with resource consents and Council's engineering standards and guidelines.
Dust nuisance from unsealed roads that don't have the traffic volumes to meet funding requirements for sealing	●	●	●	●	Continue to allow suppressants to be used and to investigate alternative methods
Potential impacts on customer satisfaction due to service failure/delays/responsiveness	○	●	●	○	Monitor customer requests for service and report on these. Ensure customer complaints are resolved satisfactorily

# PROGRESS DURING THE PAST THREE YEARS

## ONGOING PAVEMENT REHABILITATION (PAVEMENT STRENGTHENING) WORK

The major economic activities for the Clutha District are pastoral farming, dairy and forestry, which have significant impacts on the road network. When a new dairy farm or forestry block comes on line there is a risk that the local road infrastructure will not be adequate to support the change in use. This risk has been reduced through prudent pavement rehabilitation, targeting those areas where the historic practice was to extend seal over thin pavements. Through appropriate asset management and construction practices the condition of the network has continued to improve.

## THREE-YEAR PAVEMENT RESEALING PROGRAMME

Pavement resealing is one of Council's larger expenditure items. In order to be more efficient, stimulate competition and gain better prices and drive value for money, Council let a 3 year contract for Reseal and Preseal Repairs in 2012/13. In the past this work had been contracted out on an annual basis. Taking this approach has led to substantial savings and procuring to the best advantage will continue to be explored during the life of this plan.

## DISTRICT-WIDE FOOTPATH RENEWALS AND UPGRADES

Council has made significant progress in the last six years on improving the standard of our footpaths through a multi-million dollar capital works programme. A recent condition assessment

has shown that there has been a significant improvement in condition – and customer satisfaction – however, there is still further work to be done.

## CLYDEVALE BRIDGE STRENGTHENING

Clydevale is one of three main bridges in the district that span the Clutha River (the other two bridges are on SH1 at Balclutha and SH8 at Beaumont). Besides being a key crossing point, Clydevale is the only bridge of the three that can take over dimension (or wide) loads. Some \$755,000 worth of strengthening work was completed to upgrade the bridge to Class 1 standards. After confirming NZTA funding, Council's share is \$234,000. This work is expected to extend the life of this key bridge for a further 20 years, possibly even longer. The Tuapeka Mouth Ferry, approximately 10km up the river, was utilized and its hours of operation were extended during the upgrade.

## BALCLUTHA STREETScape UPGRADE

Design work and extensive consultation for this \$2.6 million project to upgrade Balclutha's streetscape has continued. This helped Council confirm the Elizabeth Street area as the focal point for the improvements, along with other final decisions about what the upgrade should look like and include. Construction is expected to start in late 2014/15 and be completed towards the end of the first half of 2015/16.

# MAINTAINING CURRENT LEVELS OF SERVICE

## MAINTENANCE AND OPERATIONS

All of the regularly maintained roading assets in the district are in relatively good condition and routine maintenance is at a level that preserves this condition. The maintenance activity is relatively uniform throughout the year although winter may bring an increase in work.

Most maintenance work is carried out under 5-year contracts. Within these contracts levels of service are specified and the contractor identifies and schedules work to be done to ensure that all maintenance work is being correctly planned and carried out to the expected standard. 2015/16 is the final year for the current maintenance contracts. There is a risk that contract rates will change for the 2016/17 year. Council intends to review the structure and contracting arrangements to ensure value for money and effectiveness of our maintenance activities.

## RENEWALS AND REPLACEMENTS

### Ongoing maintenance to unsealed roads:

Ongoing grading and maintenance metalling is planned for unsealed roads at current levels.

### Reducing spending by reducing pavement rehabilitation and resealing work:

As part of the development of this plan, Council has reassessed the approach and strategy for how we manage and invest in the roading network.



While sealed roads make up just over a quarter of the roading network, they are the most expensive part of it.

Council has been reducing the length of sealed pavement rehabilitation activities during recent years as the risk of thin pavement failures has been reduced to a manageable level. A recent independent review has reinforced the ability for Council to take more risk through a revised strategy of further reduced pavement rehabilitations.

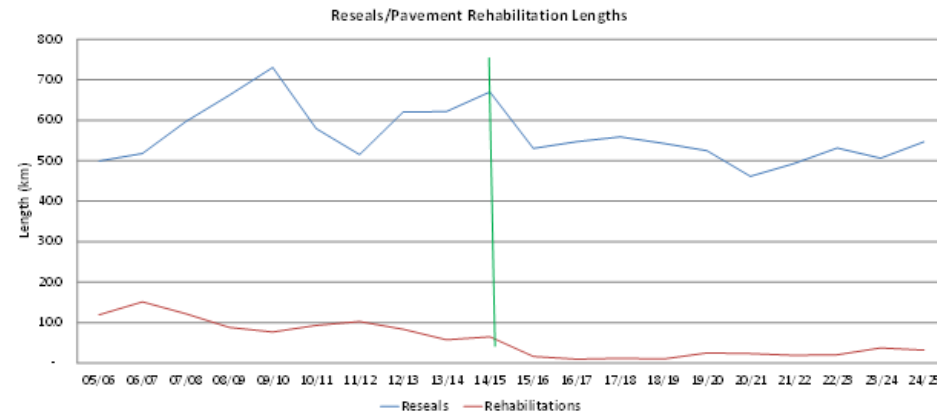
As a result, Council is proposing to continue to reduce the level of pavement rehabilitation work and slightly increase maintenance levels for a lower overall cost. The strategy going forward to manage the risk of road failure will be to maintain a contingency fund to enable Council to fund the local share required to reconstruct/strengthen up to ten kilometres of road, should there be a sudden increase in localised traffic/loading or a failure that would require such urgent pavement rehabilitation.

Maintaining a waterproof surface is essential to getting the most out of our roads. However, with stronger roads it is anticipated that average seal life will increase. Therefore, Council is also proposing to reduce the amount of resealing done annually. We expect the average reseal life will extend from 14 years to 15 years.

We anticipate that this strategy of reducing renewals will result in the need for more pavement maintenance. This increase has been assessed at a nominal 10% of the current maintenance activity and budgeted for accordingly.

Given the current quality of our sealed roads Council is in a good position to reduce the level of roading investment, especially roads with low traffic volumes. This approach will provide significant savings,

## PROPOSED CHANGE IN PAVEMENT REHABILITATION AND RESEAL LENGTH



especially for rural ratepayers. For example a sheep/beef farm with a capital value of \$4.1 million would pay \$1,600 less per annum, while a residential property in our main towns would pay \$50-75 less per annum than they would if we continue at historic levels of expenditure. The trade-off will be that sealed roads won't be as smooth as they are now, and may look patchier, but will still be fit for purpose and safe to travel on.

However, Council recognises that this approach needs to be carefully considered and monitored. This approach assumes that the average lives of many of our roads will be substantially higher than national guidelines. More work will be needed over the short to medium term to confirm if this approach is sustainable in the longer term.

This approach will also assist Council in transitioning to the required One Network Road Classification (ONRC) and the associated Customer Levels of

Service (refer to the improvements and changes section for more information).

## BRIDGES

Maintaining Council's bridge stock to a safe and appropriate standard has previously been identified by Council as one of its top three priority items within the roading area. With the development of an Economic Network Plan – which would look at the economic value derived from a specific road - future significant bridge maintenance/renewals work is expected to be better prioritized across the network. For large expensive items, such as renewing major components of a bridge and total bridge replacements, Council's share is normally funded from its depreciation reserves. Future assessment and peer review of the major bridge renewal/replacement programme is planned over the next 2 years to enable Council to confirm future funding depreciation levels.

# IMPROVEMENTS OR CHANGES WE'RE PROPOSING

## CENTRAL GOVERNMENT INVESTMENT PRIORITIES

A majority of Government transport investment is targeted toward highways, including the Roads of National Significance (RoNS). This spend is primarily focused on the higher population areas in the North Island. In the past the Government Policy Statement (GPS) funding allocation for local road maintenance has not increased in line with inflation. The current GPS includes an overall provision for inflation for the next 10 years but it has indicated that this will not automatically be applied.

For Council, the New Zealand Transport Agency Funding Assistance Rate (FAR) is expected to decrease from 61% to 60% in 2015/16 and to 59% for 2016/17 and 2017/18.

In order to prepare ten year budgets Council has assumed that the co-investment rate will remain at 59% for the life of this plan.

From 2015/16 all new investment proposals seeking NZTA funding, will undergo a Business Case approach to ensure that the projects are consistent with the NZTA's Investment Assessment Framework for inclusion in the National Land Transport Programme and in essence, represent value for money.

## ALIGNING TO A NATIONALLY CONSISTENT LEVEL OF SERVICE

The One Network Road Classification (ONRC) is a joint initiative of Local Government New Zealand and the NZTA's Rooding Efficiency Group (REG) to provide a nationally consistent framework to inform activity management planning including choices about investments, maintenance and operations. The REG is a collaborative initiative by the road controlling authorities of New Zealand, and was nominated by the government to carry out the recommendations of the broader Road Maintenance Task Force, which was established by the government in 2011, to identify opportunities to increase the effectiveness of road maintenance.

The ONRC initiative aims to standardise the road user experience nationally and to support consistent asset management across the country. It also aims to facilitate collaboration and prioritisation between organisations responsible for planning and service delivery for the national road network.

The classification will promote a customer focus and investment decisions will be based on whether the roads are fit for purpose and meeting the needs of users. It is based around the principle that roads are fit for purpose in terms of where the road sits in the overall network of roads in New Zealand and how much traffic it carries.

According to the information at hand, there are some aspects of our network, particularly for the sealed part of our network, that are above the ONRC levels of service standards.

Work during this plan will focus on transitioning to a 'one network' approach to managing Clutha's local roading network, by 2018/19, and the implementation of the associated customer and technical levels of service.

## TARGETING INVESTMENT VIA AN ECONOMIC NETWORK PLAN

Council is also signaling that over the next three years we expect to change future spending. Instead of maintaining all roads (sealed and unsealed local roads) to a similar level, Council will target roads with the the greatest economic benefit to the district. In order for Council to be able to target investment on the roads, an 'Economic Network Plan' approach is proposed.

Council has developed a picture of current land use and associated likely impact on the network. Over the next three years an Economic Network Plan will be developed that will give Council an opportunity to understand current and future demands, and their associated likely impacts on the network. It means that larger expenditure items, such as pavement rehabilitations, can be assessed on a case-by-case basis and Council can make decisions about committing funding depending upon the economic benefit of the road, including traffic volumes. Importantly it will be a tool in helping evaluating and ensuring value for money.

## PART OF A BIGGER PICTURE – OTAGO SOUTHLAND REGIONAL LAND TRANSPORT PLANS 2015-2021

Clutha's Land Transport Programme forms an integral part of the Otago Regional Land Transport Strategy and Programme. Legislative changes now require the development of a single Regional Land Transport Plan, which incorporates the previous separate Strategy and Programme documents. For the 2015 - 2021 Regional Land Transport Plan development, it was agreed that a collaborative approach will be taken between Otago and Southland, with the development of a single Regional Land Transport Plan for Otago/Southland. The importance for Council with regard to the

Regional Plan is that in order to be considered for financial assistance from the NZTA for Maintenance, Operations and Renewals funding, such programmes are required to be reflected in the Regional Land Transport Plans. It is a further requirement that significant improvement/capital projects such as The Nuggets Road seal extension are prioritized within the Regional Land Transport Plan. A separate consultation process will be carried out by the Otago Regional Council and Environment Southland with regard to the development of the Otago/Southland Regional Land Transport Plans.

### THE NUGGETS ROAD SEALING

The sealing of The Nuggets Road, which leads to the iconic Nugget Point lighthouse and scenic viewpoints, has been included in the plan for construction in the 2015/16 year. Completion of the project is still subject to securing NZTA funding assistance. An overall budget of \$2.6 million has been included and Council's share of \$1.0 million of this budget is proposed to be loan funded.

As indicated above, this is a significant project which requires regional support and as such, has been included in the draft Otago Southland Regional Land Transport Plans 2015-2021. The project is further supported through the collaboration between Clutha District Council and Southland District Council, by combining the seal extension of The Nuggets Road with Southland's seal extension of the road between Haldane and Curio Bay. This is a route which goes through the Catlins area taking visitors across Otago and Southland and is being referred to as the Southern Penguin Scenic Journey.

The inclusion of the project in the Otago Southland Regional Land Transport Plans recognises and reflects the importance of providing visitors with a safe, consistent experience that goes across administrative boundaries and supports the NZTA's "Visiting Driver Signature Project" initiative.

### ONGOING COMMITMENT TO IMPROVING THE SAFETY OF OUR NETWORK

Safety on the network is of paramount importance to our road users. The majority of crashes occur on rural roads. Council will continue to actively target safety improvement opportunities to be incorporated within renewal and maintenance activities. This includes Council's Minor Improvement projects programme which includes work such as intersection improvements, traction seals, bridge renewals, visibility improvements, stock underpasses etc. Budgets to continue Road User Safety education programmes in the district have also been included. All these road safety initiatives support the aims of the National Road Safety Strategy, Safer Journeys 2020.

### CONTINUING BALCLUTHA STREETSCAPE IMPROVEMENTS

The consultation process undertaken as part of the Balclutha Streetscape Upgrade project was rigorous and generated many great ideas. So much so that Council had to limit the extent of works to enable the project to be completed within the approved budget. Another theme that was consistent in the messaging was 'do it once and do it right'. As such Council has included an additional \$600,000 in the 2015/16 year to enable further work on this key project to be completed.

### FOOTPATH UPGRADES

The quality of footpaths have been steadily improving over the past six years as a result of the major investment by Council. This improvement is confirmed by improving customer satisfaction with footpaths. However, there is still work to be done. A recent condition assessment confirmed that there is approximately 8 km or 6% of the footpath network that is still in very poor or poor condition. As such

Council has agreed to fully fund depreciation of footpaths and this means that \$159,000 per annum will be spent on renewing existing footpaths into the future. With this level of funding the worst areas of the network will be able to be improved and it is anticipated that the footpath network will improve to a satisfactory level (condition rating 3) over the next 15 years. This work programme will also include identifying pedestrian access improvements for increased mobility and including these in the work programme, as budgets allow.

Footpath condition (level of service), as measured against our own Council set targets, is a compulsory measure required by the Department of Internal Affairs and as such we are projecting a gradual reduction in bad to poor condition footpaths with the programmed work.

## WHAT WE ARE PLANNING FOR ROADING

PROJECT (All in \$000s)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Renewals</b>										
Unsealed road metalling	1,661	1,700	1,742	1,783	1,827	1,870	1,915	1,961	2,008	2,056
Sealed road resurfacing	2,744	2,670	2,911	2,927	3,174	3,039	3,210	3,267	3,403	3,240
Drainage renewals	427	437	447	458	469	480	491	504	516	528
Pavement rehabilitation	653	417	485	477	977	1,038	774	831	1,653	1,472
Structure component replacement	2,086	1,444	569	860	597	611	626	641	656	672
Traffic services renewals	260	266	273	279	286	293	300	307	314	322
Bridge renewals	0	0	0	534	878	0	596	0	866	0
<b>Improvements</b>										
Minor improvement projects	858	699	876	606	640	650	653	670	728	723
The Nuggets Road sealing	2,630									
Balclutha Streetscape Improvements	2,700									

### WORK WE WILL BE FOCUSING ON IN THIS PLAN:

- Developing the Economic Network Plan
- One Network Road Classification Transitional Plan
- Reviewing and renewing roading maintenance contracts

## WHAT'S NOT IN THIS PLAN

### NON-ASSISTED SEAL EXTENSIONS

As things stand we know that sealing other gravel roads in the district generally wouldn't meet NZTA funding criteria. Sealing roads costs about \$300,000 per kilometre. Council recognises this is an unrealistic cost to put onto ratepayers and is not planning any non-subsidised sealing in the future, a position we have maintained since 2009.

### LED STREET LIGHTING

As technology improves and matures, the costs to implement new systems reduce. LED street lighting is now becoming a cost effective solution to replace traditional streetlights. Benefits include lower energy consumption, reduced maintenance costs and the ability for 'smarter' controls. Work by

other Councils has indicated that the capital cost of investing in new streetlights will be repaid through lower costs within about seven years. Council currently hasn't made any budget provision to invest in LED streetlights at this stage, but we intend to do a further detailed analysis in 2015/16 to see if this would be a worthwhile investment for us.

### HINA HINA BRIDGE

The Hina Hina Bridge has been deteriorating over a number of years and now has severe weight restrictions for safety reasons. This is considered locally to be a critical link to Jacks Bay. Detailed structural testing work is being carried out in 2014/15 to confirm options, and a business case and the future of the bridge is expected to be determined in 2015/16. There is an alternative route available but this can add up to 26 kilometers to a round trip for some road users. These impacts will be considered as part of the business case development.

# WHAT WE'RE AIMING FOR

STRATEGIC GOAL – COUNCIL OUTCOME: ROADING INFRASTRUCTURE THAT SUSTAINABLY SUPPORT THE COMMUNITY AND ECONOMY

## ROADS

WHAT WE'RE WORKING TOWARDS (level of service)	HOW WE'LL MEASURE PROGRESS	HOW WE'RE PERFORMING NOW 2013/14	WHAT WE'RE AIMING FOR			
			2015/16	2016/17	2017/18	2018/19 - 2024/25
<b>Provide an effective and sustainable local roading network</b>	Residents satisfied with maintenance of unsealed roads	52%	≥52%	≥52%	≥52%	≥52%
	Residents satisfied with maintenance of sealed roads	77%	≥76%	≥75%	≥74%	≥70%
	Average quality of ride on the urban sealed road network (as per smooth travel exposure)*	90%	91%	91%	91%	91%
	Average quality of ride on the rural sealed road network (as per smooth travel exposure)*	99%	99%	99%	99%	98%
	Average quality of ride on the sealed road network (as per smooth travel exposure)*	97%	97%	97%	97%	97%
	Percentage of the sealed local network that is resurfaced*	7.5%	6.7%	6.6%	6.9%	6.7%
	% of customer service for roads and footpaths responded to within timeframes*	NM	≥90%	≥90%	≥90%	≥90%
<b>Monitor safety and invest in improving the local roading network</b>	Average speed residents feel they can safely travel at on unsealed roads (km per hr)	65	60-70	60-70	60-70	60-70
	Average speed residents feel they can safely travel at on sealed roads (km per hr)	95	80-90	80-90	80-90	80-90
	Number of fatalities and serious injury crashes*	12	≤11	≤11	≤10	≤10

\* Also a Department of Internal Affairs mandatory measure  
NM = new measure

\* Refers to footpath condition standard ratings, where 1 is poor, 2 is below average, 3 is good, 4 is very good and 5 is new or near new

## FOOTPATHS

<b>Provide an effective and sustainable network of footpaths throughout the district</b>	% footpaths that fall within level of service condition standards ≥3**	NM	94.5%	95.0%	95.5%	96.0%
	Residents satisfied with footpaths	71%	≥70%	≥72%	≥74%	≥80%

# HOW ROADING IS FUNDED

The roading network provides national, regional and local benefits. Roothing uses a combination of funding mechanisms that aim for rates to reflect access to and benefits gained from the roading network.

## ROADS AND BRIDGES:

A substantial amount is funded through financial assistance from NZTA, with the balance being split between district and local roading rates based on the district/local benefit of each road.

A district-wide roading rate, based on capital value, funds 37% (90% of the cost of arterial roads, 50% of collector roads and 10% of local roads) of the Council's share. The remaining 63% of the rates requirement is funded by 11 targeted local roading rates made up of a minimum charge and with the remainder based on land value. Each area funds a share of the local roading rate based on the value of the roading asset within that area.

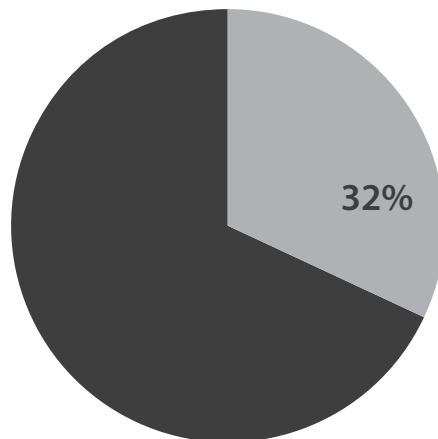
## MAIN STREETS:

20% UAGC, with 80% of Balclutha and Milton costs on the local roading rate (LV based) and 80% of Lawrence and Tapanui costs on a uniform electoral ward based rate.

## NEW FOOTPATHS:

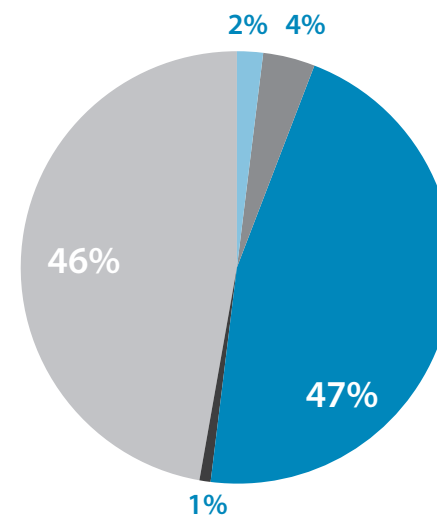
A uniform rate per separately used or inhabited part of a rating unit (SUIP) on those in the rating area benefiting from the new footpaths.

% of Rates Spent on Roothing



● Roading

How Roothing is funded  
(For operating and capital costs)



● NZ Transport Agency ● Targeted Rates  
● Fees and Sundry ● Internal Loans  
● Reserves

## Rating for Roothing

ACTIVITY	USER FEES & CHARGES	GENERAL RATE	TARGETED RATE	
		UNIFORM CHARGE (UAGC)	DISTRICT-WIDE RATES CAPITAL VALUE (CV)	RATES BASED ON AVAILABILITY OF SERVICES AND/OR LOCATION UNIFORM CHARGE LAND VALUE (LV)
Roading network including bridges <sup>1</sup>			37%	63%
New footpaths				100%
MAIN STREET UPGRADES	Balclutha & Milton	20%		80%
	Lawrence & Tapanui	20%		80%

## WHAT IT WILL COST FOR ROADING

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)										
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
<b>Sources of Operating Funding</b>												
General rates, UAGCs, rates penalties	0	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	7,435	7,830	7,955	8,269	8,579	8,975	9,120	9,235	9,507	9,766	9,483	
Subsidies and grants for operating purposes	2,713	3,049	3,083	3,123	3,190	3,260	3,369	3,401	3,476	3,550	3,635	
Fees and charges	(37)	92	94	97	99	102	105	109	112	116	120	
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0	
Fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0	
<b>TOTAL OPERATING FUNDING</b>	<b>10,111</b>	<b>10,971</b>	<b>11,132</b>	<b>11,489</b>	<b>11,868</b>	<b>12,337</b>	<b>12,594</b>	<b>12,745</b>	<b>13,095</b>	<b>13,432</b>	<b>13,238</b>	
<b>Applications of operating funding</b>												
Payments to staff and suppliers	(5,205)	(5,680)	(5,834)	(5,919)	(6,061)	(6,206)	(6,421)	(6,506)	(6,628)	(6,786)	(6,946)	
Finance costs	(266)	(287)	(483)	(478)	(452)	(457)	(417)	(399)	(379)	(357)	(338)	
Internal charges and overheads applied	(1,510)	(1,672)	(1,779)	(1,853)	(1,868)	(1,913)	(1,995)	(2,013)	(2,069)	(2,155)	(2,182)	
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0	
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>(6,981)</b>	<b>(7,639)</b>	<b>(8,096)</b>	<b>(8,250)</b>	<b>(8,381)</b>	<b>(8,576)</b>	<b>(8,833)</b>	<b>(8,918)</b>	<b>(9,076)</b>	<b>(9,298)</b>	<b>(9,466)</b>	
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>3,130</b>	<b>3,332</b>	<b>3,036</b>	<b>3,239</b>	<b>3,487</b>	<b>3,761</b>	<b>3,761</b>	<b>3,827</b>	<b>4,019</b>	<b>4,134</b>	<b>3,772</b>	
<b>Sources of Capital Funding</b>												
Subsidies and grants for capital expenditure	5,475	7,545	4,956	4,520	4,793	5,348	4,880	5,183	4,918	6,072	5,407	
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0	
Increase (decrease) in debt (internal debt)	1,759	3,546	(290)	(305)	(321)	(338)	(355)	(374)	(393)	(408)	(429)	
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0	
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0	
Other dedicated sources of funding	0	0	0	0	0	0	0	0	0	0	0	
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>7,234</b>	<b>11,091</b>	<b>4,666</b>	<b>4,215</b>	<b>4,472</b>	<b>5,010</b>	<b>4,525</b>	<b>4,809</b>	<b>4,525</b>	<b>5,664</b>	<b>4,978</b>	

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## WHAT IT WILL COST FOR ROADING

(All in \$000s)	Annual Plan		Long Term Plan (FORECAST)								
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Applications of capital funding</b>											
Capital expenditure to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure to improve the level of service	(2,738)	(6,188)	(699)	(872)	(606)	(640)	(650)	(653)	(670)	(728)	(723)
Capital expenditure to replace existing assets	(8,424)	(7,988)	(7,098)	(6,593)	(7,489)	(8,382)	(7,511)	(8,094)	(7,693)	(9,607)	(8,485)
(Increase) decrease in reserves	641	(106)	5	(9)	(19)	(31)	(43)	(58)	(104)	(126)	(144)
(Increase) decrease of investments	157	(141)	90	20	155	282	(82)	169	(77)	663	602
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>(10,364)</b>	<b>(14,423)</b>	<b>(7,702)</b>	<b>(7,454)</b>	<b>(7,959)</b>	<b>(8,771)</b>	<b>(8,286)</b>	<b>(8,636)</b>	<b>(8,544)</b>	<b>(9,798)</b>	<b>(8,750)</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(3,130)</b>	<b>(3,332)</b>	<b>(3,036)</b>	<b>(3,239)</b>	<b>(3,487)</b>	<b>(3,761)</b>	<b>(3,761)</b>	<b>(3,827)</b>	<b>(4,019)</b>	<b>(4,134)</b>	<b>(3,772)</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# CALLS WE HAVE MADE IN PUTTING BUDGETS FOR THIS PLAN TOGETHER

## KEY PLANNING ASSUMPTIONS FOR ROADING\*

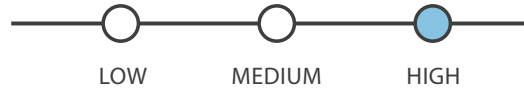
### WHAT WE HAVE ASSUMED

### LEVEL OF UNCERTAINTY

### WHAT WOULD HAPPEN IF THIS CHANGED:

#### Roading maintenance contract renewal

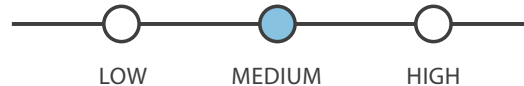
Roading budgets assume the price for the Maintenance and Operations 5-year contract will not exceed current expectations.



Operating and maintenance expenditure forecasts for 2016/17 onwards would be lower than required and work would have to be reprioritised or additional funding sought.

#### One Road Network Classification

The levels of service currently provided will be measured against that of the ONRC and it is predicted that for the foreseeable future changes may be required.



This may result in a further readjustment of levels of service or additional local funding if a different level of service is agreed to by our communities.

There is some uncertainty around how this will affect funding levels from year 4 and beyond 2018/19 onwards. It is anticipated that the development of a Transition Plan will reduce this uncertainty.

#### The Nuggets Road seal extension

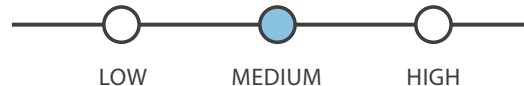
This project has been included in budgets and is part of the Otago Southland Regional Land Transport Plans 2015/21.



If priorities change and funding assistance is not secured, this project would not proceed.

#### Volatility of oil based supplies

Recent history suggests that oil prices will remain volatile for the foreseeable future, but are likely to be lower than the last six years.



Historically, work programmes have been adjusted accordingly to account for price variability in oil based supplies. This approach is assumed to be sustainable over the next ten years.

\*Universal financial assumptions that also affect roading are included in the financial section of this document.

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# CALLS WE HAVE MADE IN PUTTING BUDGETS FOR THIS PLAN TOGETHER

## KEY PLANNING ASSUMPTIONS FOR ROADING

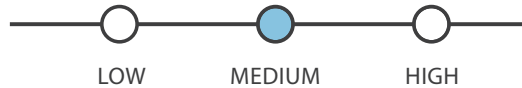
### WHAT WE HAVE ASSUMED

### LEVEL OF UNCERTAINTY

### WHAT WOULD HAPPEN IF THIS CHANGED:

#### Useful lives of roading assets

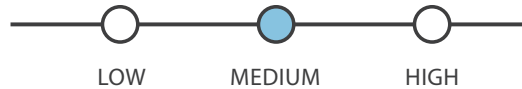
It is assumed that budgets at the revised requested levels to the NZTA will mean that the remaining lives of assets (design life for top surface is currently 15 years, design life for rehabs is currently 80 years) will not be exceeded.



If remaining lives are shorter than predicted renewals would have to be undertaken more frequently, impacting on capital renewals budgets. If budgets are not available, focus will be on keeping top surfaces water resistant, with money concentrated on reseals rather than rehabs. Loss in funding for rehabilitations will either result in increased maintenance or increased capital requirements.

#### Impacts of climate change on roading

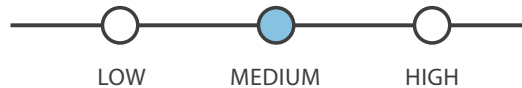
Climate change is expected to cause sea-level rise and increased frequency of storm events. Sea level changes are not expected to have an impact on roading assets during the life of this plan. However increased storm events and associated flooding are expected to increase the risk of road closures and failure at culverts and bridges. See below regarding Council's Emergency Fund.



If repairs of the roading network as a result of extreme weather events exceed the available budgets, this may affect priorities for other roading projects.

#### Implications of natural disasters for roading

In terms of costs of natural disasters, it is assumed that Council's Emergency Fund would cover Council's share for the repair/replacement of roading assets.



Depending upon the scale and cost of the emergency some assets either won't be replaced/ repaired or will take longer to replace/repair.

If roads are disrupted for a period of time this can have significant flow on effects for users.

# WATER SUPPLY

There are 22 water schemes that deliver water to 15 towns and over 2,000 rural properties throughout the district.

## WHAT WE DO

Council supplies water via a number of urban and rural water supply schemes, with approximately a third of the water produced being for domestic consumption and the balance being largely used for stock water. Council's water supplies include: Six urban water supplies servicing Balclutha, Kaitangata, Lawrence, Milton, Owaka and Tapanui. With the exception of Owaka, which is a restricted supply, they provide an on demand supply of potable water for domestic, commercial and industrial use within each scheme area. 11 rural water schemes which primarily provide drinking water for stock. These are Balmoral 1, Balmoral 2, Clydevale-Pomahaka, Glenkenich, Moa Flat, North Bruce, Richardson, South Bruce, Tuapeka, Waipahi and Wangaloa. All schemes other than Waipahi also provide water for domestic consumption.

Nine smaller communities and townships are provided water in bulk from rural water schemes. These townships are Clinton (Clydevale-Pomahaka), Kaka Point (Richardson), Waihola (North Bruce), Benhar (South Bruce/Stirling Treatment Plant), and Stirling (South Bruce/Stirling Treatment Plant. Most of these communities have restricted supplies to consumers, except for Benhar and Stirling which are both on-demand scheme and Stirling is also universally metered.

## WHY WE DO IT

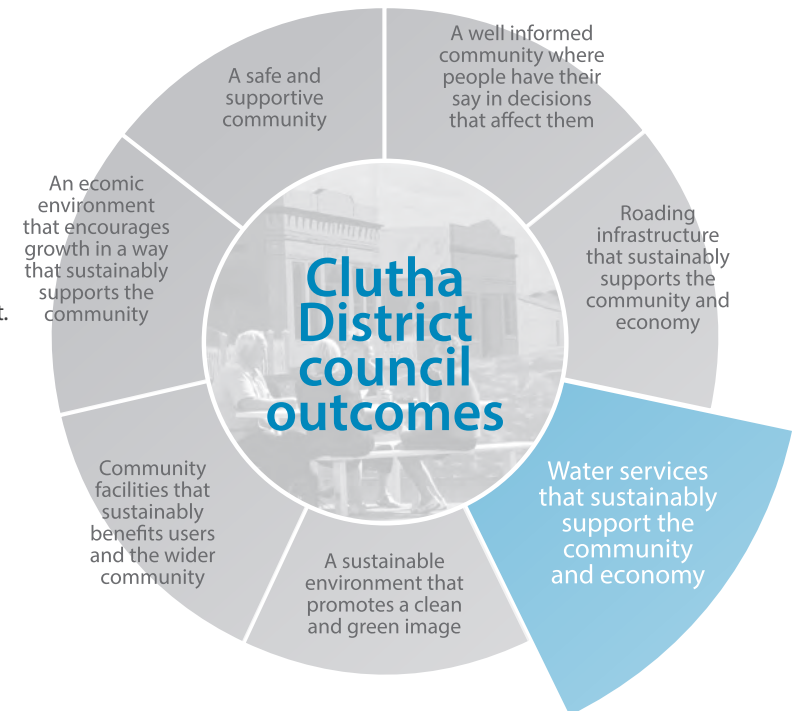
Water is one of our most important assets. Our residents, industry, businesses and farms rely on it. The supply of safe and affordable water provides for public health as well as enabling higher productivity and providing security for our agriculture-based economy. Water is considered a core service for local government.

Water primarily contributes to the outcome: "Water services that sustainably support the community and economy", with our goal towards this being to grow and maintain the district while meeting regulatory requirements and a high standard of infrastructure. Our approach will be to (a) invest to a level to meet regulatory requirements as a minimum standard, and (b) provide a level of infrastructure to meet present and future needs, that will allow the ability to be responsive to growth opportunities.

### Water Asset Information

ASSET COMPONENT	ASSET VALUE*	POPULATION SERVED <sup>±</sup>	PROPERTIES SERVICED <sup>Y</sup>
22 schemes	\$57.4 million	14,150 (84% of the district's population)	7,735
2,443km of reticulation			
17 treatment plants			
46 pump stations			
An average of:			
17,800m <sup>3</sup> treated water produced daily (6,497,000 m <sup>3</sup> annually)			

\*Depreciated replacement value (2014).  
±2013 Census information.  
Includes full and half rated properties



## PROGRESS DURING THE PAST THREE YEARS

As well as a community expectation for clean and safe water, new national drinking water standards have meant that Council is putting significant effort into improving water quality. Over the past three years Council has finalised treatment upgrades on four of our urban water schemes - Balclutha, Lawrence, Kaitangata and Tapanui. Funding assistance for these upgrades was provided through the Ministry of Health's Drinking Water Capital Assistance Programme, reducing the impact on rates. These upgrades have improved water quality and have helped improve compliance with drinking water standards.

Improvements have been made to reservoir storage capacity in Tapanui, Balclutha, Milton and Lawrence to improve resilience and security of supply. Significant renewals have also been carried out in Milton and on the critical rising mains from the Waitahuna water treatment plant. These renewals will reduce leakage and scheme outages.

Initial work has been undertaken to increase the supply capacity on the Clydevale/Pomakahaka rural supply and further capital upgrades will be required to deliver the available water to customers.

## MAINTAINING CURRENT LEVELS OF SERVICE

### MAINTENANCE AND OPERATIONS

Council contracts out the operations and maintenance of its water services. The current five year (plus two year) contract finishes on June 30 2017 (June 30 2019). Council also outsources professional services that are not already available in-house by engaging consultants on a project-by-project basis as required.

All of Council's water schemes are operated under the Water Services Operations and Maintenance Contract. The cost of the contract is split across all schemes based on the time and resources the contractor spends on each scheme.

There are 11 rural water scheme committees which draw their membership from, and represent the consumers of the respective schemes. Council consults with the schemes at least annually when developing budgets, although meetings are held more frequently when particular issues or projects arise. These committees are subcommittees of Council.

Previously insurance costs were funded council-wide (across all of council's activities). However the increase in insurance premiums following the Canterbury earthquakes has meant that Council has re-evaluated its insurance cover and funding. Council has decided that it is fair that premiums for underground insurance (e.g. pipes) are actually funded by the schemes that are covered by the insurance. This means that water schemes are now directly responsible for the cost of their insurance and that ratepayers will pay increased insurance costs through their water rates.

Council has also decided that the risk of a natural event causing significant damage to our water schemes is relatively low, and that self-insurance is a more prudent option. From 2013/14 Council has been self-insuring underground assets at the level of \$50,000 (plus inflation) a year.

### RENEWALS AND REPLACEMENTS

Generally, most of the water supply assets are in good condition. A schedule of renewals is programmed for all schemes. Of these, the more significant renewals required over the next ten years include the following:

#### Rural water schemes reservoir renewals –

Many of the rural schemes reservoirs are coming to the end of their economic lives. A programme is to be undertaken where the reservoirs are first inspected to assess the conditions and propose renewals solutions where necessary; secondly a budget has been established five years after the inspection to replace the reservoirs. Exact timing of replacement will be assessed within the inspection and budgets may be moved forward or backwards following this.

#### Priority pipeline renewals (rural and urban) –

Work has been undertaken to identify pipelines that need to be replaced. Programmes for renewals has been set based on the criticality of these various pipelines.

#### Asbestos concrete (AC) water main renewals –

There is considerable uncertainty regarding the useful life of the AC water mains around our district and particularly for our rural supplies. Recent assessment work has indicated that some pipes are lasting about 75% to 85% of the typical useful life compared to the NZ average. This is interesting as other parts of NZ have found that these pipes are lasting longer than expected and this may be due to

the specific ground conditions, water chemistry and the type of pipes in our district. This is identified as one of the key long term risks and challenges for our water supplies in the next 20-30 years as changes in the life of these pipes would have a significant impact on funding and rates requirements for our water supplies.

## IMPROVEMENTS OR CHANGES WE'RE PROPOSING

### IMPROVING WATER AND COMPLIANCE WITH DRINKING WATER STANDARDS

Council is required to "take all practicable steps" to meet national drinking water standards. This means that Council is undertaking treatment upgrades across all urban and rural water schemes. To insert some more information here about bacteriological compliance, and protozoal compliance.

Upgrades have been completed on Balclutha, Kaitangata, Lawrence and Tapanui water supplies with varying levels of funding assistance from the Ministry of Health's Capital Assistance Programme. Milton's new Water Treatment Plant is also capable of fully complying with the new standards.

Further treatment upgrades are required across all of Council's other water supplies (including rural water schemes) over the next ten years. Funding assistance for these schemes is unlikely to be available as the communities they supply don't meet funding requirements, and because of the high proportion of stock-water use in the case of rural water schemes. A total of \$4 million has been budgeted for treatment upgrades between 2015/16 to 2017/18.

### TASTE AND ODOUR IMPROVEMENTS

'Water aesthetics' (taste and odour) issues have been identified on the Balclutha, Kaitangata and Richardson schemes. Council has included a preliminary budget of \$336,000 in 2023/24 for taste and odour improvements in case these issues continue. The budgets have been placed near the end of the 10 year period as historically Balclutha and Kaitangata have had intermittent issues. The Richardson RWS has annual taste and odour issues during the summer period.

## WHAT'S NOT IN THE PLAN

### CAPACITY UPGRADES

There are no capacity upgrades forecast in this plan. However there is a preliminary budget for reticulation modelling in Moa Flat and capacity studies for Wangaloa (both 2016/2017).

### CLYDEVALE-POMAHAKA

#### CAPACITY UPGRADE

A major upgrade of capacity on the Clydevale-Pomahaka rural water scheme was scheduled for 2014/15. A budget of \$622,000 was included for this upgrade, which will enable additional supply to support further land use intensification and dairy expansion on the Pomahaka side of the scheme, which is currently running near capacity. It is assumed that this will not affect the 2015/16 budget.

## WHAT WE ARE PLANNING FOR WATER SUPPLY

PROJECT (All in \$000s)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Renewals</b>										
Renewals programme	453	227	189	231	119	77	802	87	284	343
Priority pipeline assessment and renewals	432	598	945	503	856	165	159	591		413
Reservoir assessment and renewals	185	31	310	11		737	12	756	494	461
Balclutha cast iron mains renewals				276		295		318		344
<b>Drinking water upgrades</b>										
Clydevale/Pomahaka	75	57	267							
Glenkenich	50	415	460							
Moa Flat	111	83	208							
North Bruce	80	519								
Owaka		31	75							
Richardson	390	389	5							
Tuapeka	60	42	374							
Waitahuna treatment plant	140	104								
Stirling treatment plant	190	208								
<b>Other improvements</b>										
Balclutha aesthetics									112	
Balclutha high lift and river pumps improvements	30	218								
Lawrence site maintenance and Phoenix Dam safety report	75				7					
Moa Flat reticulation modelling	21									
North Bruce pump station upgrade	65									
Richardson aesthetics									112	
Richardson high lift pump upgrade	155	62								
Tapanui treatment plant - additional treatment	50									
Wangaloa capacity study		31								
Kaitangata water treatment plant intake structure upgrade		294								
Kaitangata water treatment aesthetics improvements									112	

### WORK WE WILL BE FOCUSING ON IN THIS PLAN:

- Plant upgrades to improve compliance with drinking water standards
- Ongoing renewals programme including reservoir assessments



# WHAT WE'RE AIMING FOR

STRATEGIC GOAL – COUNCIL OUTCOME: WATER SERVICES THAT SUSTAINABLY SUPPORT THE COMMUNITY AND ECONOMY

WHAT WE'RE WORKING TOWARDS (level of service)	HOW WE'LL MEASURE PROGRESS	HOW WE'RE PERFORMING NOW	WHAT WE'RE AIMING FOR				
		2013/14	2015/16	2016/17	2017/18	2018/19 - 2024/25	
<b>Water from Council urban supplies is safe to drink</b>	Compliance with the NZDW Standards for bacteriological compliance*	<b>96.9%</b>	100%	100%	100%	100%	
	Compliance with the NZDW Standards protozoal compliance*	<b>25.9%</b>	50%	55%	60%	65%	
<b>Urban supplies provide a continuous and reliable source of water to consumers</b>	Customer satisfaction with taste and clarity	<b>73%</b>	≥50%	≥55%	≥60%	≥70%	
	Customer satisfaction with the reliability of their water supply (on an on-demand supply)	<b>NM</b>	>75%	>75%	>75%	>75%	
	Customer satisfaction with the reliability of their water supply (on a restricted supply)	<b>NM</b>	≥65%	≥65%	≥65%	≥65%	
	Number of drinking water complaints (Requests for Service) per 1000 connections about:*	Clarity	<b>NM</b>	≤20	≤20	≤20	≤17
		Taste	<b>NM</b>	≤5	≤5	≤5	≤3
		Odour	<b>NM</b>	≤2	≤2	≤2	≤2
		Pressure	<b>NM</b>	≤8	≤8	≤8	≤5
		Continuity	<b>NM</b>	≤35	≤35	≤35	≤30
		Council's response to any of these issues	<b>NM</b>	≤5	≤5	≤5	≤5
Average consumption of drinking water per resident per day (litres per day)*	<b>NM</b>	≤550	≤550	≤550	≤550		

\* Also a Department of Internal Affairs mandatory measure  
NM - new measure

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# WHAT WE'RE AIMING FOR

STRATEGIC GOAL – COUNCIL OUTCOME: WATER SERVICES THAT SUSTAINABLY SUPPORT THE COMMUNITY AND ECONOMY

WHAT WE'RE WORKING TOWARDS (level of service)	HOW WE'LL MEASURE PROGRESS	HOW WE'RE PERFORMING NOW	WHAT WE'RE AIMING FOR				
		2013/14	2015/16	2016/17	2017/18	2018/19 - 2024/25	
Urban water schemes are managed efficiently and effectively	Median response time (in hours) from when Council receives notification about a fault or unplanned interruption to its network reticulation system to the time personnel reach the site*	Urgent	NM	<0.5	<0.5	<0.5	<0.5
		Non-urgent	NM	<2	<2	<2	<2
	Median response time (in hours) from when Council receives notification about a fault or unplanned interruption to its network reticulation system to the time personnel confirm resolution*	Urgent	NM	<2	<2	<2	<2
		Non-urgent	NM	<6	<6	<6	<6
	Percentage of real water loss from Council's reticulation system*	NM	≤18%	≤18%	≤18%	≤15%	
Water from Council rural schemes is safe to drink	Compliance with the NZDW Standards for bacteriological compliance*	88.7%	100%	100%	100%	100%	
	Compliance with the NZDW Standards protozoal compliance*	0.0%	0%	0%	10%	30%	
Rural schemes provide a continuous and reliable source of water to consumers	Customer satisfaction with the reliability of their water supply	NM	≥65%	≥65%	≥65%	≥65%	
	Customer satisfaction with taste and clarity	53%	≥50%	≥55%	≥60%	≥70%	
	Number of drinking water complaints (requests for service) per 1000 connections about*:	Clarity	NM	≤12	≤12	≤12	≤12
		Taste	NM	≤5	≤5	≤5	≤5
		Odour	NM	≤3	≤3	≤3	≤3
		Pressure	NM	≤200	≤200	≤200	≤200
		Continuity	NM	≤200	≤200	≤200	≤200
		Council's response to any of these issues	NM	≤5	≤5	≤5	≤5

\* Also a Department of Internal Affairs mandatory measure  
NM - new measure

# WHAT WE'RE AIMING FOR

STRATEGIC GOAL – COUNCIL OUTCOME: WATER SERVICES THAT SUSTAINABLY SUPPORT THE COMMUNITY AND ECONOMY

WHAT WE'RE WORKING TOWARDS (level of service)	HOW WE'LL MEASURE PROGRESS	HOW WE'RE PERFORMING NOW 2013/14	WHAT WE'RE AIMING FOR				
			2015/16	2016/17	2017/18	2018/19 - 2024/25	
<b>Rural schemes are managed efficiently and effectively</b>	Median response time (in hours) from when Council receives notification about a fault or unplanned interruption to its network reticulation system to the time personnel reach the site*	Urgent	NM	<2	<2	<2	<2
		Non-urgent	NM	<4	<4	<4	<4
	Median response time (in hours) from when Council receives notification about a fault or unplanned interruption to its network reticulation system to the time personnel confirm resolution*	Urgent	NM	<12	<12	<12	<12
		Non-urgent	NM	<24	<24	<24	<24

\* Also a Department of Internal Affairs mandatory measure  
NM - new measure

# HOW WATER IS FUNDED

Council sets water rates which fund operating and maintenance costs for water schemes. Capital expenditure is funded from depreciation reserves and internal borrowing from other Council reserve funds (e.g. drinking water treatment upgrades or major pipeline renewals).

## URBAN WATER RATES

Urban water rates are currently set as a fixed charge for each separately used or inhabited part of a rating unit (SUIP) that is either connected, or has a connection is available.

## RURAL WATER SCHEME RATES

Each rural water scheme is operated and funded as a stand-alone entity. Each scheme has a unit rate, and each consumer is charged according to how many units (cubic metres of water per day peak capacity) they are allocated.

Refer to the Rates section of this plan for more information.

## Rating for Water Supply

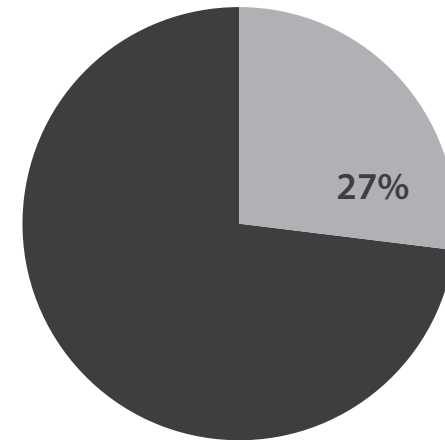
ACTIVITY	GENERAL RATE		TARGETED RATE		
	USER FEES & CHARGES	UNIFORM CHARGE (UAGC)	DISTRICT-WIDE RATES CAPITAL VALUE (CV)	RATES BASED ON AVAILABILITY OF SERVICES AND/OR LOCATION UNIFORM CHARGE      LAND VALUE (LV)	
Urban water supply – on demand <sup>1</sup>				100%	
Urban water supply - restricted <sup>2</sup>				100%	
Rural water supply <sup>3</sup>				100%	

<sup>1</sup> Includes Balclutha, Benhar, Kaitangata, Lawrence, Milton and Tapanui,

<sup>2</sup> Includes Clinton, Kaka Point, Owaka and Waiholo

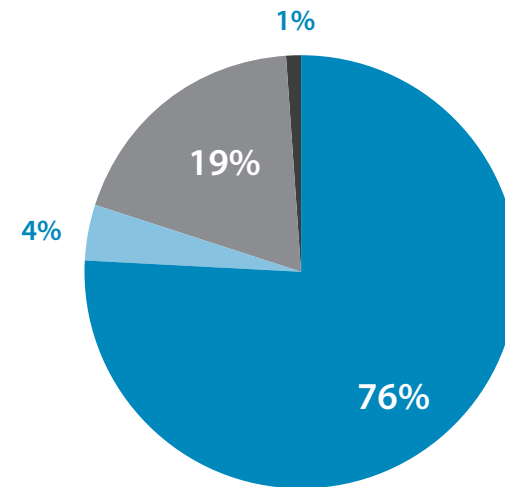
<sup>3</sup> Includes Balmoral 1, Balmoral 2, Clydevale/Pomahaka, Glenkenich, Moa Flat, North Bruce, Richardson, South Bruce, Tuapeka, Waipahi and Wangaloa.

% of Rates Spent on Water



● Water

How Water is funded  
(For operating and capital costs)



● Fees and Sundry      ● Targeted Rates  
● Reserves              ● Internal Loans

## WHAT IT WILL COST FOR WATER

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Sources of Operating Funding</b>											
General rates, UAGCs, rates penalties	108	0	0	0	0	0	0	0	0	0	0
Targeted rates	6,313	6,533	6,685	6,842	7,094	7,335	7,576	7,830	8,112	8,422	8,746
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	131	134	136	139	142	145	148	152	156	160
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL OPERATING FUNDING</b>	<b>6,421</b>	<b>6,664</b>	<b>6,819</b>	<b>6,978</b>	<b>7,233</b>	<b>7,477</b>	<b>7,721</b>	<b>7,978</b>	<b>8,264</b>	<b>8,578</b>	<b>8,906</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	(3,812)	(3,909)	(4,054)	(4,185)	(4,330)	(4,486)	(4,657)	(4,842)	(5,046)	(5,262)	(5,500)
Finance costs	(233)	(270)	(269)	(312)	(391)	(376)	(360)	(352)	(332)	(318)	(299)
Internal charges and overheads applied	(622)	(651)	(687)	(711)	(720)	(737)	(764)	(775)	(793)	(823)	(837)
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>(4,667)</b>	<b>(4,830)</b>	<b>(5,010)</b>	<b>(5,208)</b>	<b>(5,441)</b>	<b>(5,599)</b>	<b>(5,781)</b>	<b>(5,969)</b>	<b>(6,171)</b>	<b>(6,403)</b>	<b>(6,636)</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>1,754</b>	<b>1,834</b>	<b>1,809</b>	<b>1,770</b>	<b>1,792</b>	<b>1,878</b>	<b>1,940</b>	<b>2,009</b>	<b>2,093</b>	<b>2,175</b>	<b>2,270</b>
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt (internal debt)	2,019	(26)	826	1,419	(284)	(299)	(220)	(330)	(283)	(366)	184
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated sources of funding	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>2,019</b>	<b>(26)</b>	<b>826</b>	<b>1,419</b>	<b>(284)</b>	<b>(299)</b>	<b>(220)</b>	<b>(330)</b>	<b>(283)</b>	<b>(366)</b>	<b>184</b>

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## WHAT IT WILL COST FOR WATER

(All in \$000's)	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Applications of capital funding</b>											
Capital expenditure to meet additional demand	(622)	0	0	0	0	0	0	0	0	0	0
Capital expenditure to improve the level of service	(3,119)	(1,163)	(1,718)	(1,390)	(44)	0	0	0	0	(337)	0
Capital expenditure to replace existing assets	(3,397)	(2,060)	(1,829)	(1,870)	(1,197)	(1,187)	(1,486)	(699)	(1,992)	(535)	(1,926)
(Increase) decrease in reserves	(74)	(105)	(69)	(16)	31	(11)	(10)	(7)	(20)	(11)	(29)
(Increase) decrease of investments	3,438	1,520	981	87	(298)	(381)	(224)	(973)	202	(926)	(499)
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>(3,773)</b>	<b>(1,808)</b>	<b>(2,635)</b>	<b>(3,189)</b>	<b>(1,508)</b>	<b>(1,579)</b>	<b>(1,720)</b>	<b>(1,679)</b>	<b>(1,810)</b>	<b>(1,809)</b>	<b>(2,454)</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(1,754)</b>	<b>(1,834)</b>	<b>(1,809)</b>	<b>(1,770)</b>	<b>(1,792)</b>	<b>(1,878)</b>	<b>(1,940)</b>	<b>(2,009)</b>	<b>(2,093)</b>	<b>(2,175)</b>	<b>(2,270)</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# CALLS WE HAVE MADE IN PUTTING BUDGETS FOR THIS PLAN TOGETHER

## KEY PLANNING ASSUMPTIONS FOR WATER\*

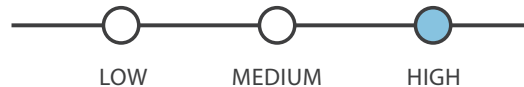
### WHAT WE HAVE ASSUMED

### LEVEL OF UNCERTAINTY

### WHAT WOULD HAPPEN IF THIS CHANGED:

#### Meeting drinking water standards

Balclutha, Kaitangata, Milton and Lawrence treatment plants have recently been upgraded to be capable of producing water that is compliant with Drinking Water Standards NZ: 2005 (revised 2008). Compliance with the standards will require significant capital investment to rural treatment plants and Council has committed to a programme of upgrades. It is assumed budgets in this plan will meet the costs of these upgrades.



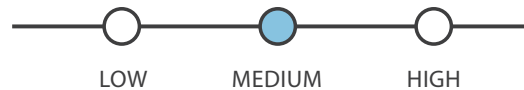
If more than the \$4 million budgeted is needed for the upgrades, Council's strategy towards meeting the standards would need to be reassessed.

#### Increasing demand for water

Increased demand for rural water is expected due to continued conversion from sheep/beef to dairy farming and increasing herd sizes (although at slower rates than experienced in recent times). During the life of this plan Council will aim to supply additional water units where this is feasible and economically viable.

Council's approach to servicing any new major industries is to consider any proposal on a case-by-case basis. Provision of adequate water would be a fundamental issue for resolution by negotiation during project feasibility investigations.

Work to provide additional capacity for the Clydevale /Pomahaka RWS has been budgeted for 2014/15. It is assumed that demand can be met and the project will be undertaken in that year.



If additional demand or new water infrastructure is required, this would need to be assessed including budgetary/financial impacts.

If demand for additional units can't be met within the existing project scope and budgets for Clydevale-Pomahaka, this may affect budgets in this plan.

\*Universal financial assumptions that also affect water are included in the financial section of this document.

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# CALLS WE HAVE MADE IN PUTTING BUDGETS FOR THIS PLAN TOGETHER

## KEY PLANNING ASSUMPTIONS FOR WATER\*

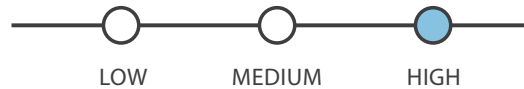
### WHAT WE HAVE ASSUMED

### LEVEL OF UNCERTAINTY

### WHAT WOULD HAPPEN IF THIS CHANGED:

#### Impacts of climate change on water

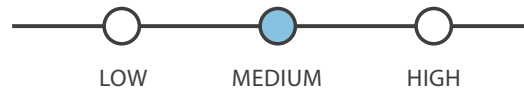
Potential risks from the impacts of climate change include temperature increases and drier conditions resulting in lower stream flows and water table levels (except those sourcing water from the Clutha River). Increased rainfall and rainfall intensity resulting in higher stream flow/flooding/erosion is also a risk along with sea level changes. At the current projected rates, changes are not expected to impact during the life of this plan. There may be unexpected failures or events affecting infrastructure (also see below).



Further investigative work may determine further capital works are needed to address the impacts of climate change on water infrastructure, with flow on impacts for budgets.

#### Implications of natural disaster for water

In terms of costs of natural disasters, it is assumed that the current level of insurance, Council's Emergency Fund, combined with underground asset self-insurance would cover the repair/replacement of water assets. It is assumed that demand can be met and the project will be undertaken in that year.



Depending upon the scale and cost of the emergency some assets either won't be replaced/repaired or will take longer to replace/repair.

If schemes are disrupted for a period of time this can have significant flow on effects for users.

\*Universal financial assumptions that also affect water are included in the financial section of this document.

# SEWERAGE

Council protects environmental and public health by collecting, treating and disposing of treated effluent from 14 townships in the district, via 11 sewerage schemes.

## WHAT WE DO

Council collects, treats and disposes of domestic sewage and non-domestic liquid (tradewaste) discharges via 11 public sewerage schemes. These schemes service the townships of Balclutha, Clinton, Heriot, Kaitangata, Kaka Point, Lawrence, Milton, Owaka, Stirling, Tapanui and Waiholo. Extensions to the Balclutha and Milton schemes have been completed to serve the townships of Benhar and Tokoitī respectively. There is also a piped collection system for Pounaweia, connected to the Owaka treatment plant that will service properties, if they wish to connect. For new properties in Pounaweia, or significant changes to existing properties compulsory connection to this system is required under the Building Act.

## WHY WE DO IT

The safe disposal of sewerage protects public and environmental health. It also reduces the effects of discharges into the district's environment. This activity is a core function for local government.

Sewerage primarily contributes to the outcome: "Water services that sustainably support the community and economy", with our goal towards this being to grow and maintain the district while meeting regulatory requirements and a high standard of infrastructure. Our approach will be to (a) invest to a level to meet regulatory requirements as a minimum standard, and (b) provide a level of infrastructure to meet present and future needs, that will allow the ability to be responsive to growth opportunities.



### Sewerage Asset Information

ASSET COMPONENT	ASSET VALUE*	POPULATION SERVED‡	PROPERTIES SERVICED†
11 schemes	\$37.5 million	9,298 (55% of the district's population)	5,516
183km of sewers			
28 pump stations			
1 treatment plant			
5 oxidation ponds			
5 oxidation ponds plus biofiltro			
3 wetlands			

\*Depreciated replacement value (2014).

‡2013 Census information.

† Full and half rated properties

# SIGNIFICANT EFFECTS

Council is aware of the issues associated with the collection, treatment and disposal of sewage from the communities of the district and endeavours to mitigate these through the adoption of appropriate strategies.

At the same time, the health of the communities within the district depends on the provision of reticulated sewerage systems so that the negative effects of these services need to be kept in perspective with the positive benefits that they provide.

POTENTIAL SIGNIFICANT NEGATIVE EFFECT	CULTURAL	SOCIAL	ECONOMIC	ENVIRONMENTAL	OUR RESPONSE
Discharges to land and waterways not complying with resource consents	●	●	●	●	Continue to monitor discharges and improve processes if required
Smell and noise from treatment plants	●	●	●	●	Manage potential negative effects through meeting conditions of discharge consents
Sewage overflows due to blockages or during period of heavy rainfall	●	●	●	●	Investigate and take remedial measures including measures to reduce the infiltration of stormwater
Health and safety risks associated with the operation, maintenance, or construction of sewerage infrastructure	○	●	●	○	Ensure compliance with legislation and health & safety management plans
Potential impacts on customer satisfaction due to service failure/delays/responsiveness	○	●	●	○	Monitor customer requests for service and report on these. Ensure customer complaints are resolved satisfactorily

# PROGRESS DURING THE PAST THREE YEARS

## TREATMENT UPGRADES

Council has faced additional and tighter conditions when renewing discharge consents for sewerage schemes. This has applied to upgrades to treatment facilities on five sewerage schemes (Kaka Point, Lawrence, Owaka, Stirling and Tapanui) that have been recently finalised. These upgrades have resulted in Council being granted 35 year consents for each of the schemes. The introduction of new treatment methods has resulted in much lower capital and operating costs than would have been the case using conventional treatment systems. However, work continues to refine the operation and management of the new plants to meet longer term consent condition parameters.

Council has begun the process to renew consents and has lodged applications with Otago Regional Council for sewage discharge from Heriot, Kaitangata and Waiholā treatment plants. Refer to the section about improvements that are planned for more information on these upgrades.

## SEWERAGE EXTENSIONS FOR BENHAR, TOKOITI AND POUNAWEA

In the past neither Benhar (near Balclutha) nor Tokoiti (near Milton) had public sewerage systems. Most properties had on-site septic tanks which in many cases were not working properly and were posing environmental and public health risks. Council worked with the Benhar and Tokoiti communities to establish new reticulated sewerage schemes to address these serious issues. The new schemes became extensions to the Balclutha

and Milton schemes and were operational from 2012/13. While the cost of the new schemes is not insignificant - \$1.3 million for Benhar and just under \$1 million for Tokoiti - financial support from other ratepayers and the adoption of a rates postponement policy for those in financial hardship has helped mitigate the financial impact.

Council has also constructed an extension to the Owaka sewerage scheme to allow the disposal of sewage for Pounaweā. This became operational during 2013 and addressed a long-standing discharge issue from the Council-owned camping ground. The work done also means that properties within the scheme area can voluntarily connect to the new pipeline and join the scheme. For new properties in Pounaweā, or significant changes to existing properties compulsory connection to this system is required under the Building Act.

## MAINTAINING CURRENT LEVELS OF SERVICE

### MAINTENANCE AND OPERATIONS

All of Council's water supplies, sewerage schemes and stormwater systems are operated under the Water Services Operations and Maintenance Contract. The cost of the contract is split across all schemes based on the time and resources the contractor spends on each scheme. The current five year (plus two year) contract finishes on 20 June 2017 (30 June 2019). Council also outsources professional services that are not already available in-house by engaging consultants on a project-by-project basis as required.

Previously insurance costs were funded council-wide (across all of council's activities). However

the increase in insurance premiums following the Canterbury earthquakes has meant that Council has re-evaluated its insurance cover and funding. Council has decided that it is fair that premiums for underground insurance (e.g. pipes) are actually funded by the schemes that are covered by the insurance. This means that water schemes are now directly responsible for the cost of their insurance and that ratepayers will pay increased insurance costs through their water rates.

Council has also assessed that the risk of a natural event causing significant damage to our water schemes is relatively low, and that self-insurance is a more prudent option. Council is currently self-insuring underground assets at the level of \$50,000 (plus inflation) a year.

## RENEWALS AND REPLACEMENTS

Generally, most of Council's sewerage assets are in good condition. However, the condition of underground assets is relatively unknown, as we cannot directly assess these assets. Poor condition is generally identified after these assets have failed or have not performed as expected. To gain more detailed information about underground assets, Council has planned to commence a programme of sewerage pipeline assessment work using CCTV. This will give more detailed information about pipes, which will allow Council to improve the accuracy of what is needed for its future renewals programme.

A schedule of renewals is programmed for all schemes. The one exception to this is Heriot, where a declining number of connections means that only limited renewal work will be undertaken to enable the scheme to keep operating, i.e. pump replacements, resource consents. As such a significant proportion of depreciation for Heriot is unfunded as the scheme is not expected to be renewed when the current piped system reaches the end of its useful life.

# IMPROVEMENTS OR CHANGES WE'RE PROPOSING

## DISCHARGE CONSENTS

Under the Resource Management Act 1991, Council is required to have various resource consents in place for its sewerage discharges. Many of these consents require renewal over the next ten years, and in some cases Council will need to consider costly upgrade options to meet increasingly stringent conditions.

Treatment upgrades are planned for the Heriot and Kaitangata schemes in 2015/16 (\$280,000 and \$950,000 budgeted respectively), Clinton (\$384,000 budgeted across 2017/18 and 2018/19) to meet requirements of new discharge consents.

Treatment plant upgrade is planned for Balclutha scheme (\$2.44 million budgeted across 2018/19 and 2019/20) in order for a new discharge consent to be granted.

During periods of high rainfall the inflow to Milton's sewage treatment plant is greater than the plant can handle. This means that untreated sewage, mixed with stormwater is discharged to the Tokomairiro River. Consent for this discharge expires in 2017 and Council is budgeting \$830,000 to ensure that anticipated new consent conditions can be met. Work is underway to reduce inflow and this will hopefully reduce the cost of the upgrade.

Waihola's treated sewage is discharged to the Waipori River. Even after work has been undertaken the discharge at times has been struggling to meet conditions of the existing consent. With the current discharge consent expiring in 2017 further treatment plant upgrades will be required, as more stringent

consent conditions are very likely. A further \$800,000 has been budgeted for this upgrade over 2015/16.

## TRADEWASTE BYLAW

Council will continue development of a tradewaste bylaw to protect our effluent treatment systems and make sure that large users are paying their fair share of costs for running these schemes.

## WHAT'S NOT IN THIS PLAN

There are no plans to extend sewerage services into other areas at this stage as there has been no demonstrated need, e.g. Taieri Mouth, Papatowai. Increasing numbers of permanent residents in these areas mean that sanitary services assessments for these areas and any other smaller communities will be updated during the next three years.

## WHAT WE ARE PLANNING FOR SEWERAGE

PROJECT (All in \$000s)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Renewals</b>										
Balclutha pump stations maintenance programme	10	10	11	11	11	12	12			
<b>Renewals programme</b>	<b>45</b>	<b>37</b>	<b>53</b>	<b>88</b>	<b>21</b>	<b>29</b>	<b>220</b>	<b>19</b>	<b>301</b>	<b>202</b>
Pipeline condition assessment and renewals programme	50	98	21	84	46	132	38	183	26	169
<b>Improvements</b>										
Balclutha treatment upgrade	25	52		110	2,280					
<b>Clinton treatment upgrade</b>		<b>53</b>	<b>331</b>							
Heriot treatment upgrade	280									
<b>Kaitangata treatment upgrade</b>	<b>950</b>									
Milton treatment upgrade	45	104	695							
<b>Waihola treatment upgrade</b>	<b>800</b>									

### WORK WE WILL BE FOCUSING ON IN THIS PLAN:

- Treatment upgrades and consent renewals for Balclutha, Clinton, Heriot, Kaitangata, Milton and Waihola
- Pipeline condition assessments and renewals
- Developing Trade Waste Bylaw

# WHAT WE'RE AIMING FOR

STRATEGIC GOAL – COUNCIL OUTCOME: WATER SERVICES THAT SUSTAINABLY SUPPORT THE COMMUNITY AND ECONOMY

WHAT WE'RE WORKING TOWARDS (level of service)	HOW WE'LL MEASURE PROGRESS	HOW WE'RE PERFORMING NOW	WHAT WE'RE AIMING FOR				
		2013/14	2015/16	2016/17	2017/18	2018/19 - 2024/25	
Provide sewerage services that effectively collect and dispose of sewage	The number of dry weather sewerage overflows from Council's sewerage system, expressed per 1000 sewerage connections to that sewerage system*	4.7	≤6	≤6	≤6	≤6	
	Residents satisfied with sewerage services	97%	≥85%	≥85%	≥85%	≥85%	
Sewerage schemes are managed efficient and effectively	Median response time from when Council receives notification about a sewerage block or other fault, to the time service personnel:*	Reach the site (response)	0.4 hours	<1 hour	<1 hour	<1 hour	<1 hour
		Confirm resolution of the blockage or other fault (resolution)	2.4 hours	<4 hours	<4 hours	<4 hours	<4 hours
	Number of complaints per 1,000 connections about any of the following:*	Sewerage odour	1	<3	<3	<3	<3
		Sewerage system faults	9	<10	<10	<10	<10
		Sewerage system blockages	5	<5	<5	<5	<5
		Council's response to any of these issues	NM	<5	<5	<5	<5
	Compliance with Council's resource consents for sewerage discharge, measured as number of:*	Abatement Notices	0	0	0	0	0
		Infringement notices	0	0	0	0	0
		Enforcement orders	0	0	0	0	0
		Convictions	0	0	0	0	0

\* Also a Department of Internal Affairs mandatory measure  
NM = New Measure

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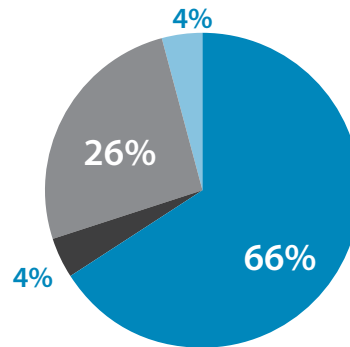
# HOW SEWERAGE IS FUNDED

Council sets sewerages rates which fund operating and maintenance costs for sewerage schemes. Capital expenditure is funded from depreciation reserves and internal borrowing from other Council reserve funds (e.g. for treatment upgrades to secure long term resource consents).

## SEWERAGE RATES

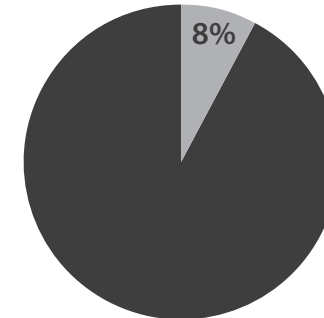
Sewerage rates are currently set as a fixed charge for each separately used or inhabited part of a rating unit (SUIP) that is either connected, or has a connection is available.

**How Sewerage is funded**  
(For operating and capital costs)



- Targeted Rates
- Fees and Sundry
- Reserves
- Internal Loans

**% of Rates Spent on Sewerage**



- Sewerage

## Rating for Sewerage

ACTIVITY	GENERAL RATE	TARGETED RATE		
	UNIFORM CHARGE (UAGC)	DISTRICT-WIDE RATES CAPITAL VALUE (CV)	RATES BASED ON AVAILABILITY OF SERVICES AND/OR LOCATION UNIFORM CHARGE      LAND VALUE (LV)	
Sewerage <sup>1</sup>			100%	
District Treatment Upgrade Support		10%	90%	
Benhar & Tokoiti		10%	90% <sup>2</sup>	

<sup>1</sup> Includes Balclutha (including Benhar), Clinton, Kaitangata, Kaka Point, Lawrence, Milton (including Tokoiti), Owaka (including voluntary connected properties in Pounaweia), Stirling, Tapanui, and Waihola. Rate is based on availability AND location.

<sup>2</sup> Where this is made up of 40% from a targeted rate on all sewerage ratepayers and 50% uniform targeted rate on all connections to the new reticulation.

Refer to the Rates section of this plan for more information

## WHAT IT WILL COST FOR SEWERAGE

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Sources of Operating Funding</b>											
General rates, UAGCs, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	1,848	1,910	2,034	2,098	2,174	2,237	2,309	2,384	2,454	2,549	2,647
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	135	135	136	136	137	137	138	138	139	140	140
Internal charges and overheads recovered	138	289	92	157	120	305	75	77	76	78	79
Fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL OPERATING FUNDING</b>	<b>2,121</b>	<b>2,334</b>	<b>2,262</b>	<b>2,391</b>	<b>2,431</b>	<b>2,679</b>	<b>2,522</b>	<b>2,599</b>	<b>2,669</b>	<b>2,787</b>	<b>2,866</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	(896)	(1,035)	(859)	(949)	(939)	(1,152)	(953)	(990)	(1,026)	(1,067)	(1,112)
Finance costs	(155)	(140)	(179)	(72)	(163)	(159)	(165)	(158)	(152)	(145)	(138)
Internal charges and overheads applied	(283)	(296)	(312)	(323)	(327)	(335)	(347)	(352)	(361)	(374)	(380)
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>(1,334)</b>	<b>(1,471)</b>	<b>(1,350)</b>	<b>(1,444)</b>	<b>(1,429)</b>	<b>(1,646)</b>	<b>(1,465)</b>	<b>(1,500)</b>	<b>(1,539)</b>	<b>(1,586)</b>	<b>(1,630)</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>787</b>	<b>863</b>	<b>912</b>	<b>947</b>	<b>1,002</b>	<b>1,033</b>	<b>1,057</b>	<b>1,099</b>	<b>1,130</b>	<b>1,181</b>	<b>1,236</b>
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt (internal debt)	(2)	693	(136)	(78)	(80)	96	(140)	(126)	(132)	(139)	(140)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated sources of funding	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>(2)</b>	<b>693</b>	<b>(136)</b>	<b>(78)</b>	<b>(80)</b>	<b>96</b>	<b>(140)</b>	<b>(126)</b>	<b>(132)</b>	<b>(139)</b>	<b>(140)</b>

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## WHAT IT WILL COST FOR SEWERAGE

(All in \$000s)	Annual Plan				Long Term Plan (FORECAST)						
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Applications of capital funding</b>											
Capital expenditure to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure to improve the level of service	(472)	(2,150)	(104)	(802)	(441)	(2,299)	0	0	0	0	0
Capital expenditure to replace existing assets*	(112)	(170)	(239)	(74)	(249)	(100)	(220)	(1,542)	(252)	(380)	(1,114)
(Increase) decrease in reserves	24	9	7	2	(63)	(61)	(48)	(59)	(57)	(63)	(77)
(Increase) decrease of investments	(225)	755	(440)	5	(169)	1,331	(649)	628	(689)	(599)	95
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>(785)</b>	<b>(1,556)</b>	<b>(776)</b>	<b>(869)</b>	<b>(922)</b>	<b>(1,129)</b>	<b>(917)</b>	<b>(973)</b>	<b>(998)</b>	<b>(1,042)</b>	<b>(1,096)</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(787)</b>	<b>(863)</b>	<b>(912)</b>	<b>(947)</b>	<b>(1,002)</b>	<b>(1,033)</b>	<b>(1,057)</b>	<b>(1,099)</b>	<b>(1,130)</b>	<b>(1,181)</b>	<b>(1,236)</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# CALLS WE HAVE MADE IN PUTTING BUDGETS FOR THIS PLAN TOGETHER

## KEY PLANNING ASSUMPTIONS FOR SEWERAGE

### WHAT WE HAVE ASSUMED

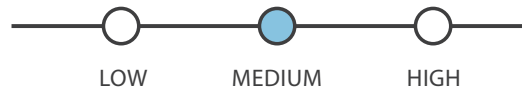
### LEVEL OF UNCERTAINTY

### WHAT WOULD HAPPEN IF THIS CHANGED:

#### Resource consents

Upgrades to gain resource consents renewals for Balclutha, Clinton, Heriot, Kaitangata, Milton and Waihola are included in this plan. It is assumed that these will progress as programmed, and that they can be achieved within allocated budgets.

Council also assumes that it will meet longer term consent conditions for recently upgraded plants at Kaka Point, Lawrence, Owaka, Stirling and Tapanui.

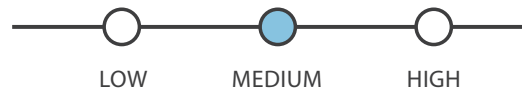


Changes in timing for capital works could affect budgets.

If additional capital or operating expenditure is needed this would affect budgets and funding allocations.

#### Levels of service/demand for sewerage services

Provision of sewerage services have recently been extended to Benhar, Tokoiti and Pounaweia. This plan assumes that there are no other known residential or industrial developments that would change levels of service and network demand.



Council's approach to servicing new industries is to consider any proposal on a case-by-case basis. Provision of sewerage would be considered in conjunction with relevant parties during the project feasibility investigations. This would determine if there are any flow-on budget implications that need to be planned for.

\*Universal financial assumptions that also affect water are included in the financial section of this document.

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# CALLS WE HAVE MADE IN PUTTING BUDGETS FOR THIS PLAN TOGETHER

## KEY PLANNING ASSUMPTIONS FOR SEWERAGE

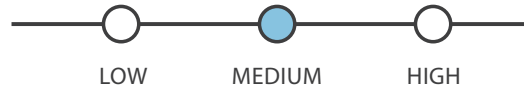
### WHAT WE HAVE ASSUMED

### LEVEL OF UNCERTAINTY

### WHAT WOULD HAPPEN IF THIS CHANGED:

#### Impacts of climate change on sewerage

Main risks include (1) temperature increases could lower stream/river flows which might affect dilution ration for discharges for all schemes except those that discharge into the Clutha River; (2) an increase in rainfall and rainfall intensity resulting in higher sewer flows and infiltration of stormwater into sewerage systems during flooding events; and (3) sea level rise impacting on systems at Pounaweia, Kaitangata, Kaka Point, Milton and Waihola. At the current project rates, changes are not expected to impact during the life of this plan, e.g. 1 cm per annum seal level rises per annum.

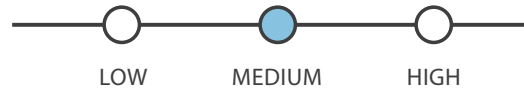


These factors are taken into account as part of resource consent renewals.

Further investigate work may determine further capital works are needed to address the impacts of climate change on sewerage infrastructure, with flow on impacts for budgets.

#### Implications of natural disasters for sewerage

In terms of costs of natural disasters, it is assumed that the current level of insurance, Council's Emergency Fund, combined with underground asset self-insurance would cover the repair/replacement of sewerage assets.



Depending upon the scale and cost of the emergency some assets either won't be replaced/repared or will take longer to replace/repair.

If schemes are disrupted for a period of time this can have significant flow on effects for users.

\*Universal financial assumptions that also affect water are included in the financial section of this document.

# STORMWATER

Council's stormwater drainage protects people and properties across many of the district's urban communities from the effects of flooding.

## WHAT WE DO

Clutha District has many diverse and widespread townships and settlements. All of them bring their own specific demands, including how we collect and dispose of stormwater run-off.

Council currently provides for the drainage of stormwater via eight community stormwater drainage schemes in Balclutha, Clinton, Kaitangata, Kaka Point, Lawrence, Milton, Owaka and Tapanui. These systems manage the disposal of surface water and ground water flows to protect property and public health. Generally, piped systems are designed to cope with stormwater flows resulting from a heavy rainfall such as a 1 in 5 year or 1 in 10 year event (20% or 10% probability of happening annually). However, when assessing and designing new systems consideration is given to how flows from much larger events can be handled within the catchment i.e. overland flow paths, flood channels, diversions.

A number of other smaller communities also have stormwater infrastructure such as minimal pipe systems, open ditches and drains. These include Heriot, Pounaweia, Taieri Mouth, Stirling and Waihola. These are communities that have previously been included in a general rural stormwater area, however they have only paid a very small amount towards

this in their rates. In all of these areas, stormwater improvements are needed and systems are in place that have ongoing operational costs. Their inclusion as part of a district wide urban stormwater funding mechanism allows for stormwater issues in urban areas to be dealt with in a co-ordinated and consistent way.

All other rural stormwater issues are generally associated with roading and as such are funded as a roading activity.

## WHY WE DO IT

Stormwater infrastructure and drainage is an essential means of protecting people and property from flooding during heavy rainfall events. Stormwater drainage is considered to be a core service for local government.

### Stormwater Asset Information

ASSET COMPONENT	ASSET VALUE*	POPULATION SERVED‡	PROPERTIES SERVICED‡
8 systems	\$10.3 million	8,608 (51% of the district's population)	4,686
84km of pipes			
4 pumping stations			

\*Depreciated replacement value (2014).

‡2013 Census information.

‡ Full and half rated properties

Stormwater primarily contributes to the outcome: "Water services that sustainably support the community and economy", with our goal towards this being to grow and maintain the district while meeting regulatory requirements and a high standard of infrastructure.

Our approach will be to (a) invest to a level to meet regulatory requirements as a minimum standard, and (b) provide a level of infrastructure to meet present and future needs, that will allow the ability to be responsive to growth opportunities.



# SIGNIFICANT EFFECTS

Council recognises that there are negative impacts associated with the discharge of stormwater from the district’s communities to rivers and streams. At the same time we recognise that the health and economy of the district depends on adequate stormwater drainage services being available. Accordingly, the demand for stormwater drainage and the negative impacts of this activity need to be kept in balance.

POTENTIAL SIGNIFICANT NEGATIVE EFFECT	CULTURAL	SOCIAL	ECONOMIC	ENVIRONMENTAL	OUR RESPONSE
Discharges to contaminants to waterways and streams impacting upon public health and the environment	●	●	●	●	Ensure systems are in good working order and that the potential risk of pollutants entering drainage systems are minimised
Discharges with land and waterways not complying with resource consent conditions	●	○	●	●	Monitor changes to requirements for discharges and make improvements
Health and safety risks associated with the operation, maintenance, or construction of stormwater infrastructure	○	●	●	○	Ensure compliance with legislation and health & safety management plans
Potential impacts on customer satisfaction due to service failure/delays/responsiveness	○	●	●	○	Monitor customer requests for service and report on these. Ensure customer complaints are resolved satisfactorily

## PROGRESS DURING THE PAST THREE YEARS

### MILTON UPGRADES AND MILTON 2060

Surface flooding had been a problem in south-east Milton for a number of years, with particular issues during flooding events in April 2006 and August 2007. In response to this problem, Council undertook major stormwater upgrades including a new flood bank, drainage diversion swales and pumping station. The combined effect of these works has been to substantially reduce the flooding risk, particularly in south-east Milton and the

effectiveness of this work has been confirmed during recent heavy rainfall events. There remains a small amount of work to be completed to ensure the rural runoff is diverted around the town and this is planned for the 2015/16 year.

Council also joined with Otago Regional Council to develop the Milton 2060 strategy in consultation with the community. The strategy aims to help Milton residents understand and live with the effects of flooding. It will also guide land use development and redevelopment in the area so that flood risks do not increase, and existing risks are gradually reduced. The strategy, adopted by both councils will enable long-term sustainable occupation and development in Milton.

## MAINTAINING CURRENT LEVELS OF SERVICE

### MAINTENANCE AND OPERATIONS

Council contracts out the operations and maintenance of its water services. The current five year (plus two year) contract finishes on June 30 2017 (June 30 2019). Council also outsources professional services that are not already available in-house by engaging consultants on a project-by-project basis as required.

All of Council’s water supplies, sewerage schemes and stormwater systems are operated under the Water



Services operations and maintenance contract. The cost of the contract is split across all schemes based on the time and resources the contractor spends on each scheme.

Previously insurance costs were funded council-wide (across all of council's activities). However the increase in insurance premiums following the Canterbury earthquakes has meant that Council has re-evaluated its insurance cover and funding. Council has decided that it is fair that premiums for underground insurance (e.g. pipes) are actually funded by the schemes that are covered by the insurance. This means that water schemes are now directly responsible for the cost of their insurance and that ratepayers will pay increased insurance costs through their water rates.

Council has also decided that the risk of a natural event causing significant damage to our stormwater schemes is relatively low, and that self-insurance is a more prudent option. Council is currently self-insuring underground assets at the level of \$50,000 (plus inflation) per annum.

## RENEWALS AND REPLACEMENTS

Generally, most stormwater assets are in good operational condition. This is because most systems are relatively young at 30-40 years. The exceptions to this are older systems in some of the townships, primarily Balclutha, Milton and Tapanui.

A schedule of renewals is programmed for all schemes. Renewals are different from improvements or upgrades which are discussed on in the following section.

However, the condition of underground assets is relatively unknown, as we cannot directly assess these assets. Poor condition is generally identified after these assets have failed or have not performed as expected. To gain more detailed information about underground assets, Council has planned to commence a

programme of stormwater pipeline assessment work using CCTV. This will give more detailed information about pipes, which will allow Council to improve the accuracy of what is needed for its future renewals programme.

Some pipes in older areas of Balclutha, Milton and Tapanui have already been programmed for renewal. These renewals will be subject to the CCTV assessment programme before the extent of works is confirmed.

Most of the pumps in the Balclutha scheme are expected to be replaced during the first three years of this plan.

# IMPROVEMENTS OR CHANGES WE'RE PROPOSING

## BALCLUTHA INVESTIGATIONS

Council will investigate options for the future of the stormwater system in the Balclutha flat area, predominantly where there aren't pumping systems at present and where ponding during wet weather has been an issue in the past. A budget for potential reticulation and outfall upgrades has been included in 2019/20 (\$593,000). The work will be subject to the outcome of investigations in 2016/17.

## TAPANUI'S PATERSON CREEK ADOPTION AS A PUBLIC DRAIN AND UPGRADE

The West Otago Community Board and the township of Tapanui have been wrestling with the issue of Paterson Creek for many years. In the past, this creek has been confirmed as a private drain which has meant that maintaining and renewing the ditch or piped section was the responsibility of private landowners, with

Council responsibility where it crossed public roads. This has led to the pipelines and ditches making up the creek having a highly variable capacity and state of repair as landowners treat each section differently.

The West Otago Community Board have proposed that this drain become a public drain and that it is renewed and upgraded by Council in the future. This obviously will come at a cost but is considered to be fairer to the landowners involved and would be consistent with Council looking after most other stormwater drains and pipes in the Tapanui township. Initial engineering work has been completed and a number of options have been identified. Budgets of \$95,000 (2015/16) and \$685,000 (2018/19) have been included in this plan for consultation. This work may be staged over a longer period once the final design is confirmed.

## REMAINDER OF MILTON FLOOD DIVERSION UPGRADES

There remains a small amount of earthworks to be completed around Milton to ensure the rural runoff is diverted around the town and this is planned for the 2015/16 year.

# WHAT WE ARE PLANNING FOR STORMWATER

PROJECT (All in \$000's)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Renewals</b>										
Balclutha pump renewal programme	80	62	32	33						
Renewals programme	35	5	6	31	10	46	11	38		41
Condition assessment and renewals programme	75	83	46	149	274	118	171	254	168	
<b>Improvements</b>										
Balclutha drainage and discharge upgrade		26			570					
Milton flood diversion and extension work	25									
Tapanui Paterson Creek upgrade	95		32	685						
Lawrence Hospital Creek investigation	25									

## WHAT'S NOT IN THIS PLAN

### INCREASING ENVIRONMENTAL STANDARDS FOR STORMWATER DISCHARGES

In many places around New Zealand some treatment of stormwater is required before it is discharged to streams and rivers. Some settling of sludge is achieved in street sumps in most places across our district at present. However, the Otago Regional Council has indicated that this issue is part of their review of the Regional Plan for Water and it is expected that further treatment of stormwater flows into rivers and streams will be required in the future. There is also the Freshwater National Policy Statement to consider. Council will monitor the proposed plan changes but these may require additional treatment for some stormwater discharges in the district. At this point there are no additional budgets included in this Long Term Plan to treat stormwater discharges.

### INVESTIGATING AND PRIORITISING ISSUES IN OUR SMALLER COMMUNITIES

A number of issues have been identified in our smaller communities such as Heriot, Pounaweia, Taieri Mouth, Stirling and Waihola. Some of these issues are already known and are well understood from previous work. However, comprehensive future drainage plans for these communities are needed to ensure any work done is part of a long term solution.

### WORK WE WILL BE FOCUSING ON IN THIS PLAN:

- Condition assessment and renewal programme
- Tapanui Paterson Creek upgrade
- Balclutha drainage and discharge upgrade
- Assessing what improvements are needed for some of our smaller communities

# WHAT WE'RE AIMING FOR

STRATEGIC GOAL – COUNCIL OUTCOME: WATER SERVICES THAT SUSTAINABLY SUPPORT THE COMMUNITY AND ECONOMY

WHAT WE'RE WORKING TOWARDS (level of service)	HOW WE'LL MEASURE PROGRESS	HOW WE'RE PERFORMING NOW	WHAT WE'RE AIMING FOR			
		2013/14	2015/16	2016/17	2017/18- 2024/25	2018/19
<b>Provide stormwater drainage that protects against the effects of flooding</b>	Flooding events to habitable floors due to overflows from a Council stormwater system (per 1,000 connected properties)	0	0	0	0	0
	Number of flooding events that occur in a territorial authority district (i.e. an overflow from a Council stormwater system)	16	<23	<23	<23	<23
	Residents satisfaction with their stormwater protection	76%	≥75%	≥75%	≥75%	≥75%
	Number of complaints about the performance of Council's stormwater systems (per 1,000 connected properties)	9	≤12	≤12	≤12	≤12
<b>Stormwater schemes are managed efficient and effectively</b>	Median response time (in hours) from when Council receives notification about a flooding event to the time service personal reach the site	0.4	<1	<1	<1	<1
Compliance with Council's resource consents for sewerage discharge, measured as number of:	Abatement Notices	0	0	0	0	0
	Infringement notices	0	0	0	0	0
	Enforcement orders	0	0	0	0	0
	Successful prosecutions received	0	0	0	0	0

\* Also a Department of Internal Affairs mandatory measure  
 NM = New Measure

# HOW STORMWATER IS FUNDED

Council sets stormwater rates which overall fund operating and maintenance costs for stormwater schemes. Capital expenditure is generally funded from depreciation reserves and for some particularly large projects, internal borrowing from other Council reserve funds.

## URBAN STORMWATER FUNDING

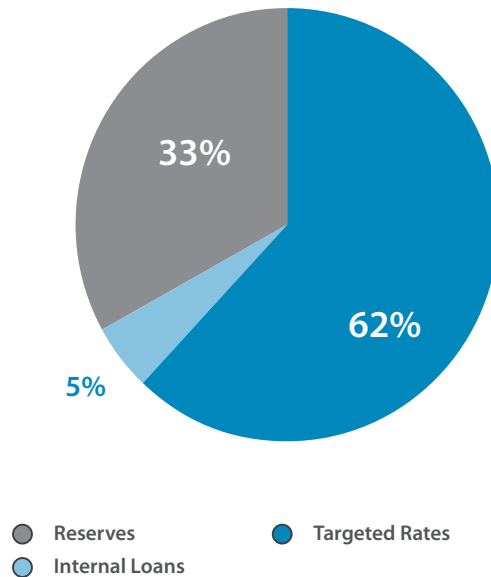
Stormwater rates in Balclutha, Clinton, Kaitangata, Kaka Point, Lawrence, Milton, Owaka and Tapanui are set as a fixed charge for each separately used or inhabited part of a rating unit (SUIP) that is either connected, or has a connection is available.

## STORMWATER RATES IN SMALLER COMMUNITIES

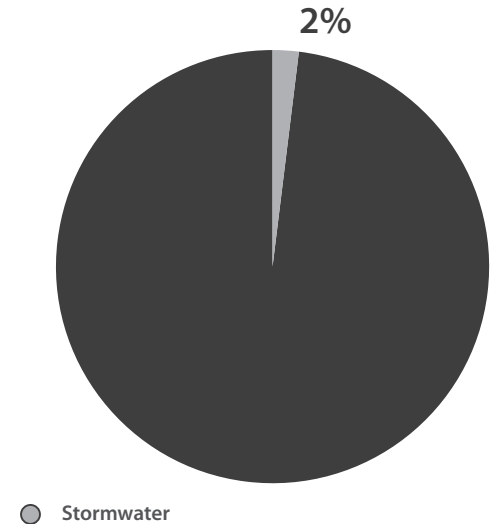
Previously Stirling, Waihola, Taieri Mouth, Pounawea and Heriot stormwater drainage works have been funded under the umbrella of rural stormwater drainage, a land value-based targeted rate. As part of the funding review for stormwater Council in the lead up to this plan these areas will now pay the fixed stormwater rate.

### How Stormwater is funded

(For operating and capital costs)



### % of Rates Spent on Stormwater



## Rating for Stormwater from 1 July 2015

ACTIVITY	GENERAL RATE	TARGETED RATE		
	UNIFORM CHARGE (UAGC)	DISTRICT-WIDE RATES	RATES BASED ON AVAILABILITY OF SERVICES AND/OR LOCATION	
USER FEES & CHARGES		CAPITAL VALUE (CV)	UNIFORM CHARGE	LAND VALUE (LV)
Stormwater <sup>1</sup>			100%	

<sup>1</sup> Include all areas with Council stormwater drainage, i.e. Balclutha, Clinton, Kaitangata, Kaka Point, Lawrence, Milton, Owaka, Heriot, Pounawea, Stirling, Taieri Mouth, Tapanui and Waihola.

Refer to the Rates section of this plan for more information.

## WHAT IT WILL COST FOR STORMWATER

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Sources of Operating Funding</b>											
General rates, UAGCs, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	576	535	565	589	607	641	664	677	688	714	740
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL OPERATING FUNDING</b>	<b>576</b>	<b>535</b>	<b>565</b>	<b>589</b>	<b>607</b>	<b>641</b>	<b>664</b>	<b>677</b>	<b>688</b>	<b>714</b>	<b>740</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	(89)	(90)	(93)	(97)	(100)	(104)	(108)	(112)	(117)	(122)	(128)
Finance costs	(29)	(24)	(22)	(20)	(20)	(41)	(39)	(44)	(41)	(39)	(36)
Internal charges and overheads applied	(180)	(188)	(199)	(206)	(208)	(213)	(221)	(224)	(229)	(238)	(242)
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>(298)</b>	<b>(302)</b>	<b>(314)</b>	<b>(323)</b>	<b>(328)</b>	<b>(358)</b>	<b>(368)</b>	<b>(380)</b>	<b>(387)</b>	<b>(399)</b>	<b>(406)</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>278</b>	<b>234</b>	<b>251</b>	<b>266</b>	<b>279</b>	<b>283</b>	<b>296</b>	<b>297</b>	<b>301</b>	<b>315</b>	<b>334</b>
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt (internal debt)	(44)	(46)	(30)	(32)	408	(44)	72	(45)	(47)	(50)	(52)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated sources of funding	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>(44)</b>	<b>(46)</b>	<b>(30)</b>	<b>(32)</b>	<b>408</b>	<b>(44)</b>	<b>72</b>	<b>(45)</b>	<b>(47)</b>	<b>(50)</b>	<b>(52)</b>

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next page

## WHAT IT WILL COST FOR STORMWATER

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Applications of capital funding</b>											
Capital expenditure to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure to improve the level of service	(82)	(145)	(26)	(32)	(685)	(570)	0	0	0	0	0
Capital expenditure to replace existing assets	(77)	(211)	(171)	(106)	(235)	(306)	(306)	(85)	(318)	(194)	(69)
(Increase) decrease in reserves	(3)	23	6	(1)	(4)	4	(4)	(1)	3	2	(4)
(Increase) decrease of investments	(72)	146	(30)	(95)	237	633	(58)	(166)	61	(73)	(209)
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>(234)</b>	<b>(187)</b>	<b>(221)</b>	<b>(234)</b>	<b>(687)</b>	<b>(239)</b>	<b>(368)</b>	<b>(252)</b>	<b>(254)</b>	<b>(265)</b>	<b>(282)</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(278)</b>	<b>(233)</b>	<b>(251)</b>	<b>(266)</b>	<b>(279)</b>	<b>(283)</b>	<b>(296)</b>	<b>(297)</b>	<b>(301)</b>	<b>(315)</b>	<b>(334)</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# CALLS WE HAVE MADE IN PUTTING BUDGETS FOR THIS PLAN TOGETHER

## KEY PLANNING ASSUMPTIONS FOR STORMWATER\*

### WHAT WE HAVE ASSUMED

### LEVEL OF UNCERTAINTY

### WHAT WOULD HAPPEN IF THIS CHANGED:

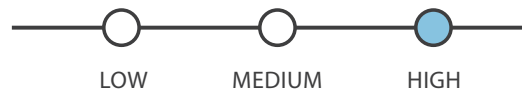
#### Increasing environmental standards

Through the Freshwater National Policy Statement (NPS) the Government signaled it expects improvements to how fresh water is managed in New Zealand. The full package of reforms is to be rolled out over the next few years as decisions are made and policy is developed.

Otago Regional Council has also indicated that stormwater discharges will be reviewed as part of their review of the Regional Plan: Water.

It is assumed that further treatment of stormwater flows into our rivers and streams will be required in the future for urban/industrial areas, but budgets have not been included at this time as the extent of potential regulations are not yet known.

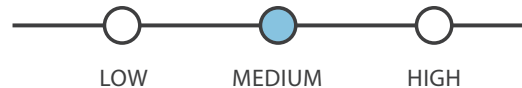
Increasing environmental standards may have significant bearing on stormwater costs. If they become mandatory prior to 2018, Council will need to reassess and reprioritise budgets in order to meet the increased standards.



#### Levels of service for Balclutha stormwater

There has been a budget included to increase the reticulation and outfall capacity for Balclutha. Further investigations into whether this is justified will be undertaken prior to committing the funding.

Further investigation work will determine the scope and nature of this project. This may have a flow on impact to budgets.



\*Universal financial assumptions that also affect water are included in the financial section of this document.

Continues on next page



# CALLS WE HAVE MADE IN PUTTING BUDGETS FOR THIS PLAN TOGETHER

## KEY PLANNING ASSUMPTIONS FOR STORMWATER\*

### WHAT WE HAVE ASSUMED

### LEVEL OF UNCERTAINTY

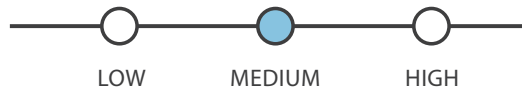
### WHAT WOULD HAPPEN IF THIS CHANGED:

#### Impacts of climate change on stormwater

Increase in rainfall and rainfall intensity is expected to impact on stormwater flows and put more pressure on all stormwater systems.

Sea level rises may impact on stormwater infrastructure at Kaitangata, Kaka Point, Milton, Pounaweia, and Waiholo.

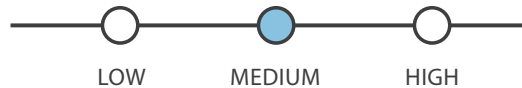
Current budgets don't include provision for specific works resulting from climate change however peak flows are adjusted during design work to take into account the latest available information.



Further investigate work may determine further capital works are needed to address the impacts of climate change on stormwater infrastructure, with flow on impacts for budgets.

#### Implications of natural disasters for stormwater

In terms of costs of natural disasters, it is assumed that the current level of insurance, Council's Emergency Fund, combined with underground asset self-insurance would cover the repair/replacement of stormwater assets.



Depending upon the scale and cost of the emergency some assets either won't be replaced/ repaired or will take longer to replace/repair.

If schemes are disrupted for a period of time this can have significant flow on effects for its users.

\*Universal financial assumptions that also affect water are included in the financial section of this document.

# SOLID WASTE

## WHAT WE DO

Council oversees the management and minimisation of solid waste within the district. These activities include:

- Operating a sanitary landfill and recycling drop-off depot for the district at Mt Cooe on the outskirts of Balclutha.
- Providing a fortnightly collection of recyclables and residual household waste via kerbside wheelie bins in urban areas. The service is also available to individual rural households along service routes. Collection alternates weekly between collection of recyclables and collection of residual waste.
- Providing transfer stations in Clinton, Clydevale, Lawrence, Milton, Owaka, Tapanui and Taieri Mouth.
- Providing coin-operated “Jack Trash” bin at Papatowai.
- Providing skip services at Beaumont and Maclennan that are collected on an as-needed basis.

- Monitoring and maintaining 19 closed tip sites throughout the district.
- Provide waste minimisation information and education services, including facilitating the EnviroSchools programme at schools throughout the district.

## WHY WE DO IT

Council provides waste management activities to ensure the safe and hygienic disposal of household waste and to ensure that wastes are efficiently and effectively managed.

Council’s Solid Waste Management activities primarily contribute towards the outcome; “A sustainable environment that promotes a clean, green image.”



# SIGNIFICANT EFFECTS

Council recognises that there are negative impacts associated with the collection and disposal of solid waste. At the same time, we recognise that it is essential there are efficient and effective means of disposing of solid waste. Accordingly, negative effects must be balanced against such a need.

POTENTIAL SIGNIFICANT NEGATIVE EFFECT	CULTURAL	SOCIAL	ECONOMIC	ENVIRONMENTAL	OUR RESPONSE
Effects of landfilling including the occupation of land, non-biodegradable matter, methane and leachate generation	●	●	●	●	Aim to meet resource consent conditions for Mt Cooee and closed landfills. Undertaking capital works where required.
Ease of disposal and relatively low cost encourages increased quantities of material to be sent to landfill by customers	●	●	●	●	Ensuring there is provision of education and infrastructure to help reduce waste volumes and appropriate pricing signals e.g. green waste discount, full cost recovery charges.
Potential for littering and dumping elsewhere due to landfill charges.	●	●	●	●	Continued education, availability of services and enforcement as a last resort.

## PROGRESS DURING THE PAST THREE YEARS

The new kerbside recycling collection service introduced in April 2012 is operating well in conjunction with the residual waste kerbside collection service. Recyclables now go to Green Island in Dunedin for sorting.

A growing emphasis on waste minimisation has seen the introduction of initiatives such as waste-free parenting workshops and a smart phone application allowing access to rubbish, recycling and waste minimisation information.

The EnviroSchools programme has grown and now involves 36% of schools in the district.

Council began purchasing carbon credits for each

tonne of waste going to Mt Cooee Landfill, as part of the Emissions Trading Scheme (ETS) from 1 January 2013.

For a number of years Council's waste management services involved the operation of a sanitary landfill, Mt Cooee, near Balclutha, and the collection and disposal of household waste from urban areas through the popular kerbside collection service. More recently, Council's approach to solid waste has moved towards more of a minimisation focus. Staff resourcing, free drop-off facilities for recyclables and fortnightly kerbside collection of recyclables have been introduced. Council's involvement in waste minimisation education has also increased including facilitating the EnviroSchools programme at schools throughout the district and providing free recycling collections to schools and non-profit early childhood centres on existing collection routes.

# MAINTAINING CURRENT LEVELS OF SERVICE

## MAINTENANCE AND OPERATIONS

Maintenance and operation of Council's solid waste activities is currently contracted out. A new contract commenced on 1 April 2012, with the kerbside waste and recyclables collection service, as well as the management of transfer stations and Mt Cooee landfill, being provided by a single operator. This contract expires in 2021.

## RENEWALS AND REPLACEMENTS

The major council-owned assets for this activity are 12,000 wheelie bins and Mt Cooee Landfill. Replacement of wheelie bins is managed through the Solid Waste contract.

Council will review and renew its Waste Management and Minimisation Plan (WMMP) during the term of this plan. This will involve completing a solid waste analysis protocol (SWAP) of the waste disposed at Mt Cooee in 2015/16, a waste assessment in 2016/17, and the WMMP update itself in 2017/18.

# IMPROVEMENTS OR CHANGES WE'RE PLANNING

Council intends to extend waste minimisation and management services where appropriate and cost effective. A number of potential new services are outlined in Council's current WMMP. These include, investigating the ways to reduce green waste disposed of to landfill, evaluating options

for e-waste collections and looking at the cost to provide a colour-sorted glass collection at Mt Cooee, the transfer stations and kerbside. More information about these improvements is outlined below.

## GLASS RECYCLING

Council accepts glass free of charge at Mt Cooee Landfill and at Lawrence, Milton, Owaka, Clinton and Tapanui transfer stations. This glass collected at Mt Cooee is stockpiled, crushed and used for roading and drainage at the Landfill. But because the glass does not leave the landfill site it still attracts the Ministry for the Environment's \$10 per tonne waste levy.

There are two options for diverting glass from landfill:

### 1. Crushing

**This material can be used in a number of ways, e.g. roads, sandblasting, paving and pool filters. Machinery required to do this is costly and there is currently not enough demand to make it economically viable.**

### 2. Recycling

**For glass to be recycled, it needs to be colour sorted into clear, brown and green and then transported to the only glass recycling plant in New Zealand, in Auckland, for processing. The cost of the transport needed to provide a colour sorted glass collection will outweigh any revenue collected.**

Council has agreed to investigate a kerbside glass collection along with drop off facilities throughout the district.

## GREEN WASTE

Users who separate their green waste from general waste get a 50% discount at Mt Cooee.

Although any greenwaste that is deposited in the designated area is kept out of the landfill, it still attracts both the Waste Minimisation Levy fee of \$10 per tonne and Council also must purchase carbon credits under the Emissions Trading Scheme.

For greenwaste to be classified as a diverted material it needs to be removed from the site within six months. This can be done by either composting or shredding.

Composting would allow for the collection and processing of both green waste and food waste. But the infrastructure and energy costs needed to run such an operation would far outweigh any revenue collected from the cost to dispose of greenwaste at the landfill and sale of compost to the public.

Shredding allows for the collection of greenwaste for processing. It also comes with a cost but provides a lower capital cost option to reuse greenwaste.

Council has agreed to look at the above, and at options for diverting greenwaste from transfer station waste through community based initiatives.

## TRANSFER STATIONS & SKIP SITES

There are several transfer stations and skip sites throughout the district, all of which operate in a slightly different manner. The usage of these also varies significantly with anywhere between 0 and 35 or more customers per month. Council has agreed to look at the operating models for the transfer stations to identify where service improvements and greater efficiencies can be made.

## EXTENDING THE KERBSIDE COLLECTION TO CLYDEVALE AND TUAPEKA MOUTH

The transfer station at Clydevale is underused and there are no recycling facilities available in the area. The nearest recycling facility is 26 kilometres away at Mt Cooe. Council has agreed to look at options, including extending the kerbside collection to these areas.

## MT COOEE PIPELINE REMEDIATION

Completion of the stormwater pipeline remediation at Mt Cooe is planned for 2015/16. This will reduce or eliminate leachate contamination of the stormwater that flows under Mt Cooe and to Clutha River and ensure that consent conditions are met. Existing consents to operate Mt Cooe as an open landfill expire in 2023. Based on independent advice, it is anticipated that, in conjunction with the stormwater pipeline remediation, installation

of additional groundwater monitoring bores and more detailed groundwater testing, an application to extend the resource consent beyond 2023 will be feasible.

### WORK WE WILL BE FOCUSING ON IN THIS PLAN:

- Mt Cooe stormwater pipeline remediation work
- Determining whether or not kerbside glass collection is feasible
- Extending kerbside collection to Clydevale and Tuapeka Mouth
- Reviewing transfer stations
- Revisiting Council's approach to waste as we completing a solid waste analysis protocol (SWAP), waste assessment, and update of the Waste Management and Minimisation Plan

## WHAT WE ARE PLANNING FOR SOLID WASTE MANAGEMENT

PROJECT (All in \$000s)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Closed landfill aftercare	23	24	24	25	26	27	28	28	29	30

## WHAT'S NOT INCLUDED IN THIS PLAN

### MOUNT COOEE LANDFILL

The current resource consent for Mount Cooe Landfill expires in 2023. While Council is assuming that conditions won't change prior to renewing the consent, there is a high degree of uncertainty attached to this. There is no provision in Council's budgets for the improvements or changes that Council might be required to make in order for the consent to be renewed.

Councils preferred option is to work towards renewing the resource consent for Mt Cooe rather than closing the landfill. Council has included a provisional sum in the budget for the installation

of additional groundwater monitoring bores as well as increased data collection which will help support an application for renewal. However, there is still a high degree of uncertainty attached to this; if the application is unsuccessful Council will need to close Mt Cooe and look at other options for managing waste produced throughout the district. This would most likely include building a resource recovery park at the Mt Cooe site and transporting the waste out of the district to another landfill. The cost involved in building the infrastructure would be significant, as would the increase in user charges to cover the additional transport costs, and likely increase in per tonne cost for disposal.

### FUNDING FOR ADDITIONAL WASTE MINIMISATION INITIATIVES INCLUDING GLASS AND GREEN WASTE

No new funding for these waste minimisation

initiatives is included in the Long Term Plan, as it is Council's intention to implement these within existing budgets or as user pays models. If additional funding is required in the future this would be considered through future annual plans.

### ENVIROSCHOOLS

Staffing resources available to facilitate Enviroschools is limited to 40% of all schools in the district, and it is estimated this target will be met at the beginning of 2015/16. There is currently no budget and scope to increase the programme and the number of schools taking part. There will still be scope to provide waste minimisation resources for schools, such as waste audit kits and lesson plan examples.

## WHAT WE'RE AIMING FOR

WHAT WE'RE WORKING TOWARDS (level of service)	HOW WE'LL MEASURE PROGRESS	HOW WE'RE PERFORMING NOW 2013/14	WHAT WE'RE AIMING FOR			
			2015/16	2016/17	2017/18	2018/19 - 2024/25
Provide a facility in the district for the disposal of solid waste	Resident satisfaction with Mt Cooee landfill	83%	≥70%*	≥71%	≥72%	≥75%
	Tonnes of waste to Mt Cooee landfill	8,704	<8,299	<8,019	<7,932	<7,846
	Tonnes of waste diverted from Mt Cooee Landfill	665	>698**	>733	>748	>763
Provide a kerbside refuse and recycling collection service	Resident satisfaction with the wheelie bin service	82%	>80%	>80%	>80%	>80%
Provide waste minimisation education	% of schools that take part in the EnviroSchools programme	32%	40%	40%	40%	40%

\* Projected drop due to increase in user charges.

\*\* Increase due to proposed extension of recycling collection, and increase in Mt Cooee user charges encouraging better sorting of waste and recyclables.

## HOW SOLID WASTE IS FUNDED

Council funds this activity group through a mixture of targeted rates on those who receive kerbside collection services and fees and charges for those who use the landfills. Reserves and internal loans are used for capital projects, if required. Council receives around \$60,000 a year from the Ministry for the Environment's Waste Levy.

### Rating for Solid Waste from 1 July 2015

ACTIVITY	GENERAL RATE	TARGETED RATE		
		UNIFORM CHARGE (UAGC)	DISTRICT-WIDE RATES CAPITAL VALUE (CV)	RATES BASED ON AVAILABILITY OF SERVICES AND/OR LOCATION UNIFORM CHARGE LAND VALUE (LV)
Waste Collection and Disposal	70%			30%
Waste Minimisation		100%		
Closed landfill remediation		100%		

## WHAT IT WILL COST FOR SOLID WASTE

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Sources of Operating Funding</b>											
General rates, UAGCs, rates penalties	62	65	66	68	70	72	74	76	79	82	84
Targeted rates	847	716	734	753	773	796	819	845	873	903	935
Subsidies and grants for operating purposes	62	66	66	68	70	72	74	76	81	84	87
Fees and charges	490	639	655	671	690	709	730	754	778	805	834
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL OPERATING FUNDING</b>	<b>1,461</b>	<b>1,486</b>	<b>1,521</b>	<b>1,560</b>	<b>1,603</b>	<b>1,649</b>	<b>1,697</b>	<b>1,751</b>	<b>1,811</b>	<b>1,874</b>	<b>1,940</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	(1,082)	(1,134)	(1,131)	(1,160)	(1,192)	(1,226)	(1,262)	(1,303)	(1,341)	(1,388)	(1,438)
Finance costs	(36)	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	(268)	(270)	(294)	(308)	(310)	(317)	(332)	(334)	(343)	(359)	(361)
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>(1,386)</b>	<b>(1,404)</b>	<b>(1,425)</b>	<b>(1,468)</b>	<b>(1,502)</b>	<b>(1,543)</b>	<b>(1,594)</b>	<b>(1,637)</b>	<b>(1,684)</b>	<b>(1,747)</b>	<b>(1,799)</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>75</b>	<b>82</b>	<b>96</b>	<b>92</b>	<b>101</b>	<b>106</b>	<b>103</b>	<b>114</b>	<b>127</b>	<b>127</b>	<b>141</b>
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt (internal debt)	(19)	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated sources of funding	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>(19)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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## WHAT IT WILL COST FOR SOLID WASTE

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Applications of capital funding</b>											
Capital expenditure to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure to replace existing assets	(23)	(23)	(24)	(24)	(25)	(26)	(27)	(28)	(28)	(29)	(30)
(Increase) decrease in reserves	7	(17)	(31)	(26)	(33)	(36)	(31)	(41)	(48)	(46)	(58)
(Increase) decrease of investments	(40)	(42)	(41)	(42)	(43)	(44)	(45)	(45)	(51)	(52)	(53)
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>(56)</b>	<b>(82)</b>	<b>(96)</b>	<b>(92)</b>	<b>(101)</b>	<b>(106)</b>	<b>(103)</b>	<b>(114)</b>	<b>(127)</b>	<b>(127)</b>	<b>(141)</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(75)</b>	<b>(82)</b>	<b>(96)</b>	<b>(92)</b>	<b>(101)</b>	<b>(106)</b>	<b>(103)</b>	<b>(114)</b>	<b>(127)</b>	<b>(127)</b>	<b>(141)</b>
<b>FUNDING BALANCE</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# CALLS WE HAVE MADE TO DO WITH THESE BUDGETS

## KEY PLANNING ASSUMPTIONS FOR SOLID WASTE

### WHAT WE HAVE ASSUMED

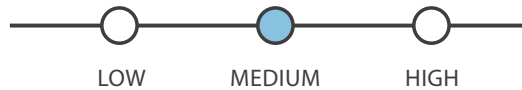
### LEVEL OF UNCERTAINTY

### WHAT WOULD HAPPEN IF THIS CHANGED:

#### Meeting resource consents

Council is assuming that Mt Cooee will continue to meet the resource consent conditions to be able to continue operate as a landfill and that there will be no changes to regulatory environment and resource consent requirements prior to the expiry of the current consent in 2023.

Council is also assuming it will continue to meet resource consent conditions for closed landfills, and post closure costs will continue as budgeted.

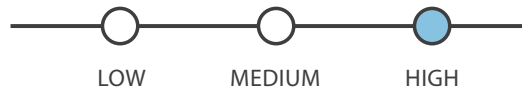


If resource consent conditions can't be met additional expenditure outside what is currently included in budgets might be required.

Alternatively a change to the regulatory environment/resource consent conditions may result in increased/unbudgeted costs and possible premature closure of Mt Cooee.

#### Renewing Mt Cooee's resource consent in 2023

Council is also assuming we will successfully renew the resource consent to continue to operate Mt Cooee from 2023 onwards.

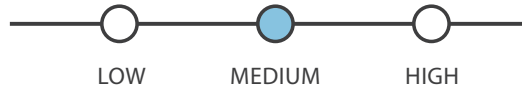


If renewal is unsuccessful there will be significant costs involved in closing Mt Cooee landfill, setting up a resource recovery park and transporting the waste to a landfill outside of the district.

#### Amount of waste to landfill

Currently this is around 8,700 tonnes per annum. Council is forecasting a slight decrease due to increased user charges and recycling initiatives. It is assuming that there won't be fluctuations including any increases in waste.

There is a risk that operating the landfill at the current levels of service may become uneconomic. At this stage Council assumes it will continue with the current level of service and opening hours for Mt Cooee.



If the amount of waste going to landfill is incorrect this would alter the amount Council pays for its Waste Levy. If there is a significant decrease in waste this may affect the economic viability of Mt Cooee continuing to operate

It may be necessary to reduce opening hours/access to Mt Cooee in order to reduce operating costs. If waste volumes are drastically reduced then this may force the early closure of the site.

\*Universal financial assumptions that also affect waste are included in the financial section of this document.

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# CALLS WE HAVE MADE TO DO WITH THESE BUDGETS

## KEY PLANNING ASSUMPTIONS FOR SOLID WASTE

### WHAT WE HAVE ASSUMED

### LEVEL OF UNCERTAINTY

### WHAT WOULD HAPPEN IF THIS CHANGED:

#### Increased user charges and fly-tipping

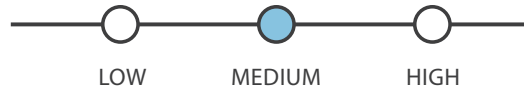
Mt Cooee charges are still some of the lowest in the South Island. Council is assuming that there won't be an increase in fly-tipping as a result of increased landfill charges.



In the past there has been anecdotal evidence of a direct relationship between increases in Mt Cooee charges and incidence of 'fly-tipping'. No additional budgets have been included in this plan for dealing with increased fly-tipping.

#### Levels of service

Council is assuming it will continue to provide waste management and collection services to residents. It also assumes that more convenient drop off recycling will be made available from 2016/17, and is exploring the possibility of introducing a colour sorted glass collection and processing of greenwaste. These options are being explored and may result in additional budgets.



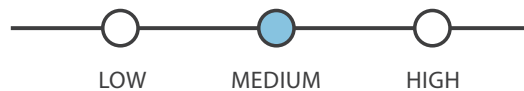
Additional budgets may be required to introduce these increased levels of service

There are currently no plans to implement a collection of organic waste. Currently there are no additional budgets for glass or organic waste collections.

#### Emissions Trading Scheme (ETS)

Options to reduce the emissions liability of Mt Cooee will be explored including the shredding/processing of greenwaste. If the ETS remains in its current form Carbon Credits will need to be purchased.

Provision has been made in the budgets for carbon purchase at a moderate level (\$4.90 per tonne for 4 years and \$10 per tonne thereafter).



Additional costs for ETS liability will result in increased user charges.

Liabilities associated with the ETS may be less if greenwaste shredding/processing is viable for Mount Cooee. ETS costs may increase if the cost of buying carbon credits is greater than assumed.

\*Universal financial assumptions that also affect water are included in the financial section of this document.

# COMMUNITY SERVICES

Council provides community spaces and facilities throughout the district. These facilities provide for the health and well-being of our communities

## WHAT WE DO

Council provides various community facilities and services throughout the district. Financial and non-financial assistance is also provided to external organisations that provide community services. Activities include:

### LIBRARIES, INFORMATION AND SERVICE CENTRES

This involves:

- A district library network consisting of a central library in Balclutha, four branch libraries in Lawrence, Milton, Owaka and Tapanui.
- Service centres, which provide a local link to Council services, are located in Balclutha, Lawrence, Milton, and Tapanui (Lawrence, Milton and Tapanui also incorporate a branch of the Clutha District Library network).
- An “i-Site” service at the Balclutha Service Centre, which handles nationwide bookings for

tourists and locals.

- An information centre at Owaka which provides tourist information and also incorporates a branch of the Clutha District library network.

### SWIMMING POOLS

This involves:

- Owning and operating year round, a pool in Balclutha and seasonal (summer) pools in Kaitangata, Milton and Lawrence.
- Making grants available to various school- and community-based pools located throughout the district.

### PARKS, RESERVES, PLAYGROUNDS & SPORTSGROUNDS

This involves:

- Providing and maintaining 86 hectares of parks and reserves throughout the district, including 18 playgrounds and four sportsgrounds.
- Providing financial assistance for a further 19 hectares of reserves and sportsgrounds that

are managed by local committees and sports groups.

### HALLS & COMMUNITY CENTRES

This involves:

- Maintaining and operating halls in Balclutha and Kaitangata.
- Providing management oversight and financial assistance for 12 committees which operate community centres throughout the district on Council’s behalf. These are at Clutha Valley, Hillend, Kaka Point, Lovells Flat, Moneymore, Owaka, Paretai, Waiholā, Waipahi, Waitahuna and Waiwera.
- Providing financial assistance to various other halls and centres, which are owned and operated by their communities. These are at Beaumont, Clinton, Crookston, Dunrobin, Heriot, Hina Hina, Milton, Lawrence, Romahapa, Tahakopa, Taieri Mouth, Tuapeka Mouth, Tuapeka West, Waikoikoi and Tapanui.

## PUBLIC CONVENIENCES

This involves:

- Providing and maintaining 24 public toilets throughout the district (located in the Balclutha, Clinton, Jacks Bay, Kaitangata, Kaka Point, Lawrence, Milton, Owaka, Pounaweia, Tapanui, Taieri Mouth and Waihola areas).
- Providing and maintaining 5 public motor caravan dump stations in Clinton, Lawrence, Milton, Owaka and Tapanui.

## CEMETERIES

This involves:

- Directly operating and maintaining six urban cemeteries - Balclutha (2), Fairfax (Milton), Kaitangata, Lawrence and Tapanui, and eight rural cemeteries - Port Molyneux, Romahapa, Taieri Beach, Waihola, Waikoikoi, Waipahi, Waipori, and Waitahuna.
- Providing financial assistance to a further four cemeteries that are managed by trustees (Clinton, Crookston, Owaka, Tuapeka).
- Providing financial assistance towards the maintenance of war memorials throughout the district.

## COMMUNITY HOUSING & OTHER PROPERTY

This involves:

- Owning and maintaining 98 one bedroom housing units located in Balclutha, Clinton, Kaitangata, Lawrence, Milton, Owaka, Tapanui and Waihola.
- Other property is owned and maintained by Council for storage of materials and equipment.

- Property which is retained for renting and leasing at market rates with the income used to offset rates.

- Provision of five camping grounds at Kaka Point, Naish Park in Balclutha, Pounaweia, Taylor Park in Milton and Waihola.

## CROSS RECREATION CENTRE

This involves:

- Funding of a \$2.5 million loan towards the cost of constructing the multi-use Cross Recreation Centre in Balclutha and providing an annual operating grant.

## WHY WE DO IT

The activities in this group ensure that the whole community has opportunities to access a range of public spaces and facilities that provide for social and cultural wellbeing particularly through physical activities, leisure opportunities and recreation. They also ensure that the district has the facilities and services required to attract and retain residents.

This activity group makes a primary contribution to the community outcome: "Community facilities that sustainably provide benefit to users and the wider community."



# SIGNIFICANT EFFECTS

The significant effects Council's community services activities have on our district's wellbeing

POTENTIAL SIGNIFICANT NEGATIVE EFFECT	CULTURAL	SOCIAL	ECONOMIC	ENVIRONMENTAL	OUR RESPONSE
Most of the activities in this group rely heavily on rates funding, with only a portion of the costs being funded by direct users.	○	●	●	○	<p>In terms of pools, closure of the Lawrence Pool and divestment of Kaitangata's is proposed in this plan.</p> <p>The Revenue and Financing Policy lays out the rationale for funding. Council has signaled a review of how community services are rated as an issue for the next LTP.</p> <p>Review of Community Housing, including funding is also proposed.</p>
Potential negative health impacts if pool chemicals are not at optimum levels	○	○	○	●	Swimming pool water is regularly checked for compliance with national swimming pool standards.
Emissions from Balclutha pool boiler systems	○	○	●	●	Continue to monitor and consider alternative renewable energy sources as these develop and become cost effective options
Access to facilities and buildings, particularly for those with a disability	●	●	●	○	An assessment of accessibility and corrective measures is proposed
Health and safety risks associated with the use and operation to users and staff.	○	●	●	○	Ensure compliance with legislation and health & safety management plans
Potential impacts on customer satisfaction due to service failure/delays/responsiveness	○	●	●	○	Monitor customer requests for service and report on these. Ensure customer complaints are resolved satisfactorily.

# PROGRESS DURING THE PAST THREE YEARS

## BALCLUTHA POOL

An extensive upgrade to Balclutha pool was completed with the facility reopening in September 2012. A new therapeutic pool began operating in November 2012. Much to the frustration of Council and the community the reopening was several months behind schedule due to a range of issues. A more major one was problems with the pool's heating system. A number of issues and solutions were identified and work has been done to address this. Council continues to closely monitor the operation of the district's year round pool to ensure the best user experience possible. Resident satisfaction has increased from 43% prior to the upgrade, to 68% post upgrade. Resolving the temperature fluctuations is expected to further increase satisfaction levels.

## COMMUNITY HOUSING

A number of renewal projects have been carried out to community housing units throughout the district. This has included improvements such as kitchen upgrades and wet floor showers.

## LIBRARIES, SERVICE AND INFORMATION CENTRES

Balclutha library received a spruce up with the interior painted, new carpet laid, some new and refurbished furniture, and changes to the collection layout. The project resulted in more shelving capacity, more space in the children's and teens' areas, easier access to collections, along with more appropriate disabled and wheelchair access. This

work took place ahead of the centenary celebrations of this library as a Carnegie library. Although there were various libraries built in New Zealand funded by the Carnegie Foundation, Balclutha is one of only two that continues to operate out of the original building.

Balclutha i-SITE, which is a main focal point for thousands of visitors to our town annually, also received an update which included new carpet, kitchen upgrades and improvements to the entrance foyer and the way information is displayed.

A feasibility study was also undertaken on Council's behalf as a possible new Milton museum venture needed to be carefully considered in conjunction with the existing museum, service centre and information services in the town. It has been determined that this museum venture will not go ahead at this time.

## CEMETERIES

Upgrade work took place in some of the district's cemeteries. Repair work and resealing of roadways was undertaken at Balclutha Cemetery. A road extension was completed at Lawrence Cemetery. The extension was designed to provide better access to the lower part of the cemetery.

## BALCLUTHA MEMORIAL HALL RENEWAL AND UPGRADE PROGRAMME

A number of significant renewals were planned for the hall in the 2012 plan. These works included maintenance of the stage and flytower (\$40,000 of external funding was to be sought for this), renewal of the boiler, heating and ventilation upgrades, an internal repaint and an upgrade of the toilets and entry foyer. The seating in the hall was also to be looked at, with options for removable

'theatre' type seating to be evaluated as part of the overall upgrade.

This work was put on hold as Council worked through the Balclutha streetscape upgrades. The scale and background work also needed to change with changes to building requirements around earthquake strengthening. There is more information about the proposed approach for this project later in this section.

## TUAPEKA AQUATIC CENTRE

Council confirmed a loan-funded grant towards a new community-owned and operated pool in Lawrence. Council continued 'business as usual' for the existing Council owned and operated pool until the season preceding the new pools expected opening.

# MAINTAINING CURRENT LEVELS OF SERVICE

## MAINTENANCE AND OPERATIONS

Maintenance for community services is carried out in a variety of ways. The maintenance of parks, reserves, sportsgrounds and playgrounds is contracted out. There is a variety of arrangements for halls and community centres, where in some instances they are Council-owned and community maintained through committees. Libraries, service and information centres are run directly by Council. Community housing is managed by Council.

The current Greenspace Maintenance Contract is scheduled to finish in June 2016, subject to satisfactory performance. Council will be looking at options for service delivery and contract models before renewing this contract.



## RENEWALS AND REPLACEMENTS

### Milton and Balclutha swimming pool renewals

Ongoing renewal work is programmed for both these pools during the next ten years. For Milton there are plans to purchase pool covers, paint the steel frames, repaint the block work (outside wall) and carry out electrical maintenance. In 2016/17 Council will replace cladding, repaint the pool and purchase a pool cleaner. For Balclutha there is minor ongoing renewal work to maintain current standards.

### Public Toilet Renewals

The toilets at Tapanui's Bushy Hill Street playground are very old and are planned to be replaced with a new single toilet in 2015/16. Most of the other public toilets are considered to be in good structural condition. However, as high use public buildings that are normally open 24 hours a day they get worn and damaged quickly and regular refurbishments are needed to keep them at an acceptable standard. Council is planning a number of refurbishments over the next few years. These include Kaitangata, Clinton and other rural toilets (2016/17), Lawrence and Waiholā (2018/19) and Kaka Point (2019/20).

## IMPROVEMENTS OR CHANGES WE'RE PROPOSING

### EARTHQUAKE STRENGTHENING FOR COUNCIL BUILDINGS INCLUDING HALLS AND COMMUNITY CENTRES

The government has signalled significant changes to the Building Act 2004 as a consequence to the Canterbury earthquakes. The final details of these

changes have not been confirmed but indications are very clear that it will require building owners to strengthen commercial earthquake prone buildings to at least 33% of the National Building Standards or demolish the building. To enable Council to plan for the future, Initial Earthquake Prone Assessments (IEPs) have been undertaken for key Council buildings and this has identified that many of these will need work.

These buildings will now undergo detailed structural analyses to give Council more information, including the work and likely costs to bring these buildings up to standard within the expected 15 year limit. Council may also identify that key buildings, such as Civil Defence buildings, should be upgraded to a higher standard than the 33% minimum.

### Current Earthquake Status of Council buildings

BUILDING	% NATIONAL BUILDING STANDARD	IEP GRADE
Main office at Rosebank Terrace	100%+	A
Kaka Point Community Centre	85%	A
Tapanui Service Centre/Library	60%	C
Balclutha Swimming Pool	59%	C
Hillend Community Centre	40%	C
Waiholā Community Centre	40%	C
Balclutha Information Centre	30%	D
Clutha Valley Community Centre	30%	D
Owaka Memorial Community Centre	30%	D
Waitahuna War Memorial Hall	30%	D
Milton Service Centre/Library	25%	D
Lawrence Service Centre/Library	25%	D
Balclutha Library (old area)	20%	D
Balclutha War Memorial Hall (fly tower)	20%	D

- Earthquake 'safe' - low risk building
- Earthquake risk - accepted legally but improvement recommended
- Earthquake prone - unacceptable and improvements required

## HALLS & COMMUNITY CENTRE REVIEW

The potential cost of earthquake strengthening means that it would be prudent for Council to review the usage, funding and long-term future of all of the district's halls and community centres at the same time to make sure the 'big picture' makes sense and is financially sustainable. As such the detailed earthquake strengthening estimate work needs to be completed before any further capital work is undertaken on these buildings. The review will also extend to the Council-owned halls at Lovell's Flat, Moneymore, Paretai, Waipahi and Waiwera. To ensure adequate provision is made for all areas in our district it also makes sense to include all of the community-owned and Council-funded buildings in this review. This includes Simpson Park in Lawrence,

West Otago Community Centre in Tapanui, Milton Coronation Hall and Clinton Community Centre.

There could be significant costs involved and decisions to be made in conjunction with communities about the best future options for these buildings. Indicative renewal budgets have been included in this plan for major Council-operated community centres, but these will be subject to confirmation through the review process and any additional funding requirements for earthquake strengthening.

This will also link with a proposed review of one of the



main components of Clutha District ratepayers' rates bill – the community services rate, which currently includes halls and community centres. This is likely to be an issue for community engagement ahead of the 2018/28 Long Term Plan.

## BALCLUTHA MEMORIAL HALL

As the district's main hall, changes or improvements have a part to play in improving our community infrastructure, and links with leisure and recreation opportunities. This is also a component of Council's Living and Working Strategy.

A number of significant renewals were planned for the Balclutha Memorial Hall during the term of the 2012/22 Long Term Plan. This included maintenance of the stage and flytower, renewal of the boiler, heating and ventilation upgrades, an internal repaint and an upgrade of the toilets and entry foyer. Improvements to 'theatre' type removable seating were also to be considered as part of the overall upgrade. The work aimed to bring the hall up to modern standards and meet community and hall users' expectations. However, Council deferred this project with the intention that this would be timed for when the Balclutha Streetscape project was complete.

Since the last long term plan the issue of meeting earthquake standards has come to the fore. At 30% of the National Building Standards, the memorial hall is considered earthquake prone. A major contributor to the low rating is the flytower structure, but a full analysis of this important building is required.

Overall there are several considerations and decisions to be made before renewals and improvements to the district's main hall take place.

These include:

- **Full structural analysis about what work is required to make the building earthquake safe.**
- **Reviewing current and future needs and opportunities for the town hall space and building. This review also needs to carefully consider existing community buildings and infrastructure in Balclutha such as the Cross Recreation Centre, South Otago Museum and future proposals that may affect the building, e.g. service and information centre review. The review will also consider how the greater hall area can better link to other areas and facilities in the town, e.g. central business district, playgrounds and the river area.**
- **Review long term funding options. This also links with the proposed community services rating review.**

Indicative budgets for functional upgrade works have been included in this plan but these will be subject to confirmation through the review process and any additional funding requirements for earthquake strengthening.

## SERVICE AND INFORMATION CENTRE REVIEW

Council currently provides a network of service centres, libraries, information services and support for museums throughout the district. As part of 2014/15 Annual Plan deliberations Council committed to beginning to review sustainable future options for service, information and museum arrangements. The review linked with the Clutha Visitor Strategy and submissions about museum funding, and a possible new museum venture near Milton. There had also been debate about changing the Balclutha i-SITE location. This review also links

with options that community groups are exploring around co-location of museum and information services in Balclutha.

As this review has evolved, the focus has been on Balclutha. Council will look to explore two main options:

1. **Relocate the current Balclutha i-SITE from Balclutha Memorial Hall to a site at Elizabeth Street. This site is located at what is to become the focal point of the Balclutha Streetscape improvements.**
2. **Retain the i-SITE at the Balclutha Memorial Hall and consider community proposals such as co-location of information services and museum facilities, or to develop the facility as a community hub.**

Council will develop and consider these options with the view of making improvements during the life of this plan. We will also consider whether other options should be explored for other areas, e.g. Lawrence and Owaka.

Further work will also be done to assess earthquake strengthening work for Lawrence, Milton and Tapanui Service centres. In the meantime a programme of ongoing renewal work has been included in this plan.

## LEISURE AND RECREATION ACTIVITY STRATEGY AND RESERVE MANAGEMENT PLAN UPDATES

The district's first Physical Activity Strategy helped confirm and direct several key initiatives and projects that have made important differences to physical activity and recreation in the Clutha District, e.g. Cross Recreation Centre. An important component

of the Working and Living Strategy relates to developing recreation and leisure in the district. To facilitate this, an update of the first strategy is proposed. It is expected to help direct both passive and active recreation. Passive recreation includes parks and reserves, while active recreation includes sportsgrounds, swimming pools and so forth. Following this, Council will complete reviews of Council's Reserve Management Plans, to ensure they reflect the outcomes of the main review. However, we intend to change how these reviews are undertaken in the future. Rather than individual management plans for each reserve, Council intends to include larger areas in each management plan so that reserves across a township or wider area can be co-ordinated. This will also reduce the cost of reviewing and updating these plans.

## FUTURE PROOFING COUNCIL'S COMMUNITY HOUSING STOCK

Council currently has 98 community housing units throughout the district. They are typically smaller single units that are available to those over 25 years of age who meet Council's criteria. Overall occupancy rates have been around 75-85% in recent times, which is below Council's target of 90%. Council's funding philosophy for the housing units is that they are 'self-funding', where rental income meets costs.

A key consideration in Council's Living and Working strategy is looking at opportunities for keeping people in the district. Considering and planning for the infrastructure to support an aging population is important, and suitable housing is a crucial part of this.

Initial work has indicated that there are significant renewals forecast for these units in the medium term and that the current self-funding model is unlikely

to be able to fund this work. As part of working towards the Living and Working strategy Council has confirmed that a community housing review will be undertaken which will take into account current and future issues, future demand and the type of community housing that will be needed for our changing demographic. The review will also examine the long term financial sustainability of community housing and the options available to Council.

No major renewal work, other than urgent work, will be undertaken on community housing units until this review and future direction has been confirmed by Council.

## CAMPING GROUND REVIEW

Initial work has indicated significant renewal works are required for Council's camping grounds in the short to medium term. In the past, nearly all income from camping grounds has been used to offset rates and funds have not been set aside for major renewal work.

Lessees have also indicated that they would like to see Council invest in Camping Grounds to improve them. As such, there are a number of options available to Council and it is an appropriate time to review the strategic direction of our camping grounds, including the ownership and lease arrangements and the funding and level of investment and renewal works to ensure they are sustainable into the future and fit for purpose.

No major renewal work, other than urgent work already budgeted for, will be undertaken on camping grounds until this review and future direction has been confirmed by Council.

## NEW TOILETS IN OWAKA

Council is working with the Owaka community

to develop new toilets for the town. Owaka is considered the gateway to the Catlins; it has long been felt that a higher standard of public toilet is appropriate. Council has set aside \$130,000 for the construction of new toilets. Construction will begin once Council has reached agreement with the community about the location and design.

## KAITANGATA WAR MEMORIAL HALL

Kaitangata's War Memorial Hall was built during the mid -20th century for what was then a busy post-war coal mining town. A detailed structural review has identified that significant costs would be incurred to bring the hall up to a minimum standard. Costly renewal or improvements are unrealistic and unsustainable for the existing hall, given the level of use it now receives

In keeping with precedents with other communities in the district Council has committed a \$100,000 grant in 2015/16 to the Kaitangata community, towards a community-owned and maintained facility that will meet the current and future needs for a community facility in the town.

An amount of \$85,000 has also been budgeted in 2015/16 for the project to demolish the old hall and retain the site as a war memorial.

## KAITANGATA POOL

Kaitangata's pool was built in the late 1960s and covered in 1996. In previous long term plans the sustainability of this as a Council-owned and operated pool has been raised and discussed with community representatives.

Continuing decline in the usage of the pool had resulted in costs of over \$100 per swim, where the user pays \$2-3 toward this cost. Lack of availability

of staff to keep the pool open during its limited summer season had also become an issue.

Council has determined that this pool is unsustainable as a Council-owned and operated facility. The facility reopening from 2015/16 onwards will be determined by the Kaitangata community and its representatives.

### FORMER LAWRENCE POOL SITE

The new community-owned-and-operated Tuapeka Aquatic Centre facility will mean the existing Lawrence pool site will become surplus to requirements. There are several options for the site that will be worked through in conjunction with the Lawrence community and community board.

### MILTON TENNIS CLUB PAVILION

The Greater Taylor Park Reserve Management Plan identified that the old and derelict tennis pavilion building should be demolished, and the court area restored to a green space. A budget of \$21,000 has been included in 2017/18 for this work.

### CROSS RECREATION CENTRE

Council has agreed to increase the annual operating grant for the Cross Recreation Centre in Balclutha by \$10,000 from \$21,000 to \$31,000 (inflation-adjusted) for 2015/16, 2016/17 and 2017/18.

## WHAT'S NOT INCLUDED IN THE PLAN

### EARTHQUAKE STRENGTHENING FOR COUNCIL BUILDINGS INCLUDING HALLS AND COMMUNITY CENTRES

There are no additional budgets included for work to strengthen Council buildings. More detailed information and assessments and engagement with our communities will help inform us and be incorporated into the 2018/28 Long Term Plan.

### COMMUNITY HOUSING REVIEW

Council is also planning a review of community housing. Once complete this will provide information on current issues, future demand, types of community housing required and the longer term sustainability of Council's housing portfolio. Until this review is completed, all work except for minor maintenance has been put on hold.

### CAMPING GROUND REVIEW

Up until now depreciation has not been funded to a level that enables ongoing renewal work. Council will engage with camping ground lessees regarding future camping ground renewal programmes and available budgets.

# WHAT WE ARE PLANNING FOR COMMUNITY SERVICES

PROJECT (All in \$000s)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Reviews for camping grounds, housing units, halls & community centres	200									
Tapanui toilet replacement	65									
Kaitangata toilet renewal		51								
Clinton toilet renewal		51								
Rural toilet renewal		21								
Lawrence toilet renewal				32						
Waiholo toilet renewal				65						
Kaka Point toilet renewal					22					
Balclutha pool renewals	11	14	17	25	12	16	27	12		
Milton pool renewals	58	105		44		201			309	39
Milton cemetery hedge maintenance	20				22				25	
Kaitangata cemetery hedge maintenance	10			11			12			13
Milton tennis pavillion removal			21							
Milton cemetery roadway			11							
Balclutha hall – flytower		185								
Balclutha hall renewals		14	23	309		75	78			208
Balclutha hall upgrade				1,070						
Clutha Valley community centre renewals			21	21		17	24		25	
Hillend hall renewals			10	13			10			
Kaka Point community centre renewals			11			20				
Owaka community centre renewals				27		27	20		21	
Owaka toilets	130									
Kaitangata hall demolition and memorial project	85									
Kaitangata hall community grant	100									
Balclutha Dump Station	20									
Lawrence service centre renewal work					43					
Tapanui service centre renewals	31		39	13		10				30
Balclutha library renewals	22		63						47	

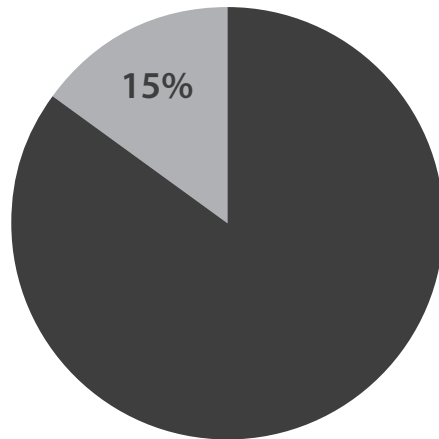
## WORK WE WILL BE FOCUSING ON IN THIS PLAN:

- Information and service centre review
- Community housing review
- Hall and community centre review
- Camping ground review
- Community services (rating) review
- Leisure and Recreation Strategy update followed by updates to Reserve Management Plans

## WHAT WE'RE AIMING FOR

WHAT WE'RE WORKING TOWARDS (level of service)	HOW WE'LL MEASURE PROGRESS	HOW WE'RE PERFORMING NOW	WHAT WE'RE AIMING FOR			
		2013/14	2015/16	2016/17	2017/18	2018/19 - 2024/25
Operate accessible and affordable library services via branches in Balclutha, Lawrence, Milton, Owaka and Tapanui	Resident satisfaction with libraries	99%	>90%	>90%	>90%	>90%
Provide accessible and affordable Council service centres in Balclutha, Lawrence, Milton and Tapanui	Resident satisfaction with service centres	97%	>90%	>90%	>90%	>90%
Provide Council-run information services in Balclutha, along with community-contracted information services in Lawrence, Milton and Owaka	Satisfaction with services, as assessed by mystery shopper survey	NM	>90%	>90%	>90%	>90%
Operate pools in Balclutha and Milton	Number of swims	53,688	53,000	53,000	53,000	53,000
	Resident satisfaction with swimming pools	59%	55%	>60%	>60%	>65%
Provide and maintain parks, reserves, sports-grounds and playgrounds throughout the district	Resident satisfaction with parks and reserves	92%	>85%	>85%	>85%	>85%
	Resident satisfaction with playgrounds	93%	>85%	>85%	>85%	>85%
	Resident satisfaction with sportsgrounds	83%	>80%	>80%	>80%	>80%
Directly operate and maintain the Balclutha Town Hall, and help communities provide halls and centres in their respective communities	Resident satisfaction with halls and community centres	90%	>80%	>85%	>85%	>85%
Provide and maintain public toilets throughout the district	Resident satisfaction with public toilets	64%	>60%	>60%	>60%	>60%
Operate and maintain cemeteries throughout the district	Resident satisfaction with cemeteries	89%	>80%	>85%	>85%	>85%
Provide and maintain community housing units throughout the district	Occupancy of community housing units	80%	>75%	>80%	>85%	>90%

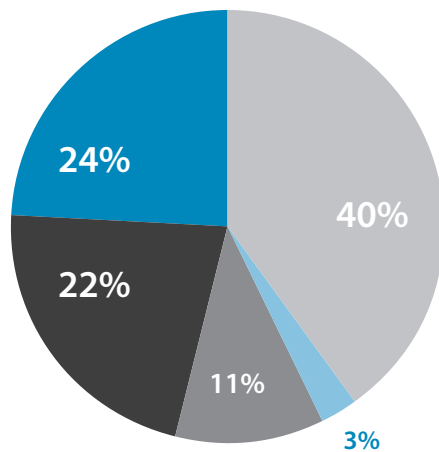
**% of Rates Spent on Community Services**



● Community Services

**How Community Services are funded**

(For operating and capital costs)



● Uniform Annual General Charge    ● Targeted Rates  
 ● Fees and Sundry    ● Reserves  
 ● Internal Loans

**HOW COMMUNITY SERVICES IS FUNDED**

**Rating for Community Services**

ACTIVITY	USER FEES & CHARGES	GENERAL RATE	TARGETED RATE		
		UNIFORM CHARGE (UAGC)	DISTRICT-WIDE RATES	RATES BASED ON AVAILABILITY OF SERVICES AND/OR LOCATION	
			CAPITAL VALUE (CV)	UNIFORM CHARGE	LAND VALUE (LV)
Libraries	5-10%	90-95%			
Service & Information Centres	5-10%	90-95%			
Swimming Pools	10-15%	30-31%			55-59%
Parks, Playgrounds & Reserves		35%			65%
Sportsgrounds	3-7%	30-35%			60-65%
Halls & Community Centres	12-18%	25-35%			50-60%
Community Housing & Other Property	100%				
Public Toilets		100%			
Cemeteries	35%	65%			
Cross Recreation Centre				100%	

## WHAT IT WILL COST FOR COMMUNITY SERVICES

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Sources of Operating Funding</b>											
General rates, UAGCs, rates penalties	2,052	2,288	2,319	2,389	2,438	2,521	2,575	2,650	2,712	2,824	2,883
Targeted rates	1,358	1,282	1,374	1,418	1,411	1,475	1,538	1,566	1,616	1,631	1,696
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	1,222	1,211	1,333	1,272	1,307	1,345	1,384	1,429	1,475	1,527	1,581
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL OPERATING FUNDING</b>	<b>4,632</b>	<b>4,781</b>	<b>5,026</b>	<b>5,079</b>	<b>5,156</b>	<b>5,341</b>	<b>5,497</b>	<b>5,645</b>	<b>5,803</b>	<b>5,982</b>	<b>6,160</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	(3,850)	(3,311)	(3,392)	(3,475)	(3,555)	(3,653)	(3,757)	(3,871)	(3,992)	(4,125)	(4,259)
Finance costs	(347)	(347)	(349)	(346)	(341)	(393)	(382)	(382)	(370)	(357)	(361)
Internal charges and overheads applied	(509)	(703)	(727)	(761)	(765)	(784)	(820)	(825)	(847)	(885)	(893)
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>(4,706)</b>	<b>(4,361)</b>	<b>(4,468)</b>	<b>(4,582)</b>	<b>(4,661)</b>	<b>(4,830)</b>	<b>(4,959)</b>	<b>(5,078)</b>	<b>(5,209)</b>	<b>(5,367)</b>	<b>(5,513)</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>(74)</b>	<b>420</b>	<b>558</b>	<b>497</b>	<b>495</b>	<b>511</b>	<b>538</b>	<b>567</b>	<b>594</b>	<b>615</b>	<b>647</b>
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt (internal debt)	681	26	(53)	(105)	936	(199)	(8)	(225)	(237)	60	(266)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated sources of funding	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>681</b>	<b>26</b>	<b>(53)</b>	<b>(105)</b>	<b>936</b>	<b>(199)</b>	<b>(8)</b>	<b>(225)</b>	<b>(237)</b>	<b>60</b>	<b>(266)</b>

Continues on  
next page

## WHAT IT WILL COST FOR COMMUNITY SERVICES

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Applications of capital funding</b>											
Capital expenditure to meet additional demand	(11)	0	0	0	0	0	0	0	0	0	0
Capital expenditure to improve the level of service	(433)	(58)	(105)	(14)	(294)	0	(228)	(19)	0	(309)	(40)
Capital expenditure to replace existing assets	(494)	(630)	(496)	(388)	(1,472)	(227)	(279)	(285)	(150)	(233)	(404)
(Increase) decrease in reserves	52	128	117	120	123	139	136	138	140	148	151
(Increase) decrease of investments	279	114	(21)	(110)	212	(224)	(159)	(176)	(347)	(281)	(88)
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>(607)</b>	<b>(446)</b>	<b>(505)</b>	<b>(392)</b>	<b>(1,431)</b>	<b>(312)</b>	<b>(530)</b>	<b>(342)</b>	<b>(357)</b>	<b>(675)</b>	<b>(381)</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>74</b>	<b>(420)</b>	<b>(558)</b>	<b>(497)</b>	<b>(495)</b>	<b>(511)</b>	<b>(538)</b>	<b>(567)</b>	<b>(594)</b>	<b>(615)</b>	<b>(647)</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



# CALLS WE HAVE MADE IN PUTTING BUDGETS FOR THIS PLAN TOGETHER

## KEY PLANNING ASSUMPTIONS FOR COMMUNITY SERVICES

### WHAT WE HAVE ASSUMED

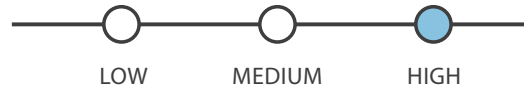
### LEVEL OF UNCERTAINTY

### WHAT WOULD HAPPEN IF THIS CHANGED:

#### Meeting increasing standards – earthquake strengthening

Council assumes that budgets will not be significantly affected by the work required following structural assessments of Council's halls and community centres.

There will be no significant variation in the level of service or the level of funding for Halls and Community Centres.



The extent of work required remains unknown until after completion of the full structural analyses. Until then it is hard to know the impact on budgets. Costs that are significantly greater than expected could bring into question the sustainability of all or some of this activity.

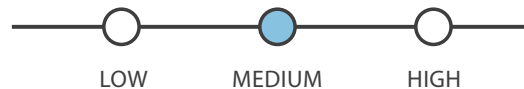
Consultants have identified maintenance requirements for the district's halls and community centres. A recurrent theme is funding shortfalls that will need to be made up via loans and/or grants. If Council and/or affected communities decide that estimated budgets are too high the alternative will be a lower level of service or more community operation of these facilities.

#### Changing levels of service – Lawrence and Kaitangata pools

Changes already happening to Lawrence and that are proposed for Kaitangata means that Balclutha and Milton will become the only pools that will be directly owned and operated by Council.

Council has assumed divestment for Kaitangata pool will take place in the 2015/16 year.

Funding grants for a new community-owned and operated pool in Lawrence have been included in budgets, as has an operating grant for Kaitangata pool.



If timing of divestment or amounts needed for operating grants changes this may impact on budgets.

Continues on next page

# CALLS WE HAVE MADE IN PUTTING BUDGETS FOR THIS PLAN TOGETHER

## KEY PLANNING ASSUMPTIONS FOR COMMUNITY SERVICES

### WHAT WE HAVE ASSUMED

### LEVEL OF UNCERTAINTY

### WHAT WOULD HAPPEN IF THIS CHANGED:

#### Balclutha and Milton Pool usage

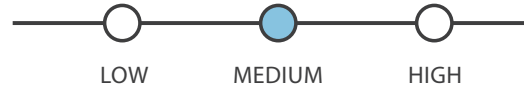
Council assumes the general decline in usage, which has occurred over the last 10 years or so at Balclutha and Milton Pools, has stabilised. Usage will remain relatively constant over the life of this plan



If usage falls more than expected, income from user charges will be less than budgeted and alternative funding may be required. Conversely, if usage is higher than expected, additional resourcing may be required.

#### Balclutha boiler

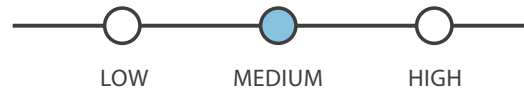
It is assumed that Balclutha pool's coal-powered boiler will continue to operate until the end of its useful life. The current boiler is relatively new and can be converted to burn wood chips if required. It is also assumed that no other significant problems will be experienced, for example, any major water leaks or water loss.



If heating has to change to wood chips or electricity this would increase the pools operating costs. Any other unknown major problems relating to the pool would also affect budgets.

#### Community-operated facilities – information centres and museums

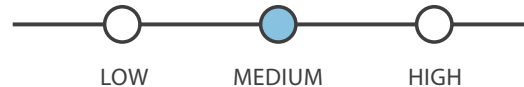
Future options for information/service centres and museums will be explored during this plan. Based on current information Council assumes any changes to these services will be budget-neutral.



If changes are not budget-neutral this could have impacts and would need to be carefully considered.

#### Additional public toilets on tourist routes

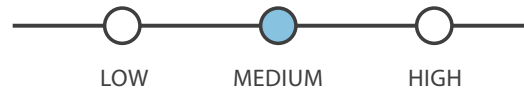
Council acknowledges the Catlins as a tourist growth area. This plan assumes that no additional toilets will be necessary along the Southern Scenic Route or other population tourist areas.



If additional toilets are required, Council may need to increase budgets.

#### Community housing review

Expenditure apart from necessary basic maintenance has been put on hold while a review of housing takes place. Long term financial sustainability is an important consideration in the review.



Depending upon the outcome of the review, alternative funding arrangements may be required for community housing.

# REGULATORY AND EMERGENCY SERVICES

## WHAT WE DO

### PROPERTY FILE RECORDS MANAGEMENT

This involves:

- Providing Land Information Memoranda in accordance with the requirements of the Local Government Official Information and Meetings Act 1987.
- Keeping property files up to date and available for public inquiries.

### RESOURCE MANAGEMENT

This involves:

- Providing advice on planning matters to prospective applicants, affected neighbours and other agencies.
- Promoting the sustainable management of natural and physical resources in the Clutha

District via the District Plan.

- Processing resource consent applications (for land use and subdivision). Approximately 60-70 resource consents are processed annually.
- Carrying out monitoring, enforcement and prosecution when necessary.

### BUILDING CONTROL

This involves:

- Providing advice and administering the Building Act 2004, including checking that building complies with the New Zealand Building Code.
- Processing applications for Project Information Memoranda (PIMS) and Building Consents, including on-site inspections at the building stage, and issuing code compliance certificates upon completion. Council processes around 500-600 building consents annually.

- Issuing building warrants of fitness and compliance schedules.

- Investigating complaints related to unauthorised building work.

### ENVIRONMENTAL HEALTH

This involves:

- Registering and inspecting/auditing premises that prepare or sell food. Approximately 130 premises are currently inspected on a risk-rating frequency of 12 to 24 months. This is transitioning to the use of Food Control Plans by premises prior to them becoming mandatory in 2016.
- Registering and inspecting other controlled premises, such as hairdressers, offensive trades, funeral parlours and camping grounds.
- Promoting safe health practices through seminars and newsletters.
- Responding to noise complaints. Approximately 80 noise complaints are responded to annually.

# SIGNIFICANT EFFECTS

The significant effects Council's Regulatory and Emergency Services have on our district's wellbeing are outlined below.

POTENTIAL SIGNIFICANT NEGATIVE EFFECT	CULTURAL	SOCIAL	ECONOMIC	ENVIRONMENTAL	OUR RESPONSE
If legislative responsibilities are not well managed, there is the risk that social, economic, environmental and cultural benefits will not be realised.	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	Council has a responsibility to ensure that all processes and legislative requirements are properly followed.
When Council undertakes its regulatory activities it takes time to process applications and there is a cost to applicants. This is an unavoidable negative effect in order to make sure that legal requirements are met and that, more importantly, public safety and the environment are protected.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	Council has a responsibility to ensure that costs and processing times are kept to a minimum.
There is a risk of injury to animal control officers from dog owners, dogs and livestock	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	Ongoing training provided to ensure that necessary precautions are taken to protect against attack.
The dog control activity is predominantly funded by dog registrations. In many cases, those dogs that cause problems are not registered. To a certain extent 'problem' dogs and their owners are funded by responsible dog owners.	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	Cost recovery options can be implemented where possible.
Legislation is requiring more stringent Council input in the building consent process, which is increasing costs.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	Apart from advocating on behalf of the community (via submissions to Central Government, for example), legislation is beyond the control of local authorities. There are limited options for councils to keep costs down when these costs come from sources outside their control.
Processing times for the various stages associated with building projects is considered a delay in construction.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	Council has to ensure that it balances its responsibilities in relation to public safety with the needs of builders in relation to responsiveness.

## PROGRESS DURING THE PAST THREE YEARS

Council has continued with the rolling District Plan review. A focus for Council is rezoning in relation to residential and industrial growth, particularly in Baclutha and Milton.

In May 2014 Parliament passed the Food Control Act 2014. Essentially, the act provides for more stringent rules for high risk food premises.

The RMA Reform Act 2013 imposed time limits on the processing of medium sized consents and the requirement for cost-benefit analyses in proposed changes to regional and district plans.

Council hosted a three-day training for Emergency Operations Centre (EOC) roles, which involved personnel from a number of different agencies, including the Police and various councils in the Otago region.

In July 2014 Clutha District Council became part of the Otago-wide rural fire authority. This is part of a central government initiative to amalgamate rural fire districts across the country. It is expected that this will not fundamentally change the cost of delivering this service.

The new Sale and Supply of Alcohol Act 2012 came into force. Council made changes to the processes for dealing with license applications that applied from 18 December 2013, and established a District Licensing Committee.

## MAINTAINING CURRENT LEVELS OF SERVICE

### MAINTENANCE AND OPERATIONS

Regulatory and Emergency Services will continue to be carried out in-house, with the exception of after-hours noise and animal control and rural fire responsibilities. After-hours noise and animal control is contracted out and reviewed annually. Rural Fire is now the responsibility of the Otago Rural Fire Authority.

The other main tasks involved with the ongoing maintenance and operation in this activity group include retaining building consent authority accreditation, maintaining the Civil Defence and District Plans, and retaining civil defence volunteers and maintaining their training levels.

### RENEWALS AND REPLACEMENTS

Regulatory and Emergency Services do not involve any significant assets. The only assets that are funded as capital items are the dog pound and rural fire depots. These are funded for depreciation in accordance with Council's standard practice for buildings. These facilities are in good condition, and no new capital requirements beyond ongoing maintenance are anticipated. The exception to this is the Papatowai Fire Station, which is planning a small extension to provide for an undercover staging area for events.

The only other significant capital items are vehicles and communications equipment. Vehicles are purchased through Council's Treasury function, and funded through an internal lease. Communications

equipment (radios) are older models and may need to be replaced during the life of this plan. Any replacements will need to be made in line with any digital radio strategy that may be implemented.

## IMPROVEMENTS OR CHANGES WE'RE PROPOSING

### EMERGENCY MANAGEMENT

Council will continue to update the training needs for volunteers and Emergency Operation Centre personnel, including the use of the Emergency Management Information System (EMIS). Council will also review its overall emergency service capability and formulate a programme to address any gaps arising from the capability review by the Ministry of Civil Defence and Emergency Management. Likewise, the review of how Civil Defence functions are performed across Otago will influence how Council delivers this service in future.

Council is also involved with the implementation of and training for the EMIS. Originally the Otago Emergency Management Group sought to have this in place by the end of 2014. However, system enhancements will delay this by up to a year.

The implementation of the Otago Rural Fire Authority continues, with a funding review likely in the next few years. Asset transfers (fire equipment such as trucks and so forth) from Clutha District to the Otago Rural Fire Authority are currently underway.

### BUILDING CONSENT AUTHORITY (BCA) ACCREDITATION

Council will continue to ensure that it meets

necessary requirements to retain its BCA accreditation. Council will also continue its involvement in the various regional shared services groups. Of particular relevance here is the continued collaboration between Clutha District Council and the three building control authorities within the Southland region.

Changes to the Dangerous and Insanitary Building provisions at the national level are yet to be finalised. However, Council has undertaken a preliminary assessment of potentially earthquake prone buildings. It is anticipated that our involvement will be as a conduit between building owners and structural assessors, with no Council funding allocated to assist private building owners meet their obligations.

### FOOD CONTROL PLANS

The new Food Act 2014 requires food control premises to develop a Food Control Plan (FCP), in which food safety risks are identified together with the necessary steps to mitigate them. At the same time the FCPs will record vital information, such as operating temperatures of essential equipment like fridges and dishwashers.

Council will be responsible for auditing the FCPs on an annual basis. Part of the audit will involve

inspections to ensure that what is recorded in the plan is actually happening.

### URBAN GROWTH/ROLLING DISTRICT PLAN REVIEW

In conjunction with the key issue of growth, Council will move its focus from district wide issues to more specific matters relating to zoning for growth and constraints to development (e.g. hazards and outstanding landscapes). This will be carried out over different towns and areas of the district and will be informed by previous consultations as well as further consultation with potentially affected parties.

## WHAT'S NOT INCLUDED IN THE PLAN?

### DOG EXERCISE PARKS

In response to requests from dog owners, Council is investigating constructing a dog exercise park in Balclutha to provide a fenced area where dogs can be exercised. At this stage no budgetary provisions have been made for a park, however, the cost of any parks would have to be further investigated.

### WORK WE WILL BE FOCUSING ON IN THIS PLAN:

- Facilitating Council's focus on growing the rating base by:
  - o Enabling the consenting process
  - o Reviewing provisions within the already enabling District Plan
  - o Facilitating the development of district hubs via the District Plan, e.g. s Milton as an industrial hub and Balclutha as a service hub.
  - o Supporting and enabling the utilization of land for development
  - o Assess current land availability and potential for use
  - o Research where our gaps are in housing, commercial property, industrial land and town aesthetics
- Maintaining BCA accreditation
- Working with our food premises to develop Food Control Plans
- Reviewing and improving our emergency services capability

## WHAT WE ARE PLANNING FOR REGULATORY AND EMERGENCY SERVICES

PROJECT (All in \$000s)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Rolling update of the District Plan	40	41	42	54	56	57	59	61	63	65
Building Control Authority (BCA) Accreditation	15	5	16	6	17	6	18	6	20	15

## WHAT WE'RE AIMING FOR

WHAT WE'RE WORKING TOWARDS (level of service)	HOW WE'LL MEASURE PROGRESS	HOW WE'RE PERFORMING NOW 2013/14	WHAT WE'RE AIMING FOR			
			2015/16	2016/17	2017/18	2018/19 - 2024/25
To provide a consents service where consents are processed within statutory time frames in an efficient manner	Non-notified resource consents processed within 20 days (statutory time frame)	94%	100%	100%	100%	100%
	Average number of processing days	NM	15	15	15	15
Animal complaints are responded to in a prompt and efficient manner	Incidents investigated within 48 hours of reports being received	98%	100%	100%	100%	100%
To provide a building consents service where consents are processed within statutory timeframes in an efficient manner	Building consents and PIMs processed within 20 working days	99%	100%	100%	100%	100%
	Average number of processing days	NM	12	12	12	12
That the CDC remains a Building Consent Authority	CDC maintains its processes so that it meets BCA accreditation status every two years	NM	maintain	maintain	maintain	maintain
To provide a liquor licensing service where licenses are processed within statutory timeframes in an efficient manner	Unopposed liquor licenses and certificate renewals processed within 20 working days	99%	100%	100%	100%	100%
To promote and support community preparedness for a Civil Defence emergency	Number of communities who have a community response plan	2	>4	>4	>4	>4
Maintain a core set of identified and trained individuals to provide a network of Civil Defence personnel	Number of personnel trained in CIMS and EOC roles	NM	40	40	40	40
To achieve a satisfactory capability assessment under the Ministry of Civil Defence Emergency Management (MCDEM) framework	Annual capability assessment score under the MCDEM framework	40%	73%	73%	73%	73%

NM = New measure

# HOW REGULATORY AND EMERGENCY SERVICES ARE FUNDED

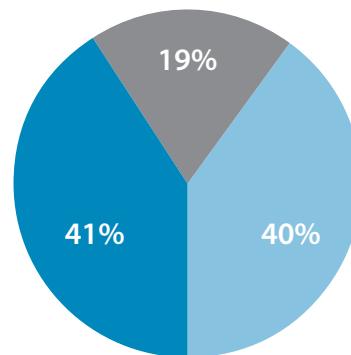
Council funds Regulatory and Emergency Management through a combination of fees and charges, Uniform Annual General Charge and rates based on land value. The following table shows funding arrangements:

## Rating for Regulatory and Emergency Services

ACTIVITY	USER FEES & CHARGES	GENERAL RATE	TARGETED RATE		
		UNIFORM CHARGE (UAGC)	DISTRICT-WIDE RATES CAPITAL VALUE (CV)	RATES BASED ON AVAILABILITY OF SERVICES AND/OR LOCATION UNIFORM CHARGE LAND VALUE (LV)	
Resource Management	20-40%		60-80%		
Animal Control	95%	5%			
Environmental Health	10-15%	85-90%			
Building Control	80-90%		10-20%		
Liquor Licensing	100%				
Civil Defence Emergency Management		100%			
Rural Fire		35%		65%	

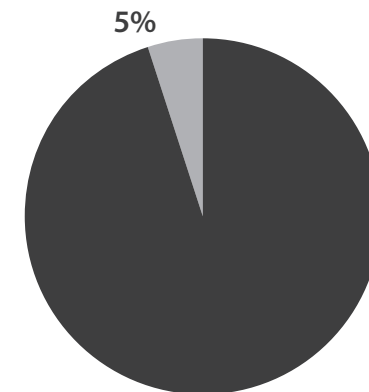
### How Regulatory and Emergency Services are funded

(For operating and capital costs)



- Uniform Annual General Charge
- Targeted Rates
- Fees and Charges

### % of Rates Spent on Regulatory and Emergency Services



- Regulatory and Emergency Services



# WHAT IT WILL COST FOR REGULATORY AND EMERGENCY SERVICES

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Sources of Operating Funding</b>											
General rates, UAGCs, rates penalties	364	343	379	398	409	424	439	447	460	476	487
Targeted rates	595	705	865	905	936	945	987	987	1,023	1,033	1,055
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	708	817	780	798	821	844	869	896	926	958	993
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL OPERATING FUNDING</b>	<b>1,667</b>	<b>1,865</b>	<b>2,024</b>	<b>2,101</b>	<b>2,166</b>	<b>2,213</b>	<b>2,295</b>	<b>2,332</b>	<b>2,409</b>	<b>2,467</b>	<b>2,535</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	(1,080)	(1,369)	(1,483)	(1,322)	(1,376)	(1,398)	(1,447)	(1,474)	(1,528)	(1,560)	(1,618)
Finance costs	(10)	(10)	(15)	(23)	(21)	(19)	(17)	(15)	(13)	(9)	(8)
Internal charges and overheads applied	(548)	(561)	(689)	(720)	(725)	(743)	(775)	(782)	(803)	(841)	(846)
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>(1,638)</b>	<b>(1,940)</b>	<b>(2,187)</b>	<b>(2,065)</b>	<b>(2,122)</b>	<b>(2,160)</b>	<b>(2,239)</b>	<b>(2,271)</b>	<b>(2,344)</b>	<b>(2,410)</b>	<b>(2,472)</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>29</b>	<b>(75)</b>	<b>(163)</b>	<b>36</b>	<b>44</b>	<b>53</b>	<b>56</b>	<b>61</b>	<b>65</b>	<b>57</b>	<b>63</b>
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt (internal debt)	19	72	158	(36)	(38)	(39)	(41)	(44)	(46)	(38)	(39)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated sources of funding	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>19</b>	<b>72</b>	<b>158</b>	<b>(36)</b>	<b>(38)</b>	<b>(39)</b>	<b>(41)</b>	<b>(44)</b>	<b>(46)</b>	<b>(38)</b>	<b>(39)</b>

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## WHAT IT WILL COST FOR REGULATORY AND EMERGENCY SERVICES

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Applications of capital funding</b>											
Capital expenditure to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure to replace existing assets	(42)	0	0	0	0	0	0	0	0	0	0
(Increase) decrease in reserves	2	19	21	16	10	3	3	1	0	0	(3)
(Increase) decrease of investments	(8)	(16)	(16)	(16)	(16)	(17)	(18)	(18)	(19)	(19)	(21)
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>(48)</b>	<b>3</b>	<b>5</b>	<b>0</b>	<b>(6)</b>	<b>(14)</b>	<b>(15)</b>	<b>(17)</b>	<b>(19)</b>	<b>(19)</b>	<b>(24)</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(29)</b>	<b>75</b>	<b>163</b>	<b>(36)</b>	<b>(44)</b>	<b>(53)</b>	<b>(56)</b>	<b>(61)</b>	<b>(65)</b>	<b>(57)</b>	<b>(63)</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# CALLS WE HAVE MADE IN PUTTING BUDGETS FOR THIS PLAN TOGETHER

## KEY PLANNING ASSUMPTIONS FOR REGULATORY AND EMERGENCY SERVICES

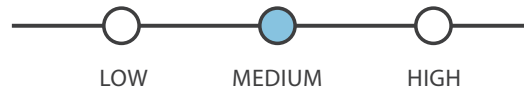
### WHAT WE HAVE ASSUMED

### LEVEL OF UNCERTAINTY

### WHAT WOULD HAPPEN IF THIS CHANGED:

#### Building consent authority changes

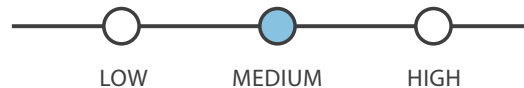
Council assumes that, in light of the government-initiated review of Building Consent Authorities (BCAs), Council will retain its role as a BCA and that its role will not significantly change.



That Council's responsibilities regarding building consents could significantly change which could have flow on budgetary implications.

#### Dangerous and insanitary and earthquake prone building changes

Following Initial Earthquake Prone assessments (IEPs) there are a number of Council buildings that require in-depth structural analyses. The results of these analyses may add significantly to workloads. However, Council assumes this can be accommodated within existing budgets and resources.



New workloads cannot be accommodated within existing resources, which will have financial implications.

# INTERNAL SERVICES

Internal services play an important role in enabling Council to function.

## WHAT WE DO

Several internal services support our significant activities in delivering services to our communities. These include corporate management, human resources, policy and communications, district assets operations, regulatory operations, forestry, treasury, information services, geographic information systems (GIS) and the running and maintenance of our main office in Balclutha.

## WHY WE DO IT

Internal services play an integral role in enabling Council to function.

## MAINTAINING CURRENT LEVELS OF SERVICE

Ongoing renewal work is planned for Council's Rosebank Terrace head office, including for the interior of the building, and for regular information technology renewals including GIS software and aerial photography updates. This area is also responsible for helping Council produce an update of the Long Term Plan.

## IMPROVEMENTS OR CHANGES WE'RE PROPOSING

### REVIEW OF INVESTMENTS INCLUDING FORESTRY AND PROPERTY

Council has developed policy for a continuous review of Council property, with a view to holding property for specific purposes only. Where no purpose exists the property is to be leased or divested, for the best return to the ratepayer. Council has also confirmed that it does not view property as an investment.

In respect to forestry property, Council has determined to initiate a Request for Proposal (RFP) process in order to realise the best return possible for the ratepayer. There are budgets for forestry tending operations which are offset by harvesting income. Council considers its forestry portfolio as a historical investment that should make an appropriate return, including consideration of limited divestment.

### IT INVESTMENT

Council has not heavily invested in technology in the past although we have continued to fund depreciation. It has been identified that our current IT systems are adding risk to our business, and are not adding sufficient value. Staged upgrades have been included in this plan to move to new systems that will make substantial improvements to our processes and how we operate, and ensure we keep our technology up-to-date and relevant in the years to come.

Improvements to Council's website are also programmed for 2015/16. Council will progressively move to an e-business friendly IT environment, making it easier for our customers to interact with Council.

## WHAT WE ARE PLANNING FOR INTERNAL SERVICES

PROJECT (All in \$000s)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Renew IT systems	425	150	25							
Replace PABX phone system	25									
Website update and development	170									
Regular IT renewals	25	25	25		25	25	25	25	25	25
GIS Aerial Photography renewals	55	25					25	50	25	
Administration Office renewals	46	59	18		387	385	50	70	31	24

### WORK WE WILL BE FOCUSING ON IN THIS PLAN:

- Considering options for future organisational structure
- Taking a staged approach to replacing and improving our IT systems
- Website improvements
- Ongoing review of Council's property
- Implementation of a 'best return' approach to the forestry portfolio

## WHAT WE'RE AIMING FOR

WHAT WE'RE WORKING TOWARDS (level of service)	HOW WE'LL MEASURE PROGRESS	HOW WE'RE PERFORMING NOW 2013/14	WHAT WE'RE AIMING FOR			
			2015/16	2016/17	2017/18	2018/19 - 2024/25
<b>We handle customer requests for service efficiently and effectively</b>	Percentage of service requests resolved within timeframes	NM	90%	90%	90%	90%
	Percentage of customers satisfied with the response time for their service request	NM	>85%	>85%	>85%	>85%
	Percentage of ratepayers satisfied with advice and helpfulness of Council staff	NM	>75%	>75%	>75%	>75%

**NM** = New measure

## WHAT IT WILL COST FOR INTERNAL SERVICES

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Sources of Operating Funding</b>											
General rates, UAGCs, rates penalties	409	280	305	332	300	327	357	323	354	388	350
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	369	1,087	374	384	394	405	417	431	445	460	477
Internal charges and overheads recovered	3,845	4,270	4,616	4,824	4,855	4,970	5,194	5,230	5,370	5,606	5,658
Fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL OPERATING FUNDING</b>	<b>4,623</b>	<b>5,637</b>	<b>5,295</b>	<b>5,540</b>	<b>5,549</b>	<b>5,702</b>	<b>5,968</b>	<b>5,984</b>	<b>6,169</b>	<b>6,454</b>	<b>6,485</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	(4,374)	(4,458)	(4,570)	(4,781)	(4,758)	(4,892)	(5,138)	(5,130)	(5,319)	(5,582)	(5,581)
Finance costs	(50)	(59)	(57)	(70)	(82)	(79)	(76)	(73)	(70)	(67)	(63)
Internal charges and overheads applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>(4,424)</b>	<b>(4,517)</b>	<b>(4,627)</b>	<b>(4,851)</b>	<b>(4,840)</b>	<b>(4,971)</b>	<b>(5,214)</b>	<b>(5,203)</b>	<b>(5,389)</b>	<b>(5,649)</b>	<b>(5,644)</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>199</b>	<b>1,120</b>	<b>668</b>	<b>689</b>	<b>709</b>	<b>731</b>	<b>754</b>	<b>781</b>	<b>780</b>	<b>805</b>	<b>841</b>
<b>Sources of Capital Funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt (internal debt)	(19)	(40)	214	214	(56)	(59)	(62)	(65)	(68)	(71)	(75)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated sources of funding	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>(19)</b>	<b>(40)</b>	<b>214</b>	<b>214</b>	<b>(56)</b>	<b>(59)</b>	<b>(62)</b>	<b>(65)</b>	<b>(68)</b>	<b>(71)</b>	<b>(75)</b>

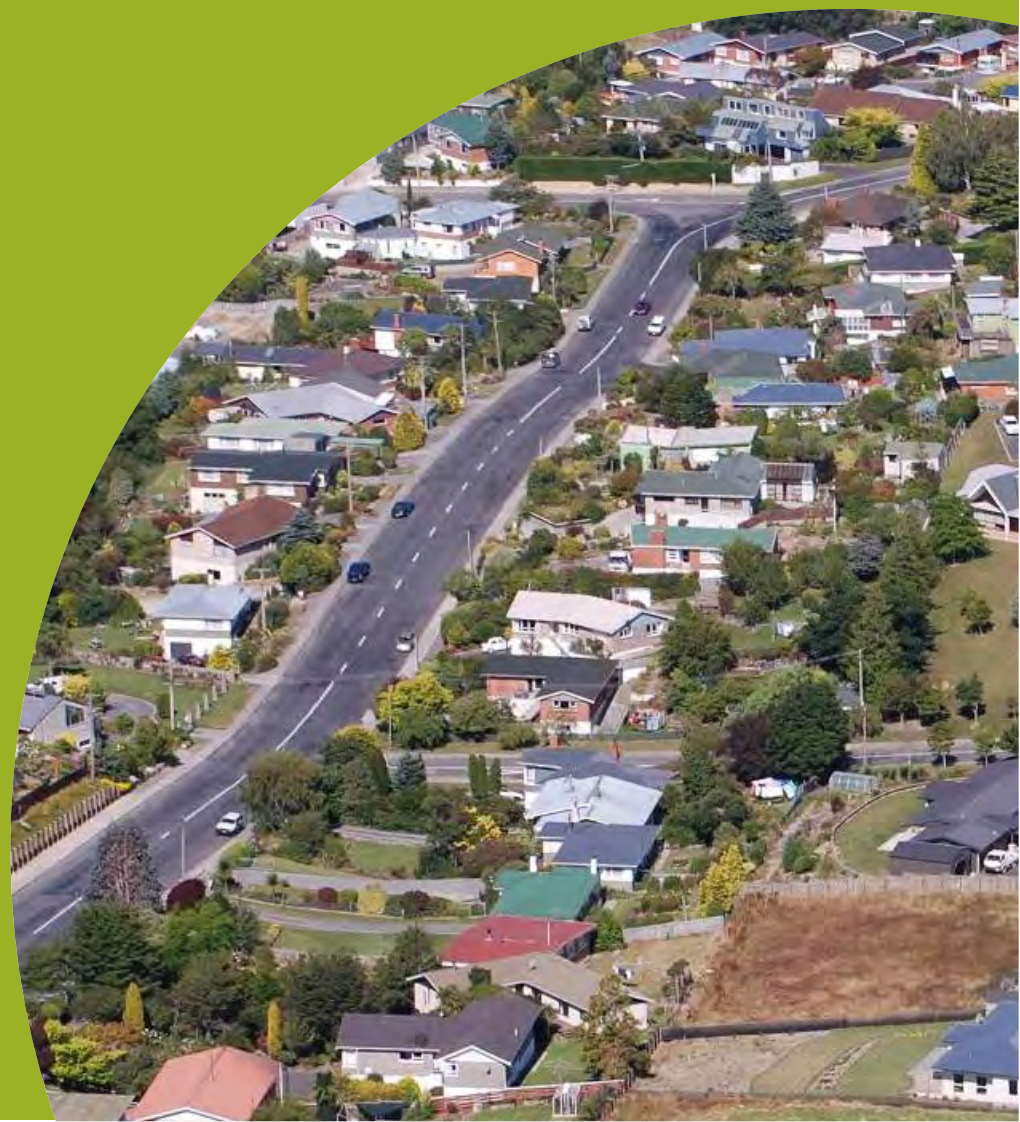
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## WHAT IT WILL COST FOR INTERNAL SERVICES

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Applications of capital funding</b>											
Capital expenditure to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure to improve the level of service	(104)	(200)	(256)	(262)	0	0	0	0	0	0	0
Capital expenditure to replace existing assets	(183)	(931)	(342)	(72)	(360)	(302)	(57)	(89)	(92)	(55)	(40)
(Increase) decrease in reserves	(29)	(841)	(381)	(386)	(393)	(405)	(417)	(431)	(420)	(435)	(453)
(Increase) decrease of investments	136	892	97	(183)	100	35	(218)	(196)	(200)	(244)	(273)
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>(180)</b>	<b>(1,080)</b>	<b>(882)</b>	<b>(903)</b>	<b>(653)</b>	<b>(672)</b>	<b>(692)</b>	<b>(716)</b>	<b>(712)</b>	<b>(734)</b>	<b>(766)</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(199)</b>	<b>(1,120)</b>	<b>(668)</b>	<b>(689)</b>	<b>(709)</b>	<b>(731)</b>	<b>(754)</b>	<b>(781)</b>	<b>(780)</b>	<b>(805)</b>	<b>(841)</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# RATES

YOUR COMMUNITY YOUR COUNCIL YOUR FUTURE 2015/25





# FUNDING IMPACT STATEMENT (WHOLE OF COUNCIL)

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Sources of Operating Funding</b>											
General rates, UAGC's, rates penalties	4,675	4,677	4,852	5,012	5,091	5,277	5,451	5,558	5,731	5,984	6,090
Targeted rates	18,966	19,748	20,389	21,043	21,721	22,546	23,153	23,657	24,406	25,144	25,422
Subsidies and grants for operating purposes	2,713	3,049	3,083	3,123	3,190	3,260	3,369	3,401	3,476	3,550	3,635
Fees and charges	3,475	4,594	3,992	3,990	4,089	4,195	4,307	4,432	4,564	4,708	4,864
Interest and dividends from investments	641	691	656	644	657	671	690	843	993	1,167	1,361
Fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL SOURCES OF OPERATING FUNDING</b>	<b>30,470</b>	<b>32,759</b>	<b>32,972</b>	<b>33,812</b>	<b>34,748</b>	<b>35,949</b>	<b>36,970</b>	<b>37,891</b>	<b>39,170</b>	<b>40,553</b>	<b>41,372</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	(24,530)	(24,182)	(25,099)	(25,545)	(26,118)	(26,889)	(27,676)	(28,220)	(29,027)	(29,864)	(30,620)
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>(24,530)</b>	<b>(24,182)</b>	<b>(25,099)</b>	<b>(25,545)</b>	<b>(26,118)</b>	<b>(26,889)</b>	<b>(27,676)</b>	<b>(28,220)</b>	<b>(29,027)</b>	<b>(29,864)</b>	<b>(30,620)</b>
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>5,940</b>	<b>8,577</b>	<b>7,873</b>	<b>8,267</b>	<b>8,630</b>	<b>9,060</b>	<b>9,294</b>	<b>9,671</b>	<b>10,143</b>	<b>10,689</b>	<b>10,752</b>

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# FUNDING IMPACT STATEMENT (WHOLE OF COUNCIL)

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	5,475	7,545	4,956	4,520	4,793	5,348	4,880	5,183	4,918	6,072	5,407
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>5,475</b>	<b>7,545</b>	<b>4,956</b>	<b>4,520</b>	<b>4,793</b>	<b>5,348</b>	<b>4,880</b>	<b>5,183</b>	<b>4,918</b>	<b>6,072</b>	<b>5,407</b>
<b>Applications of capital funding</b>											
Capital expenditure to meet additional demand	(632)	0	0	0	0	0	0	0	0	0	0
Capital expenditure to improve the level of service	(6,382)	(9,904)	(2,905)	(3,372)	(2,070)	(3,510)	(878)	(672)	(670)	(1,374)	(764)
Capital expenditure to replace existing assets	(13,318)	(12,013)	(10,199)	(9,128)	(11,030)	(10,530)	(9,885)	(10,821)	(10,527)	(11,035)	(12,070)
(Increase) decrease in reserves	264	52	19	(7)	(4)	47	(19)	(13)	(10)	(36)	(22)
(Increase) decrease of investments	8,653	5,743	256	(280)	(319)	(415)	(3,392)	(3,348)	(3,854)	(4,316)	(3,303)
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>(11,415)</b>	<b>(16,122)</b>	<b>(12,829)</b>	<b>(12,787)</b>	<b>(13,423)</b>	<b>(14,408)</b>	<b>(14,174)</b>	<b>(14,854)</b>	<b>(15,061)</b>	<b>(16,761)</b>	<b>(16,159)</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(5,940)</b>	<b>(8,577)</b>	<b>(7,873)</b>	<b>(8,267)</b>	<b>(8,630)</b>	<b>(9,060)</b>	<b>(9,294)</b>	<b>(9,671)</b>	<b>(10,143)</b>	<b>(10,689)</b>	<b>(10,752)</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# DETAILED DESCRIPTION OF RATE FUNDING MECHANISMS

Council has set the following rates for the year commencing 1 July 2015 and ending 30 June 2016 in accordance with the Local Government Act 2002 and the Local Government (Rating) Act 2002. Total rates to be collected by Council is \$27,882,678. The Uniform Annual General Charge makes up \$5,227,500 or 18.7% of this total. All monetary values disclosed are inclusive of GST.

## DEFINITIONS

**UAGC** - A 'Uniform Annual General Charge' is a rate set at a fixed amount and which every SUIP pays.

**SUIP** - A 'separately used or inhabited part of a rating unit' includes any part or parts of a property that can be separately used or occupied in addition to the principal habitation or use.

**'On demand' water supply** - A supply which is available on demand directly from the point of supply subject to the agreed level of service.

**'Restricted' water supply** - A type of water supply connection where a small flow is supplied through a flow control device, and storage is provided by the customer to cater for the customer's demand fluctuations.

## COMMUNITY LEADERSHIP

### Community Board Targeted Rate

	FIXED CHARGE (\$ PER SUIP)	TOTAL AMOUNT TO BE COLLECTED (\$)
West Otago Community Board	49.60	62,900
Lawrence/Tuapeka Community Board	135.50	122,600
<b>TOTAL</b>		<b>185,500</b>

## COMMUNITY BOARDS

Council has set 'Community Board' rates to fund the cost of its two community boards and local projects within the community board areas (for example main street upgrades). The rates are set as a fixed charge per separately used or inhabited part of a

rating unit (SUIP) within each community board area as per the table above:

## WEST OTAGO HEALTH TRUST

Council has set a targeted rate per separately used or inhabited part of a rating unit (SUIP) for those within the West Otago Health

Trust service catchment area. The rate is set to fund repayment of loans taken out for Council's grant to West Otago Health for the construction of their facility in Tapanui. The rate is set as a fixed charge of \$68.40 per SUIP. The total amount to be collected is \$87,200.

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## UNIFORM ANNUAL GENERAL CHARGE (UAGC)

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Activity	AMOUNT (\$) PER UAGC	TOTAL AMOUNT TO BE COLLECTED (\$)
Council	100.90	1,066,800
Community Development	68.10	719,200
Economic Development	65.80	695,800
Policy and Communication	30.60	323,100
District-Wide Main Street	1.10	11,100
Main Street Improvements	3.40	35,600
Parks, Reserves, Sportsgrounds and Playgrounds	23.60	249,300
Halls and Community Centres	11.80	124,800
Swimming Pools	35.20	371,800
Service and Information Centres	57.80	610,900
Libraries	77.50	819,400
Animal Control	1.30	13,300
Civil Defence & Emergency Services	23.30	246,200
Cemeteries	11.00	116,000
Public Conveniences	39.80	421,000
Environmental Health	13.80	146,600
Rural Fire	9.90	104,600
Waihola Domain & Kaka Point Foreshore	3.90	41,100
Waste Minimisation	7.00	74,400
<b>SUB TOTAL</b>	<b>585.80</b>	<b>6,191,000</b>
<b>Income</b>		
Property	23.60	249,700
General - Petrol Tax and Investment Income	64.80	684,400
In-house Professional Services	2.70	29,400
<b>SUB TOTAL</b>	<b>91.10</b>	<b>963,500</b>
<b>TOTAL</b>	<b>494.70</b>	<b>5,227,500</b>

Council has set a 'UAGC' of \$494.70 on each separately used or inhabited part of a rating unit (SUIP) in the district.

The amount to be collected is \$5,227,500.

The activities that the UAGC is used to fund, as well as the income sources that offset the UAGC, are outlined to the left.

## DISTRICT ROADING

Council has set a 'District Roading' rate on every rating unit in the district. The rate is 0.043552 cents per \$1 of capital value.

The amount to be collected is \$3,176,300.

## LOCAL ROADING

Council has set a 'Local Roading' Rate on every rating unit in the district. This rate funds the construction and maintenance of roads and footpaths within a locality/rating area. For Balclutha and Milton the local roading rate also includes their portion of costs of funding main street improvements.

The rate is set on a differential basis based on location and incorporates a fixed charge component and a component based on land value. Only one fixed charge component will be charged per rating unit.

The amount to be collected is \$5,550,800.

## NEW FOOTPATHS

Council has set a 'New Footpath Rate' to fund repayment of loans taken out for new footpaths.

The rate is set as a fixed charge per separately used or inhabited part of a rating unit (SUIP) in each local roading rating area as per the table to the right:

The total to be collected is \$212,300.

### Local Roading Targeted Rate

	FIXED CHARGE (\$) PER RATING UNIT	CENTS PER \$ OF LAND VALUE	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha	57.50	0.28647	439,000
Clinton	57.50	0.99957	36,800
Kaitangata	57.50	1.45194	115,000
Kaka Point	57.50	0.08790	41,500
Lawrence	57.50	0.27899	67,400
Milton	57.50	0.21487	143,500
Owaka	57.50	0.38624	35,400
Stirling	57.50	0.32886	24,600
Tapanui	57.50	0.45739	56,900
Waihola	57.50	0.06726	22,700
Rural	57.50	0.09088	4,568,000
<b>TOTAL</b>			<b>5,550,800</b>

### New Footpaths Targeted Rate

	FIXED CHARGE (\$) PER SUIP	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha	46.10	99,000
Clinton	13.80	2,600
Kaitangata	17.50	7,500
Kaka Point	27.00	7,600
Lawrence	13.30	4,700
Milton	68.00	74,400
Owaka	39.20	8,100
Stirling	23.30	3,500
Tapanui	10.70	4,900
<b>TOTAL</b>		<b>212,300</b>

## URBAN WATER SUPPLY

Council has set a uniform targeted rate for customers who receive potable water from an 'on demand' supply and a uniform targeted rate for customers who receive potable water from a 'restricted' supply. These rates will be set up as a fixed charge for each for each SUIP.

These rates will be further differentiated based on whether the service is actually provided or is just available but not actually connected. The final determination of these rates will also include operating and capital costs.

On demand water rates will be charged for each connection to an unrestricted water supply.

Restricted water rates will be charged to a water supply connection where a small flow is supplied through a flow control device, and storage is provided by the customer to cater for the customer's demand fluctuations.

The restricted rate will be set at 85% of the on demand rate.

Council will spread the implementation of uniform

rates by approximately 1/6 each year for 5 years with full implementation in year 6.

Council will change each of the rates payable in the current 11 areas by 1/6 every year either up or down depending on what the uniform rate will be. This means Council will maintain a differentiated rate for 5 years for the 11 areas with uniform targeted rates commencing in year 6, the 2020/21 financial year.

The total amount to be collected is \$2,921,200.

The rate for each scheme is shown in the table below:

### Urban Water Supply Targeted Rate

	FIXED CHARGE (\$) PER CONNECTION	FIXED CHARGE (\$) PER SERVICABLE SUIP	TOTAL AMOUNT TO BE COLLECTED (\$)	
Balclutha	395.20	197.60	826,300	On-demand
Benhar	466.40	00	24,500	On-demand
Clinton	651.00	325.50	121,000	Restricted
Kaitangata	593.10	296.55	264,300	On-demand
Kaka Point	555.00	277.50	143,100	Restricted
Lawrence	649.40	324.70	258,500	On-demand
Milton	657.30	328.65	708,900	On-demand
Owaka	294.70	147.35	62,400	Restricted
Stirling	443.50	211.75	57,000	On-demand
Tapanui	657.30	328.65	357,400	On-demand
Waihola	465.90	232.95	97,800	Restricted
<b>TOTAL</b>			<b>2,921,200</b>	

## RURAL WATER SCHEMES

Council has set 'Rural Water Scheme' rates to fund the operation, maintenance and capital expenditure for individual rural water schemes. The total amount to be collected is \$4,591,200. The rate is set as a fixed charge for each unit (one cubic metre of water per day) of water supplied, differentiated by scheme as per the table to the right:

## SEWERAGE UPGRADE SUPPORT

Council has set a 'District Sewerage Upgrade Support' rate on every rating unit in the district. This will be used to fund investigations into establishing new sewerage schemes and improving sewage disposal from existing systems. The rate is 0.001106 cents per \$1 of capital value.

The amount to be collected is \$80,600.

## SEWERAGE

Council has set a targeted uniform sewerage rate for each separately used or inhabited part of a rating unit (SUIP) that is either connected to one of the following schemes, or for which a connection is available. Council will spread the implementation of the new rates by approximately 1/6 each year for 5 years with full implementation in year 6. Council will change each of the rates payable in the current 11 areas by 1/6 every year either up or down depending on what the uniform rate will be. This means Council will maintain a differentiated rate for 5 years for the 11 areas with uniform targeted rates commencing in year 6, the 2020/21 financial year.

The total amount to be collected is \$2,053,100.

The rate for each scheme is shown in the table to the right:

### Rural Water Scheme Targeted Rate

	FIXED CHARGE (\$) PER UNIT SUPPLIED	TOTAL AMOUNT TO BE COLLECTED (\$)
Balmoral 1	292.40	217,800
Balmoral 2	287.80	462,100
Clydevale/Pomahaka	356.00	700,000
Glenkenich	241.50	494,400
Moa Flat	180.20	467,700
North Bruce	247.30	476,900
Richardson	277.30	685,500
South Bruce	162.50	247,900
Tuapeka	314.00	505,800
Waipahi	219.40	173,500
Wangaloa	387.30	159,600
<b>TOTAL</b>		<b>4,591,200</b>

### Sewerage Targeted Rate

	FIXED CHARGE (\$) PER CONNECTION	FIXED CHARGE (\$) PER SERVICABLE SUIP	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha (including Benhar)	289.70	144.85	596,700
Clinton	501.30	250.65	94,900
Heriot	507.90	0.00	42,200
Kaitangata	352.90	176.45	133,600
Kaka Point	509.80	254.90	142,600
Lawrence	526.60	263.30	177,900
Milton (including Tokoiti)	316.90	158.45	326,700
Owaka (including Pounaweia)	582.00	291.00	145,000
Stirling	582.00	291.00	89,800
Tapanui	367.80	183.90	159,900
Waiholo	466.40	233.20	96,400
<b>TOTAL</b>			<b>2,053,100</b>

## SEWERAGE LOAN RATES

Council has set 'Sewerage Loan' rates to repay loans taken out to fund the capital cost of certain sewerage schemes. The rate is set as a fixed charge for each separately used or inhabited part of a rating unit (SUIP) that is either connected to one of the following schemes, or for which a connection is available, that did not elect to make a lump sum contribution. The rate for Balclutha is differentiated based on the provision or availability of the service provided by Council (the categories are "connected" and "serviceable"). The rate for Benhar and Tokoiti is differentiated based on rating area. The total amount to be collected is \$110,100. The rate for each scheme is shown in the table to the right:

### Sewerage Capital Targeted Loan Rate

	FIXED CHARGE (\$) PER CONNECTION	FIXED CHARGE (\$) PER SERVICABLE SUIP	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha	86.40	43.20	47,300
	FIXED CHARGE (\$) PER SERVICABLE SUIP AREA A	FIXED CHARGE (\$) PER SERVICABLE SUIP AREA B	TOTAL AMOUNT TO BE COLLECTED (\$)
Benhar	972.00	885.00	38,200
Tokoiti	755.00	596.00	24,600
<b>TOTAL</b>			<b>110,100</b>

## STORMWATER

Council has set a uniform targeted stormwater rate for each separately used or inhabited part of a rating unit (SUIP) that is either connected, or for which a connection is available.

Council will spread the implementation of uniform rates by approximately 1/6 each year for 5 years with full implementation in year 6. Council will change each of the rates payable in the current 13 areas by 1/6 every year either up or down depending on what the uniform rate will be. This means Council will maintain a differentiated rate for 5 years for the 13 areas with uniform targeted rates commencing in year 6, the 2020/21 financial year. The total amount to be collected is \$615,700. The rate for each scheme is shown in the table to the right:

### Stormwater Targeted Rate

	FIXED CHARGE (\$) PER CONNECTION	FIXED CHARGE (\$) PER SUIP	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha	128.90	64.45	224,800
Clinton	123.50	61.75	19,300
Heriot*	23.70	11.85	5,000
Kaitangata	95.80	47.90	30,700
Kaka Point	90.10	45.05	19,400
Lawrence	117.50	58.75	34,400
Milton	202.80	101.40	171,600
Owaka	84.70	42.35	18,100
Pounawea*	23.70	11.85	5,100
Stirling*	23.70	11.85	10,600
Tapanui	127.30	63.65	53,500
Taieri Mouth*	23.70	11.85	9,600
Waiholā*	23.70	11.85	13,600
<b>TOTAL</b>			<b>615,700</b>

\* Heriot, Pounawea, Stirling, Taieri Mouth and Waiholā stormwater rates will take effect from 1 July 2015.



## COMMUNITY SERVICES

Council has set a 'Community Services' rate on all rating units in the district. This rate is used to fund Swimming Pools, Town Halls, Community Centres, Parks and Reserves, Sportsgrounds, and in the rural area; Rural Fire.

The amount to be collected is \$1,579,900.

The rate is set on a differential basis based on location and is based on land value as per the table to the right:

### Community Services Targeted Rate

	CENTS PER \$ OF LAND VALUE	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha	0.63653	811,100
Clinton	1.18373	30,400
Kaitangata	0.81958	50,500
Kaka Point	0.29481	9,500
Lawrence	0.26282	44,300
Milton	0.54156	224,700
Owaka	0.41531	26,300
Stirling	0.85836	0
Tapanui	0.48449	33,900
Waihola	0.08418	18,100
Rural	0.00700	331,100
<b>TOTAL</b>		<b>1,579,900</b>

## CROSS RECREATION CENTRE

Council has set a 'Cross Recreation Centre' rate to fund repayment of loans taken out for Council's grant towards the construction of the Cross Recreation Centre in Balclutha.

The amount to be collected is \$218,300.

The rate is set as a fixed charge per separately used or inhabited part of a rating unity (SUIP) in the district and is set differentially by location (electoral ward) according to the proximity of the ward to the facility as per the table to the right:

### Cross Recreation Centre Targeted Rate

	FIXED CHARGE (\$ PER SUIP)	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha	37.30	107,800
Clutha Valley, Kaitangata-Matau	27.90	35,100
Clinton, Catlins	18.60	32,200
Lawrence-Tuapeka, Bruce	11.20	38,500
West Otago	3.70	4,700
<b>TOTAL</b>		<b>218,300</b>

## **SOLID WASTE MANAGEMENT**

A 'Waste Management' rate has been set to fund waste collection and disposal services. This rate is set as a fixed charge of \$136.70 per pair of wheelie bins.

The amount to be collected is \$823,600.

## **PLANNING/ REGULATORY**

Council has set a 'Planning/Regulatory' rate on every rating unit in the district. This will part-fund resource management, building control and environmental health. The rate is 0.006848 cents per \$1 of capital value.

The amount to be collected is \$499,400.

# RATES EXAMPLES

			GENERAL (UAGC)	ROADING	WATER	SEWERAGE	STORM WATER	SOLID WASTE	COMMU- NITY SERVICES	OTHER	TOTAL
<b>Residential - Balclutha</b>											
Land Value	48,000	2014/15 (ACTUAL)	494	325	353	249	126	163	274	50	2,034
Capital Value	195,000	2015/16 (FORECAST)	495	326	395	290	129	137	306	53	2,130
		Change 14/15 To 15/16	1	1	42	41	3	-27	32	3	96
			0.2%	0.3%	12.0%	16.3%	2.2%	-16.3%	11.6%	5.8%	4.7%

## Residential - Clinton

Land Value	9,000	2014/15 (ACTUAL)	494	195	661	515	120	163	104	23	2,275
Capital Value	60,000	2015/16 (FORECAST)	495	187	651	501	124	137	106	23	2,225
		Change 14/15 To 15/16	1	-8	-10	-13	4	-27	2	0	-50
			0.2%	-4.0%	-1.5%	-2.6%	3.2%	-16.3%	2.1%	2.1%	-2.2%

## Residential - Heriot

Land Value	9,000	2014/15 (ACTUAL)	494	133	362	465	-	163	1	131	1,749
Capital Value	149,000	2015/16 (FORECAST)	495	131	361	508	24	137	1	134	1,789
		Change 14/15 To 15/16	1	-2	-1	43	24	-27	-0	3	40
			0.2%	-2.2%	-0.4%	9.3%	new	-16.3%	-35.1%	2.1%	2.3%

## Residential - Kaitangata

Land Value	10,000	2014/15 (ACTUAL)	494	293	590	334	87	163	232	33	2,224
Capital Value	84,000	2015/16 (FORECAST)	495	257	593	353	96	137	82	35	2,047
		Change 14/15 To 15/16	1	-36	3	19	9	-27	-150	2	-178
			0.2%	-12.3%	0.5%	5.8%	10.8%	-16.3%	-64.7%	5.3%	-8.0%

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## RATES EXAMPLES

			GENERAL (UAGC)	ROADING	WATER SEWERAGE	STORM WATER	SOLID WASTE	COMMU- NITY SERVICES	OTHER	TOTAL	
<b>Residential - Kaka Point</b>											
Land Value	140,000	2014/15 (ACTUAL)	494	337	558	485	80	163	355	57	2,527
Capital Value	285,000	2015/16 (FORECAST)	495	332	555	510	90	137	412	60	2,591
		Change 14/15 To 15/16	1	-5	-3	25	10	-27	57	3	63
			0.2%	-1.5%	-0.5%	5.2%	13.2%	-16.3%	16.2%	5.9%	2.5%

### Residential - Lawrence

Land Value	46,000	2014/15 (ACTUAL)	494	273	653	568	113	163	80	93	2,436
Capital Value	165,000	2015/16 (FORECAST)	495	271	649	527	118	137	121	160	2,477
		Change 14/15 To 15/16	1	-2	-3	-41	5	-27	41	67	41
			0.2%	-0.9%	-0.5%	-7.2%	4.5%	-16.3%	51.4%	72.1%	1.7%

### Residential - Milton

Land Value	40,000	2014/15 (ACTUAL)	494	287	661	282	215	163	184	23	2,308
Capital Value	165,000	2015/16 (FORECAST)	495	283	657	317	203	137	216	24	2,333
		Change 14/15 To 15/16	1	-3	-4	35	-12	-27	32	1	24
			0.2%	-1.2%	-0.6%	12.5%	-5.6%	-16.3%	17.4%	6.3%	1.1%

### Residential - Owaka

Land Value	25,000	2014/15 (ACTUAL)	494	244	251	586	73	163	100	26	1,936
Capital Value	105,000	2015/16 (FORECAST)	495	239	295	582	85	137	104	27	1,963
		Change 14/15 To 15/16	1	-5	44	-4	12	-27	4	1	27
			0.2%	-1.9%	17.6%	-0.6%	15.8%	-16.3%	3.5%	4.4%	1.4%

## RATES EXAMPLES

			GENERAL (UAGC)	ROADING	WATER	SEWERAGE	STORM WATER	SOLID WASTE	COMMU- NITY SERVICES	OTHER	TOTAL
<b>Residential - Pounaweia</b>											
Land Value	62,000	2014/15 (ACTUAL)	494	257	-	-	-	163	8	36	957
Capital Value	225,000	2015/16 (FORECAST)	495	212	-	-	24	137	4	43	908
		Change 14/15 To 15/16	1	-45	-	-	24	-27	-3	8	-49
			0.2%	-17.5%	-	-	new	-16.3%	-42.2%	21.6%	-5.1%

### Residential - Stirling

Land Value	36,000	2014/15 (ACTUAL)	494	289	387	586	-	163	290	50	2,259
Capital Value	200,000	2015/16 (FORECAST)	495	286	424	582	24	137	309	53	2,309
		Change 14/15 To 15/16	1	-3	37	-4	24	-27	19	3	50
			0.2%	-0.9%	9.5%	-0.6%	new	-16.3%	6.5%	5.7%	2.2%

### Residential - Taieri Mouth

Land Value	113,000	2014/15 (ACTUAL)	494	341	-	-	-	-	11	36	881
Capital Value	350,000	2015/16 (FORECAST)	495	313	-	-	24	-	8	39	878
		Change 14/15 To 15/16	1	-28	-	-	24	-	-3	3	-3
			0.2%	-8.2%	-	-	new	-	-26.6%	8.9%	-0.3%

### Residential - Tapanui

Land Value	14,000	2014/15 (ACTUAL)	494	201	662	371	124	163	56	131	2,202
Capital Value	160,000	2015/16 (FORECAST)	495	202	657	368	127	137	68	135	2,188
		Change 14/15 To 15/16	1	1	-4	-3	3	-27	12	4	-13
			0.2%	0.5%	-0.6%	-0.9%	2.5%	-16.3%	21.6%	2.7%	-0.6%

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# RATES EXAMPLES

			GENERAL (UAGC)	ROADING	WATER	SEWERAGE	STORM WATER	SOLID WASTE	COMMUN- NITY SERVICES	OTHER	TOTAL
<b>Residential - Waiholā</b>											
Land Value	76,000	2014/15 (ACTUAL)	494	201	456	498	-	163	78	25	1,916
Capital Value	180,000	2015/16 (FORECAST)	495	187	466	466	24	137	78	64	1,864
		Change 14/15 To 15/16	1	-14	10	-32	24	-27	-	39	-52
			0.2%	-7.0%	2.2%	-6.4%	new	-16.3%	0.0%	151.4%	-2.7%

## Lifestyle

Land Value	300,000	2014/15 (ACTUAL)	494	574	-	-	-	163	26	157	1,413
Capital Value	180,000	2015/16 (FORECAST)	495	570	-	-	-	137	21	166	1,388
		Change 14/15 To 15/16	1	-4	-	-	-	-27	-5	9	-25
			0.2%	-0.7%	-	-	-	-16.3%	-17.7%	5.6%	-1.8%

## Farming - Dairy

Land Value	1,820,000	2014/15 (ACTUAL)	494	2,805	-	-	-	-	162	150	3,611
Capital Value	2,250,000	2015/16 (FORECAST)	495	2,691	-	-	-	-	127	179	3,492
		Change 14/15 To 15/16	1	-114	-	-	-	-	-35	29	-119
			0.2%	-4.1%	-	-	-	-	-21.4%	19.2%	-3.3%

## Farming - Dairy

Land Value	4,710,000	2014/15 (ACTUAL)	494	6,572	-	-	-	-	371	378	7,815
Capital Value	6,210,000	2015/16 (FORECAST)	495	7,042	-	-	-	-	330	330	8,361
		Change 14/15 To 15/16	1	470	-	-	-	-	-41	-48	546
			0.2%	7.2%	-	-	-	-	-11.2%	-12.8%	7.0%

## RATES EXAMPLES

			GENERAL (UAGC)	ROADING	WATER SEWERAGE	STORM WATER	SOLID WASTE	COMMU- NITY SERVICES	OTHER	TOTAL
<b>Farming - Sheep &amp; Beef</b>										
Land Value	2,270,000	2014/15 (ACTUAL)	494	3,557	-	-	-	197	208	4,454
Capital Value	3,470,000	2015/16 (FORECAST)	495	3,632	-	-	-	159	276	4,561
		Change 14/15 To 15/16	1	75	-	-	-	-38	68	107
			0.2%	2.1%	-	-	-	-19.2%	32.9%	2.4%

### Farming - Sheep & Beef

Land Value	6,525,000	2014/15 (ACTUAL)	494	7,443	-	-	-	442	393	8,772
Capital Value	5,625,000	2015/16 (FORECAST)	495	8,011	-	-	-	394	519	9,419
		Change 14/15 To 15/16	1	568	-	-	-	-49	126	647
			0.2%	7.6%	-	-	-	-11.0%	32.0%	7.4%

### Forestry

Land Value	1,230,000	2014/15 (ACTUAL)	494	2,000	-	-	-	120	123	2,737
Capital Value	1,310,000	2015/16 (FORECAST)	495	1,746	-	-	-	86	132	2,459
		Change 14/15 To 15/16	1	-254	-	-	-	-34	9	-278
			0.2%	-12.7%	-	-	-	-28.5%	7.2%	-10.2%

### Commercial

Land Value	410,000	2014/15 (ACTUAL)	494	3,059	706	249	126	-	2,452	312	7,397
Capital Value	3,500,000	2015/16 (FORECAST)	495	2,802	790	290	129	-	2,610	316	7,432
		Change 14/15 To 15/16	1	-256	85	41	3	-	158	4	35
			0.2%	-8.4%	12.0%	16.3%	2.2%	-	6.4%	1.3%	0.5%

## RATES EXAMPLES

			GENERAL (UAGC)	ROADING	WATER SEWERAGE	STORM WATER	SOLID WASTE	COMMU- NITY SERVICES	OTHER	TOTAL	
<b>Commercial</b>											
Land Value	390,000	2014/15 (ACTUAL)	494	1,485	353	249	126	-	2,338	87	5,132
Capital Value	690,000	2015/16 (FORECAST)	495	1,475	395	290	129	-	2,483	92	5,358
		Change 14/15 To 15/16	1	-10	42	41	3	-	145	5	226
			0.2%	-0.7%	12.0%	16.3%	2.2%	-	6.2%	5.5%	4.4%

### Industrial

Land Value	325,000	2014/15 (ACTUAL)	494	1,504	353	498	126	163	1,939	111	5,188
Capital Value	1,000,000	2015/16 (FORECAST)	495	1,470	395	579	129	137	2,069	117	5,391
		Change 14/15 To 15/16	1	-33	42	81	3	-27	130	5	203
			0.2%	-2.2%	12.0%	16.3%	2.2%	-16.3%	6.7%	4.8%	3.9%

### Industrial

Land Value	135,000	2014/15 (ACTUAL)	494	1,613	661	282	215	-	15	213	3,491
Capital Value	2,500,000	2015/16 (FORECAST)	495	1,337	657	317	203	-	9	210	3,228
		Change 14/15 To 15/16	1	-276	-4	35	-12	-	-5	-3	-263
			0.2%	-17.1%	-0.6%	12.5%	-5.6%	-	-36.1%	-1.3%	-7.5%



# REVENUE AND FINANCING POLICY

## PURPOSE

The Revenue and Financing Policy outlines the funding mechanisms that Council has available to fund its operating and capital expenditure and how it intends to utilise each of them. The policy is a requirement of Section 102 of the Local Government Act 2002 (LGA).

The policy also identifies how Council intends to fund each of its activities, and outlines the considerations and rationale for the funding sources chosen.

Council has developed this policy in two steps. The first was to consider how Council funds each individual activity. The second was to look at the overall impact of the liability of these allocations on our community.

We are proposing some modifications to how we rate for urban water, sewerage and stormwater. Instead of a scheme-by-scheme user pays approach, Council is proposing a 'same service – same charge' approach. This would mean the introduction of uniform charges, regardless of whereabouts in the district the service is provided.

## FUNDING OF OPERATING EXPENDITURE

Council is required to ensure that each year's projected operating revenues are sufficient to meet the year's projected operating expenses. It may only vary this when it is financially prudent to do so, having regard to the requirements in section 100(2) of the Local Government Act 2002.

Operating expenditure is primarily funded through general and targeted rates, fees and charges. External funding assistance is provided for roading and waste minimisation. In some cases special or reserve funds may be used. Council will generate cash resources from operating revenue that can be used for capital renewal expenditure or debt repayment.

## FUNDING OF CAPITAL EXPENDITURE

In terms of capital expenditure, assets generally provide benefit for a longer period of time than when the actual expenditure on the asset is spent. In this case they are funded over a period of time as opposed to in the year they are acquired. The

exception to this is in the roading activity area where, apart from bridges, the annual capital expenditure generally matches the annual depreciation. Most capital expenditure (both renewals and new capital) is funded via depreciation reserves or special funds, or a combination of depreciation reserves, special funds and borrowing (depending upon the scale of the project). In some instances, e.g. a new water or sewerage scheme, a lump sum contribution is made by the consumers receiving the new service. Depending on the activity Financial Contributions are also used to fund capital expenditure.

## DEPRECIATION RESERVES

Depreciation is a measure of the decline in service level of an asset or group of assets. Any depreciation funded for Council assets is placed in an interest-earning depreciation reserve. The reserves are then used to fund the future costs of renewing the infrastructural assets as per Council's activity management plans.

## SPECIAL FUNDS

Special funds are also used for funding new capital or renewals. These funds have been contributed to from a number of sources, for example, historical funds, proceeds from the sale of endowment land, sale of assets and power shares.

## BORROWING

Where depreciation reserves or special funds are not sufficient to meet all the costs of a project, capital expenditure is generally funded by borrowing. This provides the immediate funding required for an asset, with the debt then being repaid over time through rates. The time period of the loan repayment is generally set over a period where the benefit of the asset will be realised, although this may be shorter for long-life assets, i.e. the loan is repaid before the end of the asset's useful life. Unless specifically stated in the 'details of funding for Council activities' section below, debt repayment becomes part of the operating costs and thus is funded from the same sources, in the same ratio, as for operating expenditure, over the life of the loan.

## OVERVIEW OF FUNDING MECHANISMS USED BY COUNCIL

The mechanisms that Council can use to fund its capital and operating costs are set out by section 103(2) of the LGA. Council intends to use these mechanisms in the following ways:

### UNIFORM ANNUAL GENERAL CHARGE

A uniform annual general charge (UAGC) is used to fund all or part of activities that provide a relatively equal benefit to the whole district. The UAGC is a fixed amount which is set on each separately used or inhabited part (SUIP) of a rating unit in the district. A SUIP means – a 'separately used or inhabited part of a rating unit' (SUIP) includes any part or parts of a

property that can be separately used or occupied in addition to the principal habitation or use.

### TARGETED RATES

Some targeted rates are set on all rateable properties in the district to part fund some activities that have an element of district-wide benefit, including roading, sewerage treatment upgrades, resource management and building control activities. These rates are set as a rate per dollar of capital value, which best reflects the contribution towards the need for the activities, and the benefit received from the activities.

Other targeted rates are used to fund all or part of activities that provide benefit to an identifiable community or group of ratepayers. These rates are targeted at those who benefit from the activity or who demand the level of service (identified by location or availability of service). They are either based on land value or are a uniform charge.

### VOLUNTARY TARGETED RATES

From time to time Council may offer to fund a specific activity on behalf of individual ratepayers because the activity meets Council objectives as well as being beneficial to the ratepayer. If such funds are made available they will be recovered over a specified time frame, at a specified interest rate, by way of a targeted rate. The scheme itself is self-funding, ratepayers who take up the offer repay the financial assistance (plus interest) through a targeted rate.

### LAND HOLDING GREATER THAN 1.2 HECTARES WITHIN TOWNSHIP BOUNDARIES

Council has defined areas of rateable land for the local roading and community services rate. For rural

land that falls within township boundaries, Council has applied a mechanism whereby areas equal to or greater than 1.2 hectares are split for rating purposes into an "a" and "b" assessment. The "a" assessment is calculated using the township rate (house and/or section) whilst the "b" assessment (remainder of the land) is calculated using the rural rate.

### FEES AND CHARGES

Fees and charges are utilised where practical if there is an identifiable private benefit from an activity, or where the actions of an individual create the need for the activity. Examples of fees include swimming pool charges, landfill fees, building consent fees and dog registration fees. When setting fees and charges, Council takes into account the effect the fees and charges would have on the accessibility of the facilities and services.

### LUMP SUM CONTRIBUTIONS

Lump sum contributions are utilised for some larger projects where new capital projects are loan funded. Ratepayers are given a choice of paying their share of the capital cost upfront in a voluntary lump sum, or paying through rates over the life of the loan. The decision whether to offer a voluntary lump sum option is determined on a project-by-project basis.

### INTEREST AND DIVIDENDS FROM INVESTMENTS

Council receives interest on its special funds and depreciation reserves. Interest income from Council's general fund is used to offset the UAGC and thus reduce the rates that would otherwise be levied to fund Council's activities.

## **BORROWING**

Council borrows internally from its available reserves to fund various infrastructural asset renewals and upgrades. Borrowing is also undertaken from time to time in other circumstances, e.g. the West Otago Health grant.

The primary objective in borrowing internally is to use reserves effectively, by establishing a portfolio that provides funding to internal activity centres. This creates operational efficiencies as savings are created by eliminating the margin that Council would pay on external borrowings.

External borrowing is also a funding mechanism available to Council. However, as Council is in a position to do so, it prefers to borrow internally.

## **PROCEEDS FROM ASSET SALES**

Proceeds from asset sales are allocated to special funds, and are generally used for the acquisition of new assets.

## **DEVELOPMENT CONTRIBUTIONS**

Under the Local Government Act 2002, Council is entitled to apply development contributions to new development. At this time Council has chosen not have a development contribution policy, in favour of financial contributions under the Resource Management Act 1991.

## **FINANCIAL CONTRIBUTIONS UNDER THE RESOURCE MANAGEMENT ACT 1991**

Under the Resource Management Act 1991 Council is entitled to various financial contributions where an activity or development would impact on the physical environment (including Council

infrastructure). Contributions, for example include a capital contribution and connection cost for a new consumer connecting to Council infrastructure.

## **GRANTS AND SUBSIDIES (EXTERNAL FUNDING ASSISTANCE)**

Council receives external funding assistance for a number of activities or projects, largely from central government. The main source of government funding comes from the New Zealand Transport Agency (NZTA) for roading. A baseline level of funding is received for the maintenance of the existing roading system, while funding for new projects may be received depending upon the costs and benefits of each project.

Council also receives a proportion of waste minimisation levies to assist with waste minimisation activities throughout the district.

External funding is sought in other areas where possible. For example, funding from the Ministry of Health has been provided in the past for fluoridation and water treatment upgrades.

## **RESERVE FUNDS (SPECIAL AND DEPRECIATION)**

Council has a number of reserve funds. These funds generally assist future capital expenditure. Interest from these funds is sometimes used to offset operating costs, e.g. water charges.

# **DETAILS OF FUNDING FOR COUNCIL ACTIVITIES**

This section outlines Council's policies for funding each of its activities.

Council considered the matters listed in section 101(3) of the LGA when determining the most appropriate funding mechanisms for each of its activities. These matters are listed and explained under the following headings:

## **ACTIVITY DESCRIPTION**

A brief description of the activity. For further information about each of Council's activities see the 'Council Activities' section of the Long Term Plan.

## **COMMUNITY OUTCOMES**

The community outcome the activity primarily contributes to. For a further explanation of these outcomes, and how Council's activities contribute to these, see the 'Community Outcomes' and 'Council Activities' sections of the Long Term Plan.

## **WHO BENEFITS?**

Who receives the benefit from the activity, either the community as a whole, an identifiable part of the community or individuals.

## **TIMEFRAME OF BENEFITS**

The time period over which the benefits of expenditure on the activity will be recognised.

## CONTRIBUTION TO THE NEED FOR THE ACTIVITY

The extent to which an action or inaction of particular individuals or group contribute to the need for Council to carry out the activity.

## COSTS AND BENEFITS OF DISTINCT FUNDING

The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

The funding mechanisms shown below are for Council's share of the cost of the activities only (i.e. after any external funding is taken into account).

## DEFINITIONS

**UAGC** – A 'Uniform Annual General Charge' is a rate set at a fixed amount and which every SUIP pays.

**SUIP** – A 'separately used or inhabited part of a rating unit' includes any part or parts of a property that can be separately used or occupied in addition to the principal habitation or use.

**'On demand' water supply** – A supply which is available on demand directly from the point of supply subject to the agreed level of service.

**'Restricted' water supply** – A type of water supply connection where a small flow is supplied through a flow control device, and storage is provided by the customer to cater for the customer's demand fluctuations.

## COMMUNITY LEADERSHIP

### GOVERNANCE

#### Activity Description

Governance of Council and Community Boards, including elected members, operation of formal meeting processes, elections and newsletters.

#### Community Outcome

A well informed community where people have their say in decisions that affect them.

#### Who benefits?

All residents and ratepayers in the communities represented.

#### Timeframe of benefits

Governance is an ongoing cost with benefits apparent in the year of expenditure.

#### Contribution to need

All residents and ratepayers.

#### Costs and benefits of distinct funding

No benefit from distinct funding for Council. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify the Council/Governance component. Distinct funding of community boards enables ratepayers in those areas to clearly identify their cost.

#### Funding methods

Council: 100% UAGC; Community Boards: 100%

targeted uniform rate per SUIP.

#### Rationale

Governance is provided for the benefit of the community as a whole, and therefore is funded by the whole district. Community boards provide benefit to the communities within their areas, and so are funded by those communities.

### WEST OTAGO HEALTH

#### Activity Description

Provision of a one-off grant to help fund construction of a proposed health centre in Tapanui.

#### Community Outcome

A safe and supportive community.

#### Who benefits?

Everyone in the West Otago health service area would benefit. Users of the facility will directly benefit.

#### Timeframe of benefits

Long term.

#### Contribution to need

Stakeholders in the West Otago Health service area contribute to the need for this activity.

#### Costs and benefits of distinct funding

Distinct funding ensures that only those in the area of benefit contribute, and that the contribution can clearly be identified on rates invoices.

#### Funding methods

100% uniform targeted rate per SUIP.

### Rationale

A uniform contribution from ratepayers in the area of benefit is deemed to be the fairest way to fund the grant.

## ECONOMIC & COMMUNITY DEVELOPMENT

### ECONOMIC DEVELOPMENT

#### Activity Description

Fostering economic development within the district.

#### Community Outcome

An economic environment that encourages growth in a way which sustainably supports the community.

#### Who benefits?

Primarily a district-wide benefit from the district retaining and attracting businesses, which provide employment and contribute towards rates. Some private benefit to businesses.

#### Timeframe of benefits

Currently an ongoing cost, with the majority of benefits being apparent in the year of expenditure.

#### Contribution to need

All residents and ratepayers.

#### Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

### Funding methods

100% UAGC.

### Rationale

Largely a public benefit, therefore it is funded district-wide, through the UAGC.

### COMMUNITY DEVELOPMENT

#### Activity Description

Supporting the provision of public services to the community through activities such as youth development and provision of grants to community groups.

#### Community Outcome

A safe and supportive community.

#### Who benefits?

Community-wide benefit.

#### Timeframe of benefits

The majority of benefits are apparent in the year of expenditure.

#### Contribution to need

All residents and ratepayers.

#### Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

### Funding methods

100% UAGC.

### Rationale

Largely a public benefit, therefore it is funded district-wide, through the UAGC.

## ROADING

### Activity Description

The provision, operation and management of the local roading network, including roads, bridges, streetscapes and footpaths.

### Community Outcome

Roading infrastructure that sustainably supports the community and economy.

### Who benefits?

The roading network provides national, regional and local benefits.

### Timeframe of benefits

Long term.

### Contribution to need

All residents and ratepayers contribute to varying degrees. At this stage differentials depending on industry are not applied, e.g for higher impact users such as forestry and dairying.

### Costs and benefits of distinct funding

Distinct funding enables a split between district and local funding. Due to the size of the roading rates requirement it is desirable to have roading rates highlighted separately.

### Funding methods

Roads and bridges: A substantial amount is funded

by financial assistance from NZTA, with the balance being split between district and local roading rates based on the district/local benefit of each road.

For the balance funded by Council there is a district-wide roading rate, based on capital value, which funds 37% of Council's costs. This includes 90% of arterial roads, 50% of collector roads and 10% of local roads.

The remaining 63% of the rates requirement is funded by a targeted rate differentiated on location (11 areas) made up of a minimum charge with the remainder based on land value. Each area funds a share of the local roading rate based on the value and depreciation rates of the roading assets within that area and the proportion of district-wide vs. local benefit.

District-wide main street: 20% UAGC, with 80% of Balclutha and Milton costs on the local roading rate (LV based) and 80% of Lawrence and Tapanui costs on a uniform electoral ward based rate.

New footpaths: A uniform rate per SUIP on those in the rating area benefiting from new footpaths.

### Rationale

The combination of funding mechanisms reflects the access to, and benefit gained from the roading network.

## WATER

### URBAN WATER

#### Activity Description

Provision of reticulated potable water supplies to

urban areas.

#### Community Outcome

Water services that sustainably support the community and economy.

#### Who benefits?

Private benefit for those who obtain and use water. Some benefit to those whose properties have the ability to connect to a scheme. General public benefit for public health and fire-fighting purposes.

#### Timeframe of benefits

Short term benefit from expenditure on operating costs, with longer-term benefits from expenditure on capital.

#### Contribution to need

All urban residents and ratepayers.

Costs and benefits of distinct funding  
Distinct funding enables the private benefit to those who receive potable water supply to be recognised.

#### Funding methods

Council will have a uniform targeted rate for customers who receive potable water from an 'on demand' supply and a uniform targeted rate for customers who receive potable water from a 'restricted' supply. These rates will be further differentiated based on whether the service is actually provided or is just available but not actually connected. The final determination of these rates will also include operating and capital costs.

On demand water rates will be charged for each connection to an unrestricted water supply.

Restricted water rates will be charged to a water supply connection where a small flow is supplied through a flow control device, and storage is pro-

vided by the customer to cater for the customer's demand fluctuations. The restricted rate will be set at less than the on demand rate, the percentage determined by Council each year in adopting the Funding Impact Statement (FIS).

Council will fund 100% of this activity from urban water rates.

Council will spread the implementation of uniform rates by approximately 1/6 each year for 5 years with full implementation in year 6. Council will change each of the rates payable in the current 11 areas by 1/6 every year either up or down depending on what the uniform rate will be. This means Council will maintain a differentiated rate for 5 years for the 11 areas with uniform targeted rates commencing in year 6, the 2020/21 financial year.

The rates will be determined by Council each year in respective Long Term Plan, or the Annual Plan, and the FIS.

#### Rationale

User pays district-wide across all urban users facilitates efficient use of resources.

### RURAL WATER

#### Activity Description

Rural water schemes which provide water primarily for stock but also for domestic consumption. These rates will be set as a fixed charge for each SUIP.

#### Community Outcome

Water services that sustainably support the community and economy.

#### Who benefits?

Private benefit for those who obtain and use water. A general public benefit for public health and fire fighting purposes and from supporting the district's



economy.

### Timeframe of benefits

Short term benefit from expenditure on operating costs, with longer-term benefits from expenditure on capital.

### Contribution to need

Property owners who require water to enable intensive use of their land.

### Costs and benefits of distinct funding

Each scheme is operated and funded as a standalone entity. This enables the cost of each scheme to be paid for by those who benefit from it.

### Funding methods

100% targeted rate per unit of water supplied differentiated by scheme.

### Rationale

User pays ensures efficient use of resources, with consumers only demanding what is affordable and sustainable.

## SEWERAGE

### Activity Description

Provision of sewage reticulation and treatment facilities throughout the district.

### Community Outcome

Water services that sustainably support the community and economy.

### Who benefits?

Private benefit for those whose sewage is removed, treated and disposed of. There is also wider public health and environmental benefits from safe and appropriate sewage disposal.

### Timeframe of benefits

Short term benefit from expenditure on operating costs, with longer-term benefits from expenditure on capital.

### Contribution to need

Those without suitable private sewage disposal systems.

### Costs and benefits of distinct funding

Distinct funding enables the private benefit to those who receive sewerage services to be recognised.

### Funding methods

Council will have a uniform targeted sewerage rate for each separately used or inhabited part of a rating unit (SUIP) that is either connected, or for which a connection is available. The final determination of these rates will also include operating and capital costs.

*Capital costs of treatment upgrades:* 10% district-wide assistance (based on CV) with remainder funded as per operating costs.

*Capital costs of reticulation extensions for Benhar and Tokoiti:* 10% district-wide assistance (based on CV), 40% uniform targeted rate on all sewerage ratepayers and 50% uniform targeted rate on all connections to the new reticulation.

Council will spread the implementation of the new rates by approximately 1/6 each year for 5 years with

full implementation in year 6. Council will change each of the rates payable in the current 11 areas by 1/6 every year either up or down depending on what the uniform rate will be. This means Council will maintain a differentiated rate for 5 years for the 11 areas with uniform targeted rates commencing in year 6, the 2020/21 financial year.

The rates will be determined by Council each year in respective Long Term Plan, or the Annual Plan, and the FIS.

### Rationale

Benefit is largely private so the activity is predominantly user pays. The wider benefit of safe sewage disposal is reflected by wider contribution to treatment upgrades and reticulation extensions for Benhar, Tokoiti and Pounaweia.

## STORMWATER

### Activity Description

Stormwater reticulation in a number of urban areas and minor stormwater works in some rural areas.

### Community Outcome

Water services that sustainably support the community and economy.

### Who benefits?

Those whose properties are protected by stormwater drainage.

### Timeframe of benefits

Short term benefit from expenditure on operating costs, with longer-term benefits from expenditure on capital.

### Contribution to need

Property owners whose properties contribute to stormwater run-off where there is a demonstrated need for a public stormwater system.

### Costs and benefits of distinct funding

Distinct funding enables the private benefit to those who receive stormwater protection to be recognised.

### Funding methods

Council will have a uniform targeted stormwater rate for each separately used or inhabited part of a rating unit (SUIP) that is either connected, or for which a connection is available. The final determination of these rates will also include operating and capital costs.

From 1 July 2015 Council will extend the funding of stormwater to the following areas with stormwater infrastructure: Heriot, Pounaweia, Stirling, Taieri Mouth and Waihola.

Maps detailing the areas are attached with this policy.

Council will spread the implementation of uniform rates by approximately 1/6 each year for 5 years with full implementation in year 6. Council will change each of the rates payable in the current 13 areas by 1/6 every year either up or down depending on what the uniform rate will be. This means Council will maintain a differentiated rate for 5 years for the 13 areas with uniform targeted rates commencing in year 6, the 2020/21 financial year.

The rates will be determined by Council each year in respective Long Term Plan, or the Annual Plan, and the FIS.

### Rationale

Those who benefit from the provision and

development of stormwater schemes in urban areas pay for those costs across the district.

individual components.

### Funding methods

5-10% Fees and charges; 90-95% UAGC.

### Rationale

The cost of the service does not change significantly as use increases or decreases, but increasing fees can reduce access for some community members. To allow full accessibility there are no fees for core services. Funding the core services through the UAGC recognises the public benefit.

## SERVICE AND INFORMATION CENTRES

### Activity Description

Visitor information centres for visitors and residents and service centres for ratepayers.

### Community Outcome

Community facilities that sustainably benefit users and the wider community.

### Who benefits?

Private benefit to those who use information centres, as well as tourist-reliant businesses whose information is provided to customers. The community in general also benefits from the success of the tourism industry and the availability of Council service points.

### Timeframe of benefits

An ongoing activity with the benefit of operating expenditure being realised in the year of expenditure and the benefit of capital expenditure is realised over a longer timeframe.

# COMMUNITY SERVICES

## LIBRARIES

### Activity Description

Provision of library services through the central Balclutha library and four branch libraries.

### Outcome

Community facilities that sustainably benefit users and the wider community.

### Who benefits?

Primarily a public benefit. All members of the community have access to the facilities and the whole community benefits from having such facilities provided. 58% of residents are currently members.

### Timeframe of benefits

An ongoing activity with benefit largely being realised in the year of expenditure. The benefit of capital expenditure is realised over a longer timeframe.

### Contribution to need

All residents and ratepayers.

### Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify



### Contribution to need

All residents and ratepayers.  
Costs and benefits of distinct funding

### Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised and the activities funded by the community services rate are listed in Annual and Long Term Plans and on rates assessments.

### Funding methods

5-10% Fees and charges; 90-95% UAGC.

### Rationale

While there is private benefit from using information centres, such services are generally not charged for within New Zealand. The district as a whole benefits from the tourism industry and the information centres facilitate this. The Council service centre functions also provide a district-wide benefit.

## SWIMMING POOLS

### Activity Description

Provision of swimming pools in some of the district's larger towns.

### Community Outcome

Community facilities that sustainably benefit users and the wider community.

### Who benefits?

Private benefit to pool users. Public benefit from having a facility that provides recreation opportunities and teaches water safety. Those in closer proximity to a pool have greater accessibility and are likely to have higher use of, and benefit from the facility.

### Timeframe of benefits

An ongoing activity with the benefit of operating expenditure being realised in the year of expenditure and the benefit of capital expenditure is realised over a longer timeframe.

### Contribution to need

All residents and ratepayers.

### Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised and the activities funded by the community services rate are listed in Annual and Long Term Plans and on rates assessments.

### Funding methods

10-15% Fees and charges; 30-31% UAGC; 55-59% targeted LV based rate (community services rate).

### Rationale

The combination of private and public benefits is reflected in the funding methods. If fees were set too high it may be unaffordable for some groups within the community and would lead to significant reductions in usage.

## PARKS & RESERVES

### Activity Description

Provision of greenspaces including parks, reserves, playgrounds and sportsgrounds.

### Community Outcome

Community facilities that sustainably benefit users and the wider community.

### Who benefits?

Public benefit from having the facilities available. Those in closer proximity to a park, reserve or playground have greater accessibility and are likely to have higher use of, and benefit from the facility.

### Timeframe of benefits

An ongoing activity with benefits largely being realised in the year of expenditure. The benefit of capital expenditure is realised over a longer timeframe.

### Contribution to need

All residents and ratepayers.

### Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised and the activities funded by the community services rate are listed in Annual and Long Term Plans and on rates assessments.

### Funding methods

Parks, Reserves and Playgrounds: 35% UAGC, 65% targeted LV based rate (community services rate).

Sportsgrounds: 3-7% fees and charges, 33-34% UAGC, 60-63% targeted LV based rate (community services rate).

Waiholo Domain: 65% UAGC, 35% targeted LV based rate (Waiholo community services rate).

Kaka Point Foreshore: 27% UAGC, 63% targeted LV based rate (community services rate).

### Rationale

District-wide funding recognises the wide public

benefit gained from parks, reserves and playgrounds. The majority of the cost is funded by the local community ensuring that communities only demand the level of service they can afford. Some fees and charges for sports groups to recognise that they have exclusive use of the sportsgrounds during their booking period.

## PUBLIC CONVENIENCES

### Activity Description

Provision of public conveniences and campervan dump stations throughout the district.

### Community Outcome

Community facilities that sustainably provide benefit to users and the wider community.

### Who benefits?

Private benefit to users of the facilities, Public benefit from providing such facilities to travellers and from having a hygienic environment.

### Timeframe of benefits

An ongoing activity with benefit largely being realised in the year of expenditure. The benefit of capital expenditure is realised over a longer timeframe.

### Contribution to need

All residents and ratepayers.

### Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised and the activities funded by the community services rate are listed in Annual and Long Term Plans and on rates assessments.

### Funding methods

100% UAGC.

### Rationale

A uniform, district-wide charge is the fairest option since fees and charges are not realistic or would be unlikely to be economic to apply.

## CEMETERIES

### Activity Description

Provision, maintenance and operation of cemeteries and maintenance of the district's monuments.

### Community Outcome

Community facilities that sustainably provide benefit to users and the wider community.

### Who benefits?

Private benefit to the families of deceased. Public benefit in providing respectful treatment of the deceased who form part of the community's heritage. Public health benefits from ensuring properly managed and controlled burials and cemetery sites.

### Timeframe of benefits

Majority of expenditure is on operating costs, with the benefit being realised in the year of expenditure. There are also longer term benefits from capital expenditure.

### Contribution to need

All ratepayers and residents.

### Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC

is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

### Funding methods

55% Fees and Charges; 45% UAGC.

### Rationale

The funding split recognises direct private benefits along with wider public benefits. Ability to pay is partly recognised by keeping burial fees at an affordable level.

## HALLS & COMMUNITY CENTRES

### Activity Description

Funding of halls and community centres throughout the district.

### Community Outcome

Community facilities that sustainably provide benefit to users and the wider community.

### Who benefits?

Public benefit from having access to the facilities. Those in closer proximity to a hall or community centre have greater accessibility and are likely to have higher use of, and benefit from the facility.

### Timeframe of benefits

An ongoing activity with the benefit of operating expenditure being realised in the year of expenditure and the benefit of capital expenditure is realised over a longer timeframe.

### Contribution to need

All residents and ratepayers.

### Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised and the activities funded by the community services rate are listed in Annual and Long Term Plans and on rates assessments.

### Funding methods

12-18% fees and charges; 25-35% UAGC; 50-60% targeted LV based rate (community services rate).

### Rationale

The primary benefit of most halls is to the community in which it is located. Therefore local communities fund the majority of the cost of their halls. Any substantial increase in the level of user charges will limit accessibility for some members of the public.

## COMMUNITY HOUSING AND OTHER PROPERTY

### Activity Description

Provision and maintenance of community housing units throughout the district. This area also includes lease-hold land, endowment land and other property.

### Community Outcome

A safe and supportive community.

### Who benefits?

Mostly a private benefit to tenants. There is also public benefit from having appropriate housing

available to people who may not easily be able to access private sector housing.

### Timeframe of benefits

Long term.

### Contribution to need

Residents who have difficulty finding appropriate housing in the market.

### Costs and benefits of distinct funding

This activity is self-funding there is no requirement for rates funding.

### Funding methods

100% fees and charges (rentals).

### Rationale

Due to a significant private benefit, the community housing units are fully self-funded through user charges. User charges (rentals) are set at market rates to cover the cost of maintaining and upgrading the facilities.

## CROSS RECREATION CENTRE

### Activity Description

Grant towards construction of the multi-purpose Cross Recreation Centre.

### Community Outcome

Community facilities that sustainably provide benefit to users and the wider community.

### Who benefits?

All residents.

### Timeframe of benefits

Long term.

### Contribution to need

All residents and ratepayers.

### Costs and benefits of distinct funding

Distinct funding enables a proximity based rate structure and provides greater transparency.

### Funding methods

100% uniform targeted rate per SUIP by electoral ward with cost apportioned by proximity to facility.

### Rationale

Although the facility provides district-wide benefits, those who live closer to the facility have greater accessibility and likelihood of use and benefit. Therefore, the wards closest to the facility pay a greater share than those further away.

## SOLID WASTE MANAGEMENT

## WASTE COLLECTION AND DISPOSAL

### Activity Description

Solid Waste collection and disposal services, including the operation of a kerbside collection service, waste transfer stations and Mt Cooe landfill.

### Community Outcome

A sustainable environment that promotes a clean, green image.

### Who benefits?

Private benefit to those whose recyclables and residual waste is disposed of. Also a public benefit from ensuring that waste is dealt with safely without damaging the environment or public health.

### Timeframe of benefits

Short term, with some longer term benefits from the provision of the landfill.

### Contribution to need

All of those who use the waste disposal services or facilities.

### Costs and benefits of distinct funding

Distinct funding enables the private benefit of the kerbside collection to be recognised. Efficiencies are also gained from this being provided across the district by a single kerbside provider.

### Funding methods

30% targeted uniform rate per SUIP (based on

availability of kerbside collection service); 70% Fees and charges (use of landfill and transfer stations).

### Rationale

User pays ensures that the cost of waste disposal is attributed to those who create the waste and provides an incentive to reduce waste created. Waste Minimisation.

### Activity Description

Waste minimisation activities, including education programmes and drop-off facilities for recyclables.

### Community Outcome

A sustainable environment that promotes a clean, green image.

### Who benefits?

Primarily a public benefit from reduced waste to landfill. Some private benefit to those who use free recyclable drop-off facilities to dispose of recyclable waste.

### Timeframe of benefits

Currently an ongoing activity with benefits apparent in year of expenditure. Benefits will also be realised in the long term from behaviour changes as a result of education programmes.

### Contribution to need

All residents and ratepayers.

### Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

### Funding methods

100% UAGC.

### Rationale

Rating across the district ensures that recyclables drop-off facilities are free, encouraging their use.

# REGULATORY AND EMERGENCY SERVICES

## RESOURCE MANAGEMENT

### Activity Description

Administration and monitoring of the Clutha District Plan to ensure that development and resource use maintains environmental and community standards.

### Community Outcome

A safe and supportive community.

### Who benefits?

Largely a public benefit from the sustainable management of the districts natural and physical resources. A private benefit to those who are granted a resource consent, enabling them to sustainably use their land.

### Timeframe of benefits

An ongoing activity with the benefit being realised in the year of expenditure. Longer term benefit from expenditure on the District Plan.

### Contribution to need

Individuals or organisations whose actions or proposed developments require resource consent. Costs and benefits of distinct funding  
No particular benefit from distinct funding.

### **Funding methods**

80-90% Fees and charges; 10-20% district-wide CV based rate.

### **Rationale**

Fees are set at a level to recover actual costs involved in processing the consent. The remainder is treated as a public good.

## **ANIMAL CONTROL**

### **Activity Description**

Registration of dogs and responding to animal-related complaints.

### **Community Outcome**

A safe and supportive community.

### **Who benefits?**

Private benefit to animal owners who have their animals returned. Public benefit from the capture of wandering animals and from having Council oversee animal welfare. There is also a public benefit from having less fouling of public space.

### **Timeframe of benefits**

An ongoing activity with largely a short term benefit. Longer term benefit of the pound.

### **Contribution to need**

Animal owners who do not adequately control their animals.

### **Costs and benefits of distinct funding**

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

### **Funding methods**

95% Fees and charges; 5% UAGC.

### **Rationale**

User pays ensures those who contribute to the need for the activity fund the vast majority of the costs. Responsible dog owners receive a discount, recognising that they contribute less to the activity than others. The district-wide contribution recognises the public benefit.

## **ENVIRONMENTAL HEALTH**

### **Activity Description**

Protection of public health and safety through licensing of food premises and other venues that have potential public health risks.

### **Community Outcome**

A safe and supportive community.

### **Who benefits?**

Community benefit from knowing that public health standards are being met. There is also private benefit to businesses whose operations have public health implications.

### **Timeframe of benefits**

An ongoing activity with the benefit being realised in the year of expenditure.

### **Contribution to need**

The public who demand safe and hygienic eateries

and hairdressers. Businesses who operate in the food or hairdressing industries.

### **Costs and benefits of distinct funding**

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

### **Funding methods**

10-15% Fees and charges; 85-90% UAGC.

### **Rationale**

The combination of funding mechanisms reflects the individual and wider community benefits, whilst making services affordable for businesses.

## **BUILDING CONTROL**

### **Activity Description**

Administering the Building Act 2004, including ensuring that buildings comply with the New Zealand Building Code.

### **Community Outcome**

A safe and supportive community.

### **Who benefits?**

Private benefit to building owners from having certification that their buildings are structurally

sound and comply with safe building practices. There are also public safety benefits and a public benefit from having thorough and accurate building information.

#### **Timeframe of benefits**

An ongoing activity with the benefit being realised in the year of expenditure.

#### **Contribution to need**

The community demands safe buildings, however, people who build new buildings or alter existing buildings contribute to Council's workload.

#### **Costs and benefits of distinct funding**

No particular benefit from distinct funding.

#### **Funding methods**

80-90% Fees and charges; 10-20% district-wide CV based rate.

#### **Rationale**

Fees are set at a level to recover actual costs involved in processing the consent. The remainder is treated as a public good. Capital value is used as a basis to reflect the level of likely demand for building control services and ability to pay.

### **ALCOHOL LICENSING**

#### **Activity Description**

Licensing and monitoring of premises from which alcohol is sold.

#### **Community Outcome**

A safe and supportive community.

#### **Who benefits?**

Private benefit to businesses who gain licences enabling them to trade. Public benefit from having alcohol available in licenced premises which meet licensing standards.

#### **Timeframe of benefits**

An ongoing activity with the benefit being realised in the year of expenditure.

#### **Contribution to need**

Those who sell, or apply to sell, alcohol. Costs and benefits of distinct funding  
The UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

#### **Funding methods**

100% fees and charges.

#### **Rationale**

Fees are set by statute. Any shortfall is recovered by UAGC on the basis that this activity also has an element of public good.

### **CIVIL DEFENCE**

#### **Activity Description**

Emergency management (civil defence) including 'reduction, readiness, response and recovery' actions.

#### **Community Outcome**

A safe and supportive community.

#### **Who benefits?**

The whole community benefits from this public service activity.

#### **Timeframe of benefits**

An ongoing activity with the benefit being largely realised in the year of expenditure.

#### **Contribution to need**

All residents and ratepayers.

#### **Costs and benefits of distinct funding**

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

#### **Funding methods**

100% UAGC.

#### **Rationale**

Funding through the UAGC reflects the 'people focus' of Civil Defence.

### **RURAL FIRE**

#### **Activity Description**

Fire control activities in rural areas.

#### **Community Outcome**

A safe and supportive community.

#### **Who benefits?**

The whole community benefits but primarily those in rural areas.

### Timeframe of benefits

Largely a short term benefit.

### Contribution to need

Those in rural areas.

### Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

### Funding methods

35% UAGC and 65% on Land Value (rural community).

### Rationale

The rural area funds the majority of the cost as it contributes towards the need for the activity and receives the greatest benefit.

## INTERNAL SERVICES

### POLICY & COMMUNICATIONS

#### Activity Description

Policy and communication refers to the area of Council responsible for producing the long term plan and other strategic policies. It is also responsible for supporting the Governance function in communicating with residents and ratepayers.

#### Community Outcome

A well informed community where people have their say in decisions that affect them.

### Who benefits?

All residents and ratepayers.

### Timeframe of benefits

This activity is ongoing with benefits apparent in the year of expenditure.

### Contribution to need

All residents and ratepayers.

### Costs and benefits of distinct funding

No benefit from distinct funding for Council. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify this component.

### Funding methods

100% UAGC.

### Rationale

This activity is provided for the benefit of the community as a whole, and therefore is funded by the whole district.

## Summary of Funding Mechanisms

ACTIVITY GROUP	ACTIVITY	USER FEES & CHARGES	GENERAL RATE	TARGETED RATE		
			UNIFORM CHARGE (UAGC)	DISTRICT-WIDE RATES CAPITAL VALUE (CV)	RATES BASED ON LOCATION OR AVAILABILITY OF SERVICE UNIFORM CHARGE LAND VALUE (LV)	
Community Leadership	Governance	Council	100%			
		Community Boards		100%		
	West Otago Health			100%		
Economic & Community Development	Economic Development		100%			
	Community Development		100%			
Roading	District-Wide Main Street	Roading (balance after NZTA subsidy)		37% <sup>1</sup>		63% <sup>2</sup>
		New footpaths			100%	
	Balclutha & Milton		20%		80%	
	Lawrence & Tapanui		20%	80%		
Water Supply	Urban Water Supply				100%	
	Rural Water Schemes				100%	
Sewerage	Sewerage				100%	
	District Sewerage Upgrade Support		10%	90%		
	Benhar & Tokoiti Capital		10%	90%		

<sup>1</sup> District roading component <sup>2</sup> Local roading component



## Summary of Funding Mechanisms

ACTIVITY GROUP	ACTIVITY	USER FEES & CHARGES	GENERAL RATE	TARGETED RATE		
			UNIFORM CHARGE (UAGC)	DISTRICT-WIDE RATES CAPITAL VALUE (CV)	RATES BASED ON LOCATION OR AVAILABILITY OF SERVICE UNIFORM CHARGE LAND VALUE (LV)	
<b>Stormwater</b>	Urban Stormwater				100%	
<b>Community Services</b>	Libraries	5-10%	90-95%			
	Service & Information Centres	5-10%	90-95%			
	Swimming Pools	10-15%	30-31%			55-59%
	Parks, Playgrounds & Reserves		35%			65%
	Waihola Domain		65%			35%
	Kaka Point Foreshore		27%			63%
	Sportsgrounds	3-7%	30-35%			60-65%
	Halls & Community Centres	12-18%	25-35%			50-60%
	Community Housing and Other Property	100%				
	Public Toilets		100%			
	Cemeteries	55%	45%			
	Cross Recreation Centre			10%	100%	

## Summary of Funding Mechanisms

ACTIVITY GROUP	ACTIVITY	USER FEES & CHARGES	GENERAL RATE	TARGETED RATE		
			UNIFORM CHARGE (UAGC)	DISTRICT-WIDE RATES CAPITAL VALUE (CV)	RATES BASED ON LOCATION OR AVAILABILITY OF SERVICE UNIFORM CHARGE LAND VALUE (LV)	
<b>Solid Waste Management</b>	Waste Collection & Disposal	70%			30%	
	Waste Minimisation		100%			
<b>Regulatory &amp; Emergency Services</b>	Resource Management	80-90%		10-20%		
	Animal Control	95%	5%			
	Environmental Health	10-15%	85-90%			
	Building Control	80-90%		10-20%		
	Alcohol Licensing	100%				
	Civil Defence		100%			
	Rural Fire			35%	65%*	
<b>Internal Services</b>	Policy and Communications		100%			

\*Rural rating area

# REVENUE & FINANCING POLICY - HERIOT



# REVENUE & FINANCING POLICY - POUNAWEA





# REVENUE & FINANCING POLICY - STIRLING



# REVENUE & FINANCING POLICY - TAIERI MOUTH

200





# REVENUE & FINANCING POLICY - WAIHOLA



# POLICY ON RATES REMISSION

## PURPOSE

This policy provides the framework for granting remission of rates and rate penalties under the Local Government (Rating) Act 2002 (the Act).

### Relevant Legislation

Local Government (Rating) Act 2002, section 85  
Local Government Act 2002, section 109.

## POLICY

### REMISSION OF RATES FOR COMMUNITY, SPORTING AND OTHER ORGANISATIONS

#### Objective

To assist where practicable, community clubs and organisations in recognition of the valuable 'public good' contribution made by such organisations to the character and well-being of the district.

#### Conditions and criteria

Council may remit rates for any organisation (for land the organisation owns or uses), for the purpose of any of the following:

- Recreation
- Health
- Enjoyment/leisure
- Instruction

- Sport/physical activity
- Any form of culture

Consideration for remission includes land owned or leased to an organisation where, under the rent or lease agreement, there is an obligation to pay the rates assessed on the land.

The policy will not apply to organisations that are operated for private pecuniary profit.

#### Procedures

All applications for remission must be in writing and addressed to the Chief Executive. Applications must include (where applicable):

- Statements of objectives of the organisation e.g. constitution.
- Financial statements e.g. recent audited accounts.
- Lease agreement (if applicable).

Any remission of rates will exclude rates in respect to water supply, sewage disposal or waste collection.

A remission of 100% will be applied under delegated authority. Where the applicant's financial information suggests that 100% may not apply the application will be referred to the Corporate Services Committee. For example, the applicant's information demonstrates they have sufficient cash reserves for current and future needs.

A granted remission will apply from the beginning of the rating year in which the remission is granted and continue until such time that an organisation or club no longer meets the criteria.

### REMISSION OF RATES FOR LAND SUBJECT TO SPECIAL PRESERVATION CONDITIONS

#### Objective

To preserve and encourage the protection of land and improvements which are the subject of special preservation conditions.

#### Conditions and criteria

Rate remission under this provision of the policy relates to land that is owned or used by and subject to one of the following:

- A heritage covenant under the Historic Places Act.
- A heritage order under the Resource Management Act.
- An open space covenant under the Queen Elizabeth the Second National Trust Act.
- A protected private land agreement or conservation covenant under the Reserves Act.
- Any other covenant or agreement entered into by the owner of the land with the public body for the preservation of existing features of land, or of buildings, where the conditions of the covenant



or agreement are registered against the title to the land and are binding on subsequent owners of land.

### Procedures

An application for remission will be considered by the Corporate Services Committee and must be made in writing and accompanied with supporting documentary evidence of the special preservation conditions.

The application for rates remission must be made prior to commencement of the rating year, i.e. 1 July. Applications received and approved during the rating year will become applicable from the commencement of the following rating year.

The maximum available remission is up to 100% of rates but excludes rates in respect to water supply, sewage disposal or waste collection.

## REMISSION OF RATES FOR NATURAL DISASTERS AND EMERGENCIES

### Objective

To provide for the possibility of rates remission where a form of natural or other type of disaster or emergency affects one or more residential rating units capacity to be inhabited, used or otherwise occupied for the period of a rating year, or more.

### Conditions and criteria

The Council may consider voiding the need for an application and grant remission for any rating unit or group of rating units collectively affected by a natural disaster or emergency.

Each application will be considered on its merits and remission up to 100% may be granted where it is considered just and equitable to do so.

Applications may be declined if there is evidence to suggest the applicant's actions or inactions contributed to the circumstances under which the application is being made.

Applications for rates remission under this policy will be considered by a full meeting of Council.

### Procedures

The Council may, on written application from the ratepayer of rating units affected by a natural disaster or emergency, remit up to 100% of annual rates levied.

Where an application is approved by Council, the rating unit concerned will become non-rateable for the specific rating year.

## REMISSION OF UNIFORM ANNUAL GENERAL CHARGES

### Objective

To provide for relief from Uniform General Charges when:

- Two or more rating units are owned by the same person or persons, and,
- Are part of a subdivision plan which has been deposited for separate lots, or separate legal titles exists but the rating units may not necessarily be used jointly as a single unit, and,
- Each rating unit does not benefit separately from the services related to the Uniform Annual General Charge.

### Conditions and criteria

Remission of Uniform Annual General charges applies in the following situation:

As a result of the High Court decision of the 20 November 2000 "Neil Construction and others vs. North Shore City Council and others", in respect to

unsold subdivided land, each separate lot or title is treated as a separate Rating Unit and such land is implied not to be used as a single unit.

Rating units that meet the criteria under this provision may qualify for a remission of uniform annual general charges. The ratepayer will remain liable for at least one uniform annual general charge. Each case for remission will be decided on its own facts. A granted remission will remain in force whilst all land remains contiguous.

### Procedures

Ratepayers who consider themselves eligible for remission under this part of the policy may make application in writing to the Corporate Services Manager and will be considered by the Corporate Services Committee. All applications will be considered and where eligible remission will be backdated to the beginning of the rating year in which the application has been received.

## REMISSION OF PENALTIES

### Objective

The objective of this part of the policy is to enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the penalty date due to circumstances outside the ratepayer's control.

### Conditions and criteria

Remission of one penalty will be considered in any one year when payment has been late due to significant family disruption. This will apply in the case of death, illness or accident of a family member at about the time rates are due.

Remission of the penalty will be considered if the ratepayer forgets to make payment and claims the invoice was not received or is able to provide

evidence that the payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control.

Other conditions for remission may exist and will be considered on their own merit.

Each application for remission will be considered on its own merits and remission will be granted when it is just and equitable to do so.

When significant arrears exist penalties may be remitted whilst regular payments are made to reduce the arrears balance.

Decisions on remission of penalties will be delegated to officers as set out in the Council's Delegations Policy.

#### **Review of Remissions**

All remissions granted will be reviewed every three years. This is to ensure that the circumstances under which the remissions were granted continue to exist.

# POLICY ON RATES POSTPONEMENT

## PURPOSE

Sections 102(3) (b) and 110 of the Local Government Act 2002 state that local authorities may adopt a rates postponement policy. This policy confirms the Clutha District Council's stance on rates postponement.

The objective of this policy is to provide Benhar and Tokoiti sewerage capital ratepayers, who, in the opinion of Council, are experiencing severe financial hardship, with the option of postponing payment of their sewerage capital rates. Any postponement will be subject to the full cost being met by the ratepayer and Council being satisfied that the risk in any case is minimal.

## CONDITIONS AND CRITERIA

1. Clutha District Council does not provide rates postponement, except for the postponement of Benhar or Tokoiti Sewerage Capital rates for ratepayers who would experience severe financial hardship if the rate was not postponed.
2. Ratepayers can apply to Council for postponement of only the annual Benhar or Tokoiti capital sewerage rate, either in entirety or part. The ratepayer will still be required to pay the remaining portion of their rates assessment including the sewerage scheme operating rate.
3. The ratepayer (or authorised agent) must make an application to Council on the prescribed form.
4. The ratepayer must be the owner of the property subject to the application as at 1 July, and must not own any other rating units or investment properties or other substantial realisable assets.
5. Before making a written application, the ratepayer must have received budget advice (for example, from the Budget Advisory Service) and must make the budget advisor's findings available to Council.
6. Council must be satisfied that the ratepayer is likely to be in a position of severe financial hardship if their sewerage capital rate is not postponed.
7. When considering whether financial hardship exists, all of the ratepayer's personal circumstances will be relevant including the following factors:
  - a) age, physical or mental disability, injury, illness and family circumstances;
  - b) number of dependents;
  - c) access to other sources of financial assistance (including central government's rates rebate scheme);
8. Council must be satisfied, on reasonable assumptions, that the risk of not recovering postponed rates and fees, when due as per clause 13, is negligible. Where a rates postponement arrangement has been entered into Council may refuse to postpone any further rates if it considers that the risk is not negligible.
9. The amount of any rates postponed including fees will be secured by a notice of charge on the Certificate of Title of the rating unit. Any costs of registering and subsequently dealing with the charge are to be met by the ratepayer by being added to the amount postponed.
10. A postponement fee will be added to the amount postponed at the start of every financial year when there are outstanding postponed rates against a property. This fee will cover the administrative and financial costs of the postponement. Financial costs will include interest as calculated annually by Council.
11. Whilst there are postponed rates outstanding against a property the ratepayer must provide annual proof that their house is insured and
  - a) the likely period before the ratepayer's financial position could be expected to improve;
  - b) a verified budget.

make an annual declaration that they continue to use the property as their primary residence.

12. The annual sewerage capital rate will continue to be postponed for a maximum of five years, provided that on an annual basis the ratepayer completes a written declaration that their circumstances still meet the requirements of this policy. After 5 years, ratepayers would be able to re-apply for postponement.
13. All postponed rates will become payable on the earliest of the following dates;
  - a) when the ratepayer(s) ceases to be the owner or occupier of the rating unit
  - b) when the ratepayer(s) ceases to use the property as their primary residence
  - c) upon the death of the ratepayer(s)
14. The postponed rates and fees or any part thereof may be paid off at any time without penalty. Such voluntary repayments will be credited against the ratepayers postponed rates at the beginning of the financial year following that of when they were received by Council, but prior to the calculation of interest. When postponed rates are paid off in full, the ratepayer will be liable for any costs of removing the statutory land charge from the certificate of title.
15. Decisions on postponement are delegated to the Manager Corporate Services. If an applicant is declined postponement they may appeal to the Clutha District Council.
16. The Manager, Corporate Services, will report annually to the Corporate Services Committee on the total number and value of rates postponed during that year and the total number and value of outstanding postponed rates.

## PROCEDURES

At the start of any rating year, where a ratepayer has any postponed rates, the Council will send an annual statement outlining:

- the total amount of postponed rates outstanding
- the postponement fees applied
- the ratepayers responsibilities under clause 11
- the declarations required for future sewerage capital rates to be postponed (as per clause 12).

## DEFINITIONS

Postponement Fee: A fee under section 88 of the LGRA, to cover the administrative and financial costs (including interest) of providing rates postponement.

## RELEVANT LEGISLATION

Sections 102(3) (b), 110 Local Government Act  
Sections 80 - 90 Local Government (Rating) Act 2002

## LEGAL COMPLIANCE

This policy must be reviewed at least once every 6 years through the special consultative procedure (s 110(2A)).

## RELATED POLICY AND DOCUMENTS

Revenue and Financing Policy

## KEY WORDS

Benhar, Tokoiti, Sewerage Rate, Rates Postponement, Financial Hardship

# POLICY ON REMISSION & POSTPONEMENT OF RATES FOR MAORI FREEHOLD LAND

## PURPOSE

This policy has been formulated for the purpose of ensuring the fair and equitable collection of rates from all sectors by recognising that certain Maori owned lands have particular features, ownership structures or other circumstances that make it appropriate to provide rates relief.

This policy provides the framework for granting remissions and postponements for the payment of rates and penalties on Maori freehold land, and is adopted under Section 102(4) and Section 108 of the Local Government Act 2002 (LGA).

## POLICY

### REMISSION OF RATES

The Clutha District Council carries out its rating function in accordance with the requirements of the Local Government (Rating) Act 2002 (LGRA) and the LGA.

All Maori freehold land in the Clutha District Council area is liable for rates in the same manner as if it were general land (as per section 91 LGRA).

Maori freehold land is defined in the LGRA as land

whose beneficial ownership has been determined by a freehold order issued by the Maori Land Court. Only land that is the subject of such an order may qualify for remission or postponement under this policy. Whether rates are remitted in any individual case will depend on the individual circumstances of each application.

Schedule 11 of the LGA identifies the matters which must be taken into account by Council when considering rates relief on Maori freehold land.

When considering the objectives listed below Council must take into account:

- the desirability and importance of the objectives to the district.
- whether remitting the rates would assist attainment of those objectives.

### Objectives

- a) supporting the use of the land by the owners for traditional purposes
- b) recognising and supporting the relationship of Maori and their culture and traditions with their ancestral lands
- c) avoiding further alienation of Maori freehold land
- d) facilitating any wish of the owners to develop

the land for economic use

- e) recognising and taking account of the presence of waahi tapu that may affect the use of the land for other purposes
- f) recognising and taking account the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere)
- g) recognising and taking account of the importance of the land for community goals relating to
  - a. the preservation of the natural character of the coastal environment
  - b. the protection of outstanding natural features
  - c. the protection of significant indigenous vegetation and significant habitats of indigenous fauna
- h) recognising the level of community services provided to the land and its occupiers
- i) recognising matters related to the physical accessibility of the land.

### Conditions and Criteria

Applications for remission of rates on Maori freehold land must be made in writing, and should include:

- a description of the size, position and current use

of the land

- an indication of the ownership and documentation that shows the land which is subject to the application for rates remission is Maori freehold land
  - outline future plans for the land (if any)
- sources and level of income generated by the land (if any)
- financial accounts if requested
  - outline the reason for the request
  - describe how the application meets any one or more of the objectives listed above.

Council may grant a remission of up to 100% of all rates except targeted rates for water supply, sewage disposal, storm water or refuse collection.

### POSTPONEMENT OF RATES

Council does not allow for rates postponement on Maori freehold land.

## PROCEDURES

### REMISSION OF RATES

An application for remission of rates must be considered by the Corporate Services Committee.

All rates on Maori freehold land whose owners name or names (or the name of the lessee) appears on the valuation roll (under section 92 of the LGRA) will be collected in the usual manner of rate collection and follow up.

All rates, rates arrears and penalties on Maori freehold land vested in trustees will be collected from income derived from that land and held by the trustees for the beneficial owners, but limited to the extent of the money derived from the land and held by the trustees on behalf of the beneficial owner or owners (as per section 93 LGRA).

For Maori freehold land in multiple ownership, any person who actually uses the land whether for residing, farming, storage or any other use, whether they have a lease or not, is liable to pay the rates (as per section 96 LGRA). The rates invoice will be delivered to that person and the rates will be collected in the usual manner. Section 97 LGRA provides for the person to be treated as having used the whole of the land for the whole financial year, unless they can establish otherwise.

Rates arrears on Maori freehold land in multiple ownership shall be reviewed annually and amounts determined by council as uncollectible shall be written off (for accounting purposes) on such land.

### REMISSION OF PENALTIES

Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.

Where significant arrears exist penalties may be remitted whilst regular payments are made to reduce the arrears balance.

Decisions on remission of penalties will be delegated to officers as set out in the Council's Staff Delegations Manual.

## DEFINITIONS

Maori freehold land means land whose beneficial ownership has been determined by the Maori Land Court by freehold order.

Maori freehold land in multiple ownership means

Maori freehold land owned by more than two persons.

## RELEVANT LEGISLATION

Sections 102 and 108 of the Local Government Act 2002.

Sections 91 to 97 of the Local Government (Rating) Act 2002.

## LEGAL COMPLIANCE

Not applicable.

## RELATED POLICY AND DOCUMENTS

- Long Term Plan.
- Delegations Manual.

## KEY WORDS

Maori freehold land, rate remission, section 102, section 108, Long Term Plan.

# FINANCIAL CONTRIBUTIONS POLICY

## PURPOSE

To provide predictability and certainty about the sources and levels of funding to meet increased demand for reserves and infrastructure resulting from growth by enabling Council to recover contributions from those persons undertaking development as a condition of a resource consent or permitted activity or where that development or activity may have an adverse effect.

## STATUTORY CONTEXT

2.1 Section 106 of the Local Government Act 2002 requires a local authority to adopt a development contributions or financial contributions policy.

2.2 "Financial contributions" has the meaning given to it by section 108(9) of the Resource Management Act 1991 (RMA), i.e. financial contribution means a combination of:-

Money; or

(b) Land, including an esplanade reserve or esplanade strip (other than in relation to a subdivision consent), but excluding Maori land within the meaning of Te Ture Whenua Maori Act 1993 unless that Act provides otherwise;

or

(c) A combination of money and land".

2.3 Development contributions may take the same form as above, but they are only available to fund additional infrastructure costs that occur as a direct result of growth. They are a tool to allocate the cost of growth to those who cause the need for the additional infrastructure.

## DEVELOPMENT CONTRIBUTIONS

Clutha District Council's policy in relation to development contributions is to not assess development contributions under the Local Government Act 2002 but to take financial contributions, pursuant to Section 109 of the RMA.

## FINANCIAL CONTRIBUTIONS

4.1 The objective of this policy is to require financial contributions, in appropriate circumstances, for the purpose of meeting the costs of increased demand for reserves and infrastructure resulting from growth.

4.2 Council may require that a financial contribution

be made to Council as a condition of resource consent or permitted activity where that activity or development requires additional capacity from any of the following:

The recreational resources and facilities of the District; and  
Sewerage, water and roading networks.

## POLICY DETAILS

Council has considered all matters it is required to consider under the Act when making a policy on financial contributions. The Council has also considered the requirements in Section 106 of the Act relating to the content of such a policy. Policy resulting from these considerations is set out in this section.

### 5.1 Appropriate sources of funding

5.1.1 Council incurs capital works expenditure in order to:

- (a) provide additional capacity in assets to cater for new development;
- (b) improve the level of service to existing households and businesses;
- (c) meet environmental and other legislative requirements; and
- (d) Renew assets to extend their service life.

5.1.2 Section 101(3)(a) of the Act states that



the funding needs to meet these expenditure requirements must be met from sources that Council determines to be appropriate, following a consideration, in relation to each activity, of a number of matters. Council's consideration of these matters as it relates to the funding of capital expenditure is outlined in the Revenue and Financing Policy. The analysis contained in the Revenue and Financing Policy is also applicable to this policy.

5.1.3 Council has had regard to and made the following determinations under each activity in relation to the matters set out under section 101(3)(a)(i) to (v) of the Act:

that financial contributions are an appropriate source of funding for water supply, sewerage, roading and reserves.

5.1.4 Section 106 of the Act requires Council to:

- (a) summarise and explain the total cost of capital expenditure that Council expects to incur to meet the increased demand for community facilities resulting from growth; and
- (b) state the proportion of that total cost of capital expenditure that will be funded by—

- development contributions;
- (ii) financial contributions; and
- (iii) other sources of funding.

5.1.5 These requirements are met in Schedule 1 of this policy.

5.1.6 Section 106(2)(d) of the Act requires the Council to identify separately each activity or group of activities for which a financial contribution will be required and in relation to each activity or group of activities the total amount of funding sought by

financial contributions.

This requirement is met by Schedule 2 of this policy.

5.1.7 The Resource Management Act 1991 authorises local authorities to impose financial contributions to address effects associated with subdivision, land use or development. Council may require a financial contribution, as a condition of consent, in accordance with any relevant rule in the Clutha District Plan.

5.1.8 Provisions regarding financial contributions towards water supply, sewerage, roading and reserves are detailed in Section 3.8 of the Clutha District Plan and should be referred to when reading this policy.

5.1.9 Section 106(2)(f) of the Act states that if financial contributions are required this policy must summarise the provisions that relate to financial contributions.

This summary is set out in Schedule 3.

## POLICY REVIEW

This policy shall be reviewed by December 2017.

## SCHEDULES

### SCHEDULE 1 – Capital Expenditure to meet increased demand resulting from growth and sources of funding

The growth assumption for the Long Term Plan is sufficiently low that Council has not budgeted for any capital expenditure in regard to growth for the 2015/25 Long Term Plan. Consequently there are no financial contributions in the Long Term Plan relating

to the increased demand resulting from growth.

### SCHEDULE 2 – Financial Contributions by Activity

As explained under schedule 1, there are no financial contributions included in the Long Term Plan relating to the increased demand resulting from growth.

### SCHEDULE 3 – Summary of Financial Contribution Provisions

Section 106(2)(f):- because the Council may require financial contributions this policy must summarise the provisions that relate to financial contributions in the District Plan. Section 3.8 of the Clutha District Plan requires the following contributions:

#### Roading

The financial contribution required for upgrading roads that serve subdivision and developments shall be a reasonable and equitable charge having regard to the following matters:

- (a) the current status and standard of the road both leading to and fronting the site, and the adequacy of that road for its current use
- (b) the standard and classification of the road required as a result of the subdivision/development the expenditure required to meet this standard
- (c) the use or likely future use of the road by other parties and the contributions (if any) to be made or already made by such parties
- (d) the contributions made by Government or outside organisations towards the development of the road, and any contributions (if any) already made by the subdivider or developer provided that after having considered these



factors the maximum contribution required may be determined 100% of the actual cost.

### Reserves

A financial contribution for the purpose of acquiring, improving and/or developing reserves and recreational facilities throughout the district may be imposed in the following circumstances:

- (a) as a condition of a permitted activity
- (b) as a condition of a resource consent for any subdivision or development for residential or commercial or industrial purposes

### Sewerage

Financial contributions may be required where an activity, whether or not it requires resource consent, is to be connected to an existing public sewerage system.

The financial contribution shall be calculated in accordance with section 3.8 of the Clutha District Plan and applies where any subdivision or development occurs outside the boundary of the areas defined in the District Plan as an Urban Resource Area and that subdivision wishes to connect to an existing sewerage system provided by the Council and when any development occurs within the Urban Resource Area which increases the intensity of development.

### Water

Financial contributions may be required where an activity, whether or not it requires resource consent, is to be connected to an existing public water system.

The financial contribution shall be calculated

in accordance with section 3.8 of the Clutha District Plan and applies where any subdivision or development occurs outside of the boundary of the areas defined in the District Plan as an Urban Resource Area and that subdivision wishes to connect to an existing public water system provided by the Council and when any development occurs within the Urban Resource Area which increases the intensity of development.

# PROSPECTIVE FINANCIAL STATEMENTS

*ACTUAL FINANCIAL RESULTS ACHIEVED FOR THE PERIOD COVERED BY THESE PROSPECTIVE FINANCIAL STATEMENTS ARE LIKELY TO VARY FROM THE INFORMATION PRESENTED. THESE VARIATIONS MAY BE MATERIAL.*



# STATEMENT OF COMPLIANCE

*THE PROSPECTIVE FINANCIAL STATEMENTS WERE AUTHORISED FOR ISSUE ON 18 JUNE 2015 BY THE COUNCIL OF THE CLUTHA DISTRICT COUNCIL;*

*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;*

*NO ACTUAL FINANCIAL RESULTS ARE INCORPORATED AND IN THE PROSPECTIVE FINANCIAL STATEMENTS; AND*

*IT IS NOT INTENDED TO UPDATE THE PROSPECTIVE FINANCIAL STATEMENTS SUBSEQUENT TO PRESENTATION.*

# PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE

(All in \$000s)

	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Revenue</b>											
Fees, Rents and Miscellaneous	4,116	5,285	4,648	4,633	4,748	4,865	4,995	5,273	5,557	5,873	6,226
Subsidies & Grants	8,188	10,594	8,038	7,643	7,984	8,607	8,249	8,584	8,393	9,622	9,042
General Rates	4,542	4,497	4,667	4,823	4,897	5,077	5,245	5,346	5,512	5,757	5,854
Rate Penalties	133	180	185	189	194	200	206	212	219	227	235
Targeted Rates	18,965	19,749	20,389	21,043	21,721	22,546	23,153	23,657	24,406	25,144	25,422
<b>TOTAL REVENUE</b>	<b>35,944</b>	<b>40,305</b>	<b>37,927</b>	<b>38,331</b>	<b>39,544</b>	<b>41,295</b>	<b>41,848</b>	<b>43,072</b>	<b>44,087</b>	<b>46,623</b>	<b>46,779</b>

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next page

# PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Expenditure</b>											
Community Leadership	3,106	1,087	1,116	1,093	1,136	1,195	1,172	1,222	1,292	1,269	1,327
Economic & Community Development	0	1,213	1,237	1,265	1,279	1,308	1,342	1,374	1,410	1,452	1,492
Roading Services	16,513	16,343	17,018	17,396	17,759	18,198	18,694	19,029	19,437	19,926	20,357
Sewerage	2,002	1,954	2,063	2,115	2,163	2,224	2,305	2,371	2,447	2,532	2,618
Stormwater	565	551	572	588	603	641	661	684	703	727	747
Water	6,368	6,423	6,665	6,912	7,199	7,416	7,662	7,919	8,196	8,507	8,829
Solid Waste Management	1,439	1,459	1,481	1,525	1,560	1,603	1,656	1,700	1,750	1,815	1,869
Community Services	5,154	4,855	4,975	5,102	5,196	5,378	5,524	5,662	5,812	5,991	6,159
Regulatory & Emergency Services	1,641	1,948	2,194	2,073	2,130	2,170	2,248	2,279	2,354	2,420	2,484
Internal Services	740	414	182	203	167	187	213	172	222	248	204
In - House Professional Services	(24)	(25)	(25)	(26)	(27)	(27)	(28)	(28)	(29)	(30)	(30)
<b>TOTAL EXPENDITURE</b>	<b>37,504</b>	<b>36,222</b>	<b>37,478</b>	<b>38,246</b>	<b>39,165</b>	<b>40,293</b>	<b>41,449</b>	<b>42,384</b>	<b>43,594</b>	<b>44,857</b>	<b>46,056</b>
<b>NET SURPLUS (DEFICIT)</b>	<b>(1,560)</b>	<b>4,083</b>	<b>449</b>	<b>85</b>	<b>379</b>	<b>1,002</b>	<b>399</b>	<b>688</b>	<b>493</b>	<b>1,766</b>	<b>723</b>

<b>RESERVE INTEREST<sup>1</sup></b>	<b>641</b>	<b>691</b>	<b>656</b>	<b>644</b>	<b>657</b>	<b>671</b>	<b>690</b>	<b>843</b>	<b>993</b>	<b>1,167</b>	<b>1,361</b>
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<sup>1</sup> External interest that is credited to reserve funds and not directly to activities

Depreciation	12,975	12,039	12,380	12,702	13,044	13,406	13,775	14,166	14,568	14,995	15,436
Other expenses	24,529	24,183	25,098	25,544	26,121	26,887	27,674	28,218	29,026	29,862	30,620
<b>TOTAL EXPENDITURE</b>	<b>37,504</b>	<b>36,222</b>	<b>37,478</b>	<b>38,246</b>	<b>39,165</b>	<b>40,293</b>	<b>41,449</b>	<b>42,384</b>	<b>43,594</b>	<b>44,857</b>	<b>46,056</b>

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## PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Surplus/(Deficit)	(1,560)	4,083	449	85	379	1,002	399	688	493	1,766	723
<b>Other Comprehensive Revenue &amp; Expense</b>											
Available for Sale financial assets valuation gain/(loss)	0	0	0	0	0	0	0	0	0	0	0
Gain/(Loss) in property, plant & equipment revaluation	29,144	0	78,049	0	0	91,758	0	0	100,638	0	0
<b>TOTAL OTHER COMPREHENSIVE REVENUE &amp; EXPENSE</b>	<b>29,144</b>	<b>0</b>	<b>78,049</b>	<b>0</b>	<b>0</b>	<b>91,758</b>	<b>0</b>	<b>0</b>	<b>100,638</b>	<b>0</b>	<b>0</b>
<b>TOTAL COMPREHENSIVE REVENUE &amp; EXPENSE</b>	<b>27,584</b>	<b>4,083</b>	<b>78,498</b>	<b>85</b>	<b>379</b>	<b>92,760</b>	<b>399</b>	<b>688</b>	<b>101,131</b>	<b>1,766</b>	<b>723</b>

# PROSPECTIVE STATEMENT OF CHANGES IN NET ASSETS/EQUITY

(All in \$000s)

	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>OPENING EQUITY</b>	1,001,831	1,017,375	1,021,458	1,099,956	1,100,041	1,100,420	1,193,180	1,193,579	1,194,267	1,295,398	1,297,164
<b>Total Comprehensive Revenue and Expense</b>	27,584	4,083	78,498	85	379	92,760	399	688	101,131	1,766	723
<b>CLOSING EQUITY</b>	1,029,415	1,021,458	1,099,956	1,100,041	1,100,420	1,193,180	1,193,579	1,194,267	1,295,398	1,297,164	1,297,887

# PROSPECTIVE STATEMENT OF FINANCIAL POSITION

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Current Assets</b>											
Cash & Cash Equivalents	203	237	217	225	229	182	201	215	224	260	282
Trade & Other Receivables	2,925	3,852	3,852	3,852	3,852	3,852	3,852	3,852	3,852	3,852	3,852
Inventories - Dev Property	13	13	13	13	13	13	13	13	13	13	13
Other Financial Assets	10,549	14,579	14,320	14,601	14,921	15,336	18,727	22,074	25,927	30,244	33,547
<b>TOTAL CURRENT ASSETS</b>	<b>13,690</b>	<b>18,681</b>	<b>18,402</b>	<b>18,691</b>	<b>19,015</b>	<b>19,383</b>	<b>22,793</b>	<b>26,154</b>	<b>30,016</b>	<b>34,369</b>	<b>37,694</b>
<b>Non Current Assets</b>											
Trade & Other Receivables	2	1	1	1	1	1	1	1	1	1	1
Other Financial Assets	40	38	38	38	38	38	38	38	38	38	38
Property, Plant & Equipment	1,018,006	1,005,552	1,084,304	1,084,076	1,084,105	1,176,470	1,173,433	1,170,735	1,267,974	1,265,359	1,262,726
Intangible Assets	381	66	66	66	66	66	66	66	66	66	66
Forestry	2,727	2,863	2,863	2,863	2,863	2,863	2,863	2,863	2,863	2,863	2,863
<b>TOTAL NON CURRENT ASSETS</b>	<b>1,021,156</b>	<b>1,008,520</b>	<b>1,087,272</b>	<b>1,087,044</b>	<b>1,087,073</b>	<b>1,179,438</b>	<b>1,176,401</b>	<b>1,173,703</b>	<b>1,270,942</b>	<b>1,268,327</b>	<b>1,265,694</b>
<b>TOTAL ASSETS</b>	<b>1,034,846</b>	<b>1,027,201</b>	<b>1,105,674</b>	<b>1,105,735</b>	<b>1,106,088</b>	<b>1,198,821</b>	<b>1,199,194</b>	<b>1,199,857</b>	<b>1,300,958</b>	<b>1,302,696</b>	<b>1,303,388</b>

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# PROSPECTIVE STATEMENT OF FINANCIAL POSITION

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Current Liabilities</b>											
Trade & Other payables	3,907	4,529	4,530	4,530	4,529	4,528	4,530	4,531	4,531	4,534	4,532
Employee Entitlements	494	423	423	423	423	423	423	423	423	423	423
Current Portion Term Debt	2	2	0	0	0	0	0	0	0	0	0
<b>TOTAL CURRENT LIABILITIES</b>	<b>4,403</b>	<b>4,954</b>	<b>4,953</b>	<b>4,953</b>	<b>4,952</b>	<b>4,951</b>	<b>4,953</b>	<b>4,954</b>	<b>4,954</b>	<b>4,957</b>	<b>4,955</b>
<b>Non Current Liabilities</b>											
Borrowings	0	0	0	0	0	0	0	0	0	0	0
Provisions	925	733	709	685	660	634	606	580	550	519	490
Other Liabilities	103	56	56	56	56	56	56	56	56	56	56
<b>TOTAL NON CURRENT ASSETS</b>	<b>1,028</b>	<b>789</b>	<b>765</b>	<b>741</b>	<b>716</b>	<b>690</b>	<b>662</b>	<b>636</b>	<b>606</b>	<b>575</b>	<b>546</b>
<b>TOTAL LIABILITIES</b>	<b>5,431</b>	<b>5,743</b>	<b>5,718</b>	<b>5,694</b>	<b>5,668</b>	<b>5,641</b>	<b>5,615</b>	<b>5,590</b>	<b>5,560</b>	<b>5,532</b>	<b>5,501</b>
<b>NET ASSETS</b>	<b>1,029,415</b>	<b>1,021,458</b>	<b>1,099,956</b>	<b>1,100,041</b>	<b>1,100,420</b>	<b>1,193,180</b>	<b>1,193,579</b>	<b>1,194,267</b>	<b>1,295,398</b>	<b>1,297,164</b>	<b>1,297,887</b>
Accumulated Comprehensive Revenue & Expense	243,256	244,711	245,793	245,529	246,098	248,702	247,629	247,549	246,971	247,185	247,474
Revaluation Reserves	760,289	747,560	825,609	825,609	825,609	917,367	917,367	917,367	1,018,005	1,018,005	1,018,005
Reserves	25,497	28,821	28,188	28,537	28,347	26,745	28,217	28,985	30,056	31,608	32,042
Trust Funds	373	366	366	366	366	366	366	366	366	366	366
<b>TOTAL</b>	<b>1,029,415</b>	<b>1,021,458</b>	<b>1,099,956</b>	<b>1,100,041</b>	<b>1,100,420</b>	<b>1,193,180</b>	<b>1,193,579</b>	<b>1,194,267</b>	<b>1,295,398</b>	<b>1,297,164</b>	<b>1,297,887</b>

# PROSPECTIVE STATEMENT OF CASHFLOWS

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Cashflows from operating activities</b>											
<b>CASH WAS PROVIDED FROM:</b>											
Rating & Sundry Fees	35,305	39,613	37,272	37,688	38,884	40,626	41,160	42,231	43,095	45,458	45,418
Interest Income (external)	641	691	656	644	657	671	690	843	993	1,167	1,361
<b>CASH WAS APPLIED TO:</b>											
Payments to suppliers and employees	(24,531)	(24,182)	(25,099)	(25,545)	(26,118)	(26,889)	(27,676)	(28,220)	(29,027)	(29,864)	(30,620)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>11,415</b>	<b>16,122</b>	<b>12,829</b>	<b>12,787</b>	<b>13,423</b>	<b>14,408</b>	<b>14,174</b>	<b>14,854</b>	<b>15,061</b>	<b>16,761</b>	<b>16,159</b>
<b>Cashflows from investing activities</b>											
<b>CASH WAS PROVIDED FROM:</b>											
Decrease in investments	8,653	5,746	259	0	0	0	0	0	0	0	0
<b>CASH WAS APPLIED TO:</b>											
Increase in Investments	0	0	0	(281)	(319)	(415)	(3,392)	(3,347)	(3,854)	(4,317)	(3,303)
Purchase of Fixed Assets	(20,329)	(21,920)	(13,108)	(12,498)	(13,100)	(14,040)	(10,763)	(11,493)	(11,198)	(12,408)	(12,834)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(11,676)</b>	<b>(16,174)</b>	<b>(12,849)</b>	<b>(12,779)</b>	<b>(13,419)</b>	<b>(14,455)</b>	<b>(14,155)</b>	<b>(14,840)</b>	<b>(15,052)</b>	<b>(16,725)</b>	<b>(16,137)</b>

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## PROSPECTIVE STATEMENT OF CASHFLOWS

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Cash flows from financing activities</b>											
<b>CASH WAS APPLIED TO:</b>											
Settlement of long term debt	(2)	0	0	0	0	0	0	0	0	0	0
<b>NET CASH AVAILABLE FROM FINANCING</b>	<b>(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net increase (decrease) in cash held	(263)	(52)	(20)	8	4	(47)	19	14	9	36	22
Add opening cash brought forward	466	289	237	217	225	229	182	201	215	224	260
<b>ENDING CASH CARRIED FOWARD</b>	<b>203</b>	<b>237</b>	<b>217</b>	<b>225</b>	<b>229</b>	<b>182</b>	<b>201</b>	<b>215</b>	<b>224</b>	<b>260</b>	<b>282</b>

# RECONCILIATION OF NON-EXCHANGE & EXCHANGE REVENUE

(All in \$000s)

	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Revenue from non-exchange transactions</b>											
Fees and Miscellaneous	2,382	3,467	2,837	2,804	2,874	2,942	3,016	3,100	3,190	3,285	3,393
Subsidies & Grants	8,188	10,594	8,038	7,643	7,984	8,607	8,249	8,584	8,393	9,622	9,042
General Rates	4,542	4,497	4,667	4,823	4,897	5,077	5,245	5,346	5,512	5,757	5,854
Rate Penalties	133	180	185	189	194	200	206	212	219	227	235
Targeted Rates	18,965	19,749	20,389	21,043	21,721	22,546	23,153	23,657	24,406	25,144	25,422
<b>TOTAL NON - EXCHANGE REVENUE</b>	<b>34,210</b>	<b>38,487</b>	<b>36,116</b>	<b>36,502</b>	<b>37,670</b>	<b>39,372</b>	<b>39,869</b>	<b>40,899</b>	<b>41,720</b>	<b>44,035</b>	<b>43,946</b>
<b>Revenue from exchange transactions</b>											
Rental Revenue	871	900	923	946	972	1,000	1,029	1,062	1,097	1,135	1,176
Animal Contrl Fees	171	175	179	184	189	194	200	206	213	220	228
Alcohol Licensing Fees	51	52	53	55	56	58	60	62	64	66	68
Interest Received	641	691	656	644	657	671	690	843	993	1,167	1,361
<b>TOTAL EXCHANGE REVENUE</b>	<b>1,734</b>	<b>1,818</b>	<b>1,811</b>	<b>1,829</b>	<b>1,874</b>	<b>1,923</b>	<b>1,979</b>	<b>2,173</b>	<b>2,367</b>	<b>2,588</b>	<b>2,833</b>
<b>TOTAL REVENUE</b>	<b>35,944</b>	<b>40,305</b>	<b>37,927</b>	<b>38,331</b>	<b>39,544</b>	<b>41,295</b>	<b>41,848</b>	<b>43,072</b>	<b>44,087</b>	<b>46,623</b>	<b>46,779</b>

# RECONCILIATION OF CASHFLOW TO FINANCIAL PERFORMANCE

(All in \$000s)

	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Net Cash from operating Activities	11,415	16,122	12,829	12,787	13,423	14,408	14,174	14,854	15,061	16,761	16,159
Less Depreciation	12,975	12,039	12,380	12,702	13,044	13,406	13,775	14,166	14,568	14,995	15,436
Net Surplus (Deficit)	(1,560)	4,083	449	85	379	1,002	399	688	493	1,766	723
P & L	(1,560)	4,083	449	85	379	1,002	399	688	493	1,766	723

# RECONCILIATION OF COUNCIL FIS TO ACTIVITY FIS

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Community Leadership	(649)	60	32	68	44	12	77	49	16	87	59
Economic & Community Development	(230)	17	18	19	20	21	22	24	25	26	28
Roading	3,130	3,332	3,036	3,239	3,487	3,761	3,761	3,827	4,019	4,134	3,772
Water Supply	1,754	1,834	1,809	1,770	1,792	1,878	1,940	2,009	2,093	2,175	2,270
Sewerage	787	863	912	947	1,002	1,033	1,057	1,099	1,130	1,181	1,236
Stormwater	278	233	251	266	279	283	296	297	301	315	334
Solid Waste Management	75	82	96	92	101	106	103	114	127	127	141
Community Services	(74)	420	558	497	495	511	538	567	594	615	647
Regulatory & Emergency Services	29	(75)	(163)	36	44	53	56	61	65	57	63
Internal Services	199	1,120	668	689	709	731	754	781	780	805	841
Interest on Investments	641	691	656	644	657	671	690	843	993	1,167	1,361
<b>SURPLUS/(DEFICIT) OF OPERATING FUNDING PER ACTIVITIES FIS</b>	<b>5,940</b>	<b>8,577</b>	<b>7,873</b>	<b>8,267</b>	<b>8,630</b>	<b>9,060</b>	<b>9,294</b>	<b>9,671</b>	<b>10,143</b>	<b>10,689</b>	<b>10,752</b>
<b>OVERALL FIS</b>	<b>5,940</b>	<b>8,577</b>	<b>7,873</b>	<b>8,267</b>	<b>8,630</b>	<b>9,060</b>	<b>9,294</b>	<b>9,671</b>	<b>10,143</b>	<b>10,689</b>	<b>10,752</b>

# DEPRECIATION & AMORTISATION

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Community Leadership	0	0	0	0	0	0	0	0	0	0	0
Roading	9,532	8,704	8,922	9,147	9,379	9,621	9,860	10,111	10,362	10,628	10,892
Water Supply	1,702	1,594	1,655	1,704	1,759	1,817	1,880	1,950	2,025	2,105	2,193
Sewerage	806	772	805	829	855	884	914	948	985	1,024	1,067
Stormwater	267	248	258	265	274	283	293	304	316	328	342
Solid Waste Management	53	54	55	57	58	60	62	64	66	68	70
Community Services	448	495	507	520	534	550	566	584	603	624	646
Regulatory & Emergency Services	6	11	14	8	9	9	9	9	9	9	10
Internal Services	161	161	164	172	176	182	191	196	202	209	216
<b>TOTAL</b>	<b>12,975</b>	<b>12,039</b>	<b>12,380</b>	<b>12,702</b>	<b>13,044</b>	<b>13,406</b>	<b>13,775</b>	<b>14,166</b>	<b>14,568</b>	<b>14,995</b>	<b>15,436</b>

# STATEMENT OF ACCOUNTING POLICIES

## REPORTING ENTITY

The Clutha District Council ("the Council or CDC") is a territorial local authority governed by the Local Government Act 2002.

The primary objective of the Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself as a public benefit entity for the purposes of Financial Reporting.

## STATEMENT OF COMPLIANCE

These prospective financial statements of the Clutha District Council have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The prospective financial statements have been prepared in accordance with Tier 1 PBE Standards.

These prospective financial statements comply with PBE Standards.

## BASIS OF PREPARATION

The preparation of prospective financial statements in conformity with NZ IPSAS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements 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 recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and

in future periods if the revision affects both current and future periods.

The prospective financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

The prospective financial statements are presented in New Zealand dollars. New Zealand dollars are the Council's functional currency.

The following accounting policies which materially affect the measurement of results and financial position have been applied:



# SIGNIFICANT ACCOUNTING POLICIES

## REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and GST.

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in the Council are recognised as revenue when control over the asset is obtained.

## RATES REVENUE

Rates revenue is recognised when it is levied.

## OTHER REVENUE

Revenue from services rendered is recognised when it is probable that the economic benefits associated with the transaction will flow to the entity. The stage of completion at balance date is assessed based on the value of services performed to date as a percentage of the total services to be performed.

Government grants are recognised as revenue when eligibility has been established with the grant or agency. Rooding subsidies are recognised when the claims are approved by New Zealand Transport Agency (NZTA).

Dividends are recognised when the entitlement to receive the dividends is established.

Interest revenue is recognised on a time proportionate basis using the effective interest method.

## OTHER GAINS AND LOSSES

Net gains or losses on the sale of property plant and equipment, property intended for sale and financial assets are recognised when an unconditional contract is in place and it is probable that the Council will receive the consideration due.

## 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 the 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 the Council's decision.

## LEASING

Leases which effectively transfer to the lessee substantially all the risks and benefits incident to ownership of the leased item are classified as finance leases.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases.

## (A) THE COUNCIL AS LESSOR

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Council's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Council's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

## (B) THE COUNCIL AS LESSEE

Assets held under finance leases are recognised as assets of the Council at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the Prospective Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease.

## (C) LEASE INCENTIVES

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

## TAXATION

The Council is exempt from Income Tax in accordance with the Income Tax Act 2007, Section CW39.

## GOODS AND SERVICES TAX

Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), except for receivables and payables which are recognised inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

## CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, cash in banks and other short-term highly liquid investments that are readily convertible to a known amount of cash.

## FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Council's Prospective Statement of Financial Position when the Council becomes a party to contractual provisions of the instrument. The Council is party to financial instruments as part of its normal operations. These financial instruments include cash and cash equivalents, other financial assets, trade and other receivables, trade and other payables and borrowings. The relevant accounting policies are stated under separate headings.

### (A) FINANCIAL ASSETS

Financial Assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The effective interest method, referred to below, is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the interest rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

#### Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss where the financial asset:

- **Has been acquired principally for the purpose of selling in the near future;**
- **Is a part of an identified portfolio of financial instruments that the Council manages together and has a recent actual pattern of short-term profit-taking; or**
- **Is a derivative that is not designated and effective as a hedging instrument.**

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in the Prospective Statement of Financial Performance. The net gain or loss is recognised in the Prospective Statement of Financial Performance and incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described later in this note.

The Council has classified its managed funds, held with ANZ Investments, as financial assets at fair value through profit or loss. This fund includes bonds and tradable securities.

#### Available-for-Sale Financial Assets

Available-for-sale financial assets are those that are designated as fair value through other comprehensive income or are not classified in any of the other categories. This category encompasses investments that Council intends to hold long-term but which may be realised before maturity and equity securities that Council holds for strategic purposes.

Equity securities held by the Council have been classified as being available-for-sale and are stated at fair value. Fair value is determined in the manner described later in this note. Gains and losses arising from changes in fair value are recognised directly in the available-for-sale revaluation reserve, with the exception interest calculated using the effective interest method and impairment losses which are recognised directly in the Prospective Statement of Financial Performance. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is included in the Prospective Statement of Financial Performance for the period.

Dividends on available-for-sale equity securities are recognised in the Prospective Statement of Financial Performance when the Council's right to receive payments is established.

#### Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are

measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. An allowance for doubtful debts is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the allowance is expensed in the Prospective Statement of Financial Performance.

Loans, including loans to community organisations made by the 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 Prospective Statement of Financial Performance as a grant.

Money Market Deposits are included within this classification.

#### **Impairment of Financial Assets**

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of

the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Prospective Statement of Financial Performance.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Prospective Statement of Financial Performance to the extent the carrying amount of the investment at the date of impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

### **(B) FINANCIAL LIABILITIES**

#### **Trade and Other Payables**

Trade payables and other accounts payable are recognised when the Council becomes obliged to make future payments resulting from the purchase of goods and services. Trade and other payables are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest method.

#### **Borrowings**

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the Prospective Statement of Financial Performance over the period of the borrowing using the effective interest method.

### **(C) DERIVATIVE FINANCIAL INSTRUMENTS**

From time to time the Council enters into certain derivative financial instruments to manage its exposure to interest rate risk, including interest rate swaps. Further details of derivative financial instruments are disclosed in audited financial statement in Council's 2013/14 Annual Report.

The Council does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date.

Derivative instruments entered into by the Council do not qualify for hedge accounting. The resulting gain or loss is recognised in the Prospective Statement of Financial Performance immediately.

There were no derivative financial instruments held by Council at 30 June 2014 or 30 June 2013.

#### **Fair Value Estimation**

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Council is the current bid price; the appropriate quoted market price for financial liabilities is the current offer price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The 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 investment and debt instruments held.

## INVENTORIES

### DEVELOPMENT PROPERTIES

Development properties classified within Inventory are stated at the lower of cost or net realisable value. Cost includes planning expenditure and any other expenditure to bring the Development property to its present condition.

## PROPERTY, PLANT AND EQUIPMENT

The Council has the following classes of property, plant and equipment:

### (A) OPERATIONAL ASSETS

Land, buildings, furniture and equipment, plant and motor vehicles, land under forests and library books.

### (B) INFRASTRUCTURAL ASSETS

Infrastructural assets are the fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function:

- Roads, bridges and lighting
- Land under roads
- Stormwater
- Wastewater
- Water

The nature of land under roads are considered equivalent to land improvements and as such they do not incur a loss of service potential over time. Accordingly land under roads assets are not depreciated.

### COST/VALUATION

Property, plant and equipment is recorded at cost or valuation (as appropriate) less accumulated depreciation and any accumulated impairment losses.

All assets are valued at cost, except for the following:

- Stormwater, wastewater and water infrastructural assets were valued at depreciated replacement value as at 30 June 2014 by Council staff and reviewed by GeoSolve Limited.
- The roading infrastructural assets (excluding land under roads) were revalued on a depreciated replacement value at 30 June 2014 by MWH Limited.

All valuations are carried out or reviewed by independent qualified valuers and are carried out at least tri-annually. Valuations will be undertaken more regularly if necessary to ensure that no individual item within a class is included at a valuation that is materially different from its fair value.

Of the property, plant and equipment at cost the following classes are at deemed cost:

- Land and buildings - based on valuation at October 1990 with subsequent additions at cost.

### ADDITIONS

Cost includes expenditure that is directly attributable to the acquisition of the assets. Where an asset is acquired for no cost, or for a nominal cost,

it is recognised at fair value at the date of acquisition.

Costs incurred in obtaining any resource consents are capitalised as part of the asset to which they relate. If a resource consent application is declined then all capitalised costs are written off.

### ACCOUNTING FOR REVALUATIONS

The 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 Prospective Statement of Financial Performance. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Financial Performance will be recognised first in the Statement of Financial Performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

### DEPRECIATION

Depreciation is provided on a straight line basis on all property, plant and equipment other than land, land under forests and land under roads. Rates are calculated to allocate the cost (or valuation) less estimated realisable value over the estimated useful life of assets.

Expenditure incurred to maintain these assets at full operating capability is charged to the Statement of Financial Performance in the year incurred.

The following estimated useful lives are used in the calculation of depreciation:

**The following estimated useful lives are used in the calculation of depreciation:**

	YEARS	DEPRECIATION RATE
<b>Operational Assets</b>		
Land	n/a	Not depreciated
Buildings	40-50	2% - 2.5%
Furniture and Equipment	3-10	10% - 33.3%
Plant and Motor Vehicles	3-10	10% - 33.3%
Land Under Forest	n/a	Not depreciated
Library Books	7	14.3%

**Infrastructural Assets**

Roads - Formation	n/a	Not depreciated
Roads - Pavement (Sealed)	2-100	1%-50%
Roads - Pavement (Unsealed)	35-100	1%-2.86%
Roads - Other Roading Assets	20-150	0.6%-5%
Roads - Other	10-50	2%-10%
Roads - Bridges	50-150	0.6%-2%
Land Under Roads	n/a	Not depreciated
Stormwater	20-100	1-5%
Wastewater	20-100	1-5%
Water	20-100	1-5%

**The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.**

**DISPOSAL**

An item of property, plant and equipment is derecognised upon disposal or recognised as impaired when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Prospective Statement of Financial Performance in the period the asset is derecognised.

**BORROWING COSTS**

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

**FORESTRY ASSETS**

Forestry assets are independently revalued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined discount rate.

Gains or losses arising on initial recognition of biological assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the Prospective Statement of Financial Performance.

The costs to maintain the forestry assets are included in the Prospective Statement of Financial Performance.

## FINITE LIFE INTANGIBLE ASSETS

Finite life intangible assets are recorded at cost less accumulated amortisation. Amortisation is charged on a straight line basis over their estimated useful life. The estimated useful life and amortisation period is reviewed at the end of each annual reporting period.

### (A) 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 associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by the Council, are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

### AMORTISATION

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins from the date the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the Prospective Statement of Financial Performance

The useful lives and associated amortisation rates for major classes of intangible assets have been estimated as follows:

	YEARS	DEPRECIATION RATE
<b>Computer Software</b>	3 - 5	33%

## IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the Council reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Council estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace it's remaining future economic benefits or service potential. In assessing value in use for cash-generating assets, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the Prospective Statement of Financial Performance immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

## PROVISIONS

Provisions are recognised when the Council has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

### LANDFILL POST-CLOSURE COSTS

The Council, as operator of the District's landfills, has a legal obligation under the resource consent to provide ongoing maintenance and monitoring services at the landfill site after closure. A provision for post closure costs is recognised as a liability when the obligation for post-closure care arises.

The provision is measured based on the 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 the landfill closure.

The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the Council.



## EMPLOYEE ENTITLEMENTS

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Council in respect of services provided by employees up to reporting date.

## CASH FLOW STATEMENT

Operating activities include cash received from all income sources of the Council and record the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt structure of the Council.

## EQUITY

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

Reserves and Council Created 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 subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when specified conditions are met.

Council created reserves are reserves established by Council decision. The Council may alter them without reference to third party. Transfers to and from these reserves are at the discretion of the Council.

The Council's objectives, policies and processes for managing capital are described in Note 27 of Council's 2013/14 Annual Report.

## ALLOCATION OF OVERHEADS

Those costs of service not directly charged to activities are allocated as overheads using appropriate cost drivers such as actual usage, staff numbers and floor area.

## EMISSION TRADING SCHEME ACCOUNTING POLICY

New Zealand Units (NZUs) allocated as a result of the Council's participation in the Emissions Trading Scheme (ETS) are treated as intangible assets, and recorded at cost.

The difference between initial cost and the disposal price of the units is treated as revenue in Surplus/ (Deficit) for the period.

Liabilities for surrender of NZUs (or cash) are accrued at the time the forests are harvested, or removed in any other way, in accordance with the terms of the ETS legislation.

Liabilities are accounted for at settlement value, being the cost of any NZUs on hand to meet the obligation plus the fair value of any shortfall in NZUs to meet the obligation.

## CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements the 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 of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a

significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

## INFRASTRUCTURAL ASSETS

There are a number of assumptions and estimates used when performing Depreciated Replacement Cost (DRC) valuations over infrastructural assets. These include:

- the physical deterioration and condition of an asset, for example the 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 the Council could be over or under estimating the annual depreciation charge recognised as an expense in the Prospective Statement of Financial Performance. To minimise this risk the 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 the Council's asset management planning activities, which gives the Council further assurance over its useful life estimates.

Experienced independent valuers perform or review the Council's infrastructural asset revaluations.

## FORESTRY

Forestry is revalued annually using a method widely accepted as the industry standard. The approach taken is from a prospective purchaser's perspective. A discount rate is used to calculate the present values of costs and revenues net of tax.

## CRITICAL JUDGEMENTS

Management has exercised the following critical judgements in applying the Council's accounting policies for the period covered by this plan.

### CLASSIFICATION OF PROPERTY

The Council owns a number of properties that are held for service delivery objectives, primarily to provide housing to pensioners as part of the Council's elderly housing policy. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are accounted for as property, plant and equipment.



# FORECASTING ASSUMPTIONS

These assumptions are universal and relate to all our activities.

## KEY FINANCIAL FORECASTING ASSUMPTIONS

### WHAT WE HAVE ASSUMED

### LEVEL OF UNCERTAINTY

### WHAT WOULD HAPPEN IF THIS CHANGED:

#### Useful lives of significant assets

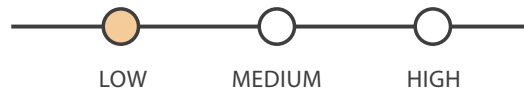
Based on existing information the remaining life forecasts for significant assets are correct and renewal forecasts are accurate



If remaining lives vary from those predicted, renewals and replacement may have to be undertaken more or less frequently, impacting on capital budgets.

#### Source of funds for future replacement of significant assets

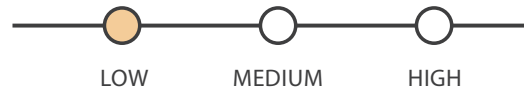
Council will continue to be able to fund the replacement of significant assets as per the Revenue and Financing Policy and Financial Strategy.



That Council will continue to be able to fund the replacement of significant assets as per the Revenue and Financing Policy and Financial Strategy.

#### Projected growth change factors

Council's rating base is expected to increase incrementally during the life of this plan. Further details can be found in the Infrastructure and Financial strategy parts of this plan.



If demand changes unexpectedly due to growth then capital and operating expenditure forecasts could be insufficient and Council would need to reassess budgets subject to urgency.

#### Approach to societal changes – Clutha's aging population

Clutha's population is projected to remain relatively static during the life of this plan, but our population is expected to age. It is assumed that there are no additional pressures or changes on services at this time. This will be reassessed on an ongoing basis.



If demand changes unexpectedly due to societal or demographic changes then capital and operating expenditure forecasts could be insufficient and Council would need to reassess budgets subject to urgency.

Continues on next page

## KEY FINANCIAL FORECASTING ASSUMPTIONS

### WHAT WE HAVE ASSUMED

### LEVEL OF UNCERTAINTY

### WHAT WOULD HAPPEN IF THIS CHANGED:

#### Approach to potential climate change impacts

Unless stated in activity group assumptions it is assumed that climate change will not materially impact on Council's assets or services.



If the impacts of climate change are felt sooner than expected there may be demands on council's budgets.

#### Service levels

It is assumed service levels will remain unchanged unless indicated otherwise.



If Council has not adequately engaged and consulted on changes to service levels or service levels are perceived to be unaffordable, levels including funding would need to be reassessed.

#### NZTA subsidy rates

Based on representation and advice from NZTA FAR will be 60% in 2015/16, dropping to 59% for the remaining life of this plan.



Reduction in roading programme or increase in rates to meet budgeted programme.

#### Revaluation of non-current assets

The roading network is to be revalued in 2016/17, 2019/20 and 2022/23. Utility assets (water, sewerage, stormwater) will be revalued in 2016/17, 2019/20 and 2022/23. Revaluations are expected to be positive.



No material difference if assumption is incorrect. Depending on circumstances the revaluation period maybe shorter or longer.

#### Forecasted return on investments

A return of 5.5% is budgeted for internal investment and 4.5% for external investment.



May have some on impact on returns, as investments are approximately \$15 million. Any shortfall will reduce the rates offset (UAGC), meaning the UAGC will increase. A 1% movement in interest rates on monies used to offset UAGC is approx. \$47,000.

#### Expected interest rates on borrowing

Internal borrowing is budgeted to be at 5.5%. It is assumed that any potential external borrowing would be at 5.5%. Council has not budgeted to borrow externally during the ten years included in this plan.



Minimal impact as impact of internal borrowing is offset by income and external debt is rarely used. If use of external debt increases the impact of any variance would be greater.

## KEY FINANCIAL FORECASTING ASSUMPTIONS

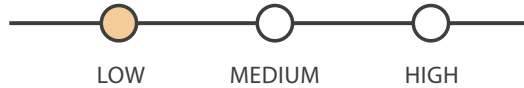
### WHAT WE HAVE ASSUMED

### LEVEL OF UNCERTAINTY

### WHAT WOULD HAPPEN IF THIS CHANGED:

#### Changes to Council's business dictated by as yet unknown/unconfirmed legislation

Unless stated in activity group assumptions, for the purposes of budgeting, Council has assumed that no legislative or regulatory changes will be made during the next ten years.



Unknown changes could change Council's capital requirements and/or operating costs.

#### Depreciation rates on planned asset acquisitions

If depreciation costs are significantly higher than budgeted rates would increase to balance the budget.



If depreciation costs are significantly higher than budgeted rates would increase to balance the budget.

#### Resource consents

Unless stated in activity group assumptions, it is assumed that resource consents will be obtained within budgets and anticipated timeframes.



#### Renewability or otherwise of external funding

Cash flow deficits managed through Westpac Multi option credit facility. Can also be used if needed to meet medium term lending requirements.



Higher cost of short term borrowing and inability to meet liquidity shortfalls.

## PRICE LEVEL CHANGES

Accounting rules require Council to adjust its forecast financial information to take into account the impact inflation. These price level adjustments have been applied to all budgets and projects at the rates outlined below. They are largely based on the Local Government Cost Index (LGCI) with the exception of Roothing, which is based on information in the National Policy Statement on Land Transport.

### PRICE LEVEL ADJUSTORS APPLIED TO 2015/25 LONG TERM PLAN FORECASTS

PROJECT (All in \$000's)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Staffing</b>	Base year	1.85%	2.04%	2.14%	2.24%	2.43%	2.63%	2.82%	3.01%	3.12%
<b>Other</b>	Base year	2.50%	2.60%	2.89%	3.08%	3.27%	3.66%	3.85%	4.23%	4.53%
<b>Electricity</b>	Base year	3.80%	3.99%	4.25%	4.83%	5.28%	5.66%	6.31%	6.86%	7.43%
<b>Water</b>	Base year	3.81%	3.09%	3.45%	3.64%	3.99%	4.36%	4.73%	4.99%	5.54%
<b>Roothing</b>	Base year	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%	2.80%	2.80%	2.90%

## RATING UNIT CHANGES

Based on historical data and changes to the district's rating base, Council is projecting that the number of rating units in the district will continue to grow at a rate of a minimum of 0.2% per annum. This doesn't take into account the impacts of Council's focus to grow the rating base as this is too difficult to predict in detail and at this early stage.

### FORECAST CHANGES IN RATING UNITS 2015/25

YEAR BEGINNING	RATING UNITS	CUMULATIVE CHANGE IN RATING UNITS (%)	CUMULATIVE CHANGE IN RATING UNITS
1/07/2015	12,999	0.20%	26
1/07/2016	13,025	0.40%	52
1/07/2017	13,051	0.60%	78
1/07/2018	13,077	0.80%	104
1/07/2019	13,103	1.00%	130
1/07/2020	13,129	1.20%	156
1/07/2021	13,156	1.40%	183
1/07/2022	13,182	1.60%	209
1/07/2023	13,208	1.80%	235
1/07/2024	13,235	2.00%	262

# LOCAL GOVERNMENT (FINANCIAL REPORTING AND PRUDENCE) REGULATIONS 2014

Long Term Plan disclosure statement for the period commencing 1 July 2015

## WHAT IS THE PURPOSE OF THIS STATEMENT?

The purpose of this statement is to disclose the Council's planned 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 long term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some terms used in this statement.

## RATES AFFORDABILITY BENCHMARK

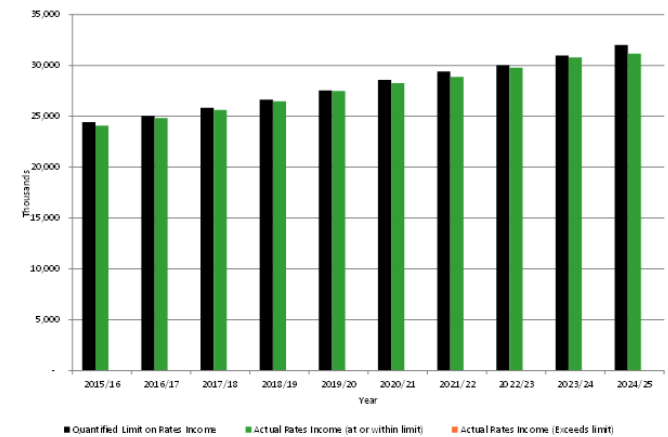
The Council meets the rates affordability benchmark if –

- Its planned rates income equals or is less than each quantified limit on rates; and
- Its planned rates income increases equal or are less than each quantified limit on rates increases

## RATES (INCOME) AFFORDABILITY

The following graph compares Council's planned rates with a quantified limit on rates contained in the financial strategy included in this long term plan. The quantified limit is that total budgeted rates will not exceed 4% of budgeted rates for the previous year.

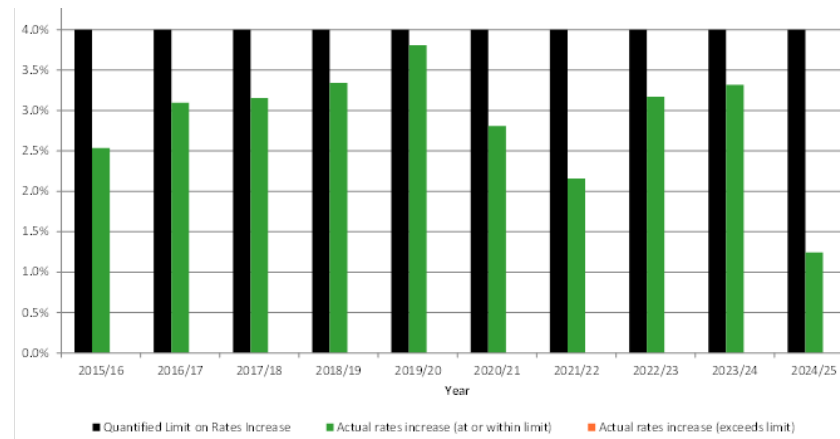
Rates Affordability Benchmark - Rates (Income) Affordability



# RATES (INCREASES) AFFORDABILITY

The following graph compares Council's planned rates increases with a quantified limit on rates increases included in the financial strategy included in this long term plan. The quantified limit is that total budgeted rates will not exceed 4% of budgeted rates for the previous year.

Rates Affordability Benchmark - Rates (increases) Affordability



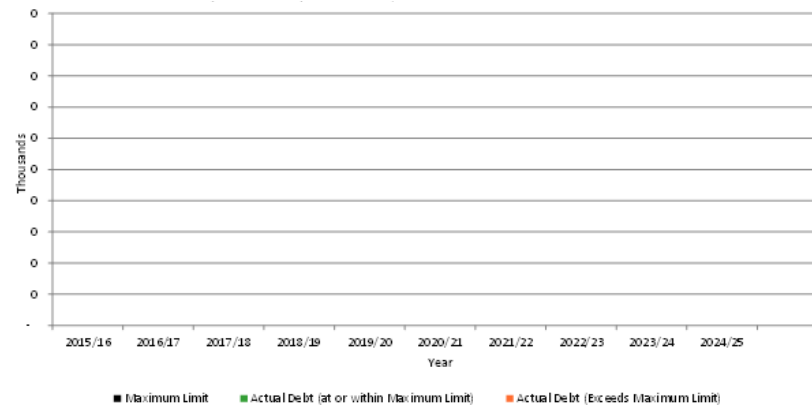
# DEBT AFFORDABILITY BENCHMARK

The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

The following graph would compare the council's planned debt with a quantified limit on borrowing stated in the financial strategy included in this long term plan. The Council has no external debt and so no limits on external borrowing have been set in the financial strategy.

During the period 2015/25 Council has no external public debt, consequently the graph shows the net external debt as 0.

Debt Affordability Benchmark (External Debt)



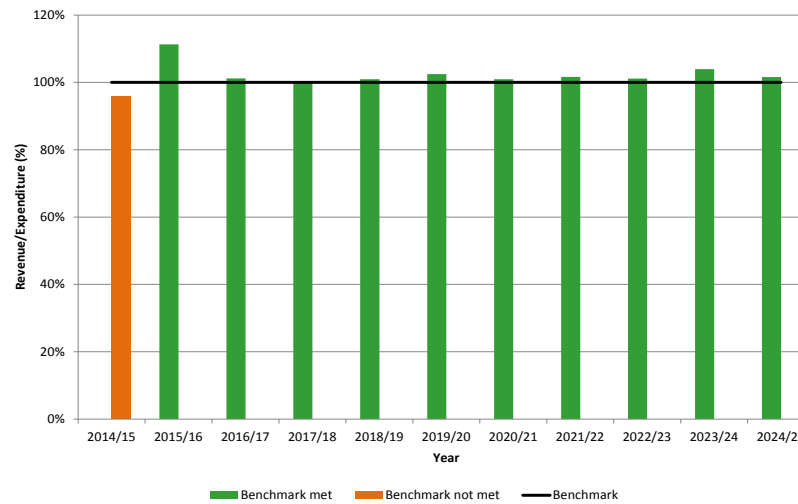
# BALANCED BUDGET BENCHMARK

The following graph displays the 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 planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.

Council expects to meet this benchmark in all of the ten reported years, as its revenue is budgeted to be greater than its expenses.

## Balanced budget benchmark

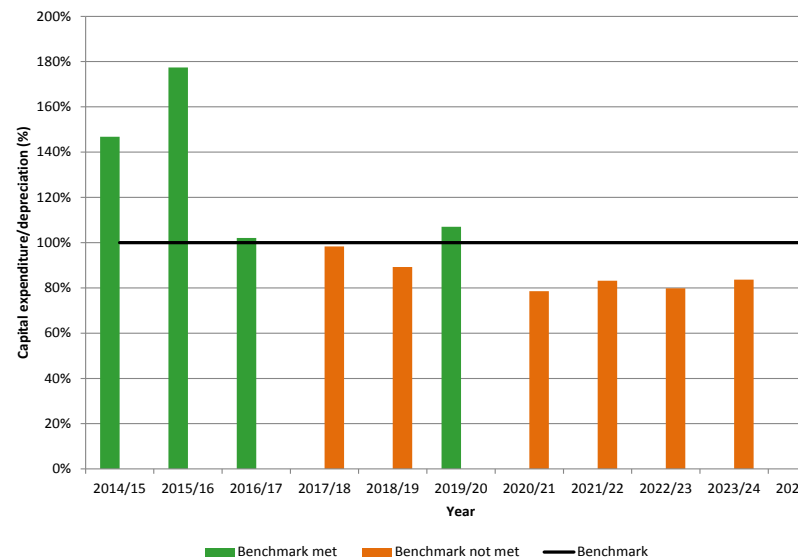


# ESSENTIAL SERVICES BENCHMARK

The following graph displays the Council's planned capital expenditure on network services as a proportion of expected depreciation on network services. The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services. Network services means infrastructure related to water services and roading.

Council has not met this benchmark in all ten years of the Long Term Plan 2015/25 due to budgeted capital expenditure not being as great as our budgeted depreciation expense.

## Essential services benchmark



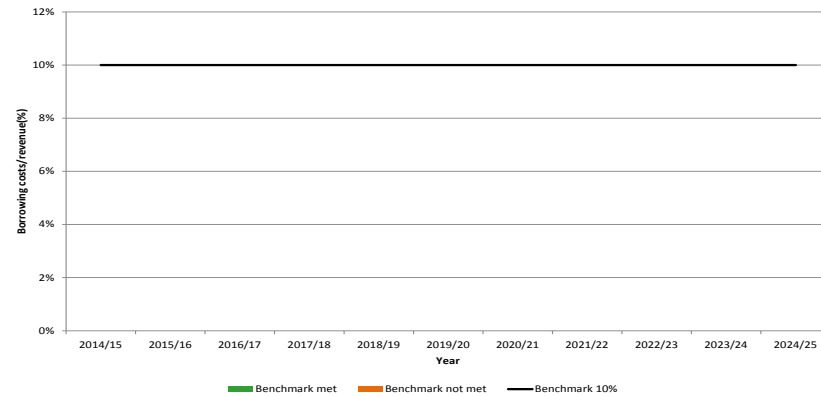
# DEBT SERVICING BENCHMARK

The following graph displays the council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

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.

During the period 2015/25, Council projects no external public debt, and consequently no borrowing costs.

## Debt servicing benchmark





# SCHEDULE OF RESERVE FUNDS

FUND	Type/ Purpose	Opening balance as at 1 July 2015	Transfers into the fund during the period	Interest Earned on the fund during the period	Transfers out of the fund during the period	Closing balance as at 30 June 2025
<b>Internal Services</b>						
Underground Insurance	Spec	108,410	597,777	205,225		911,412
Geographic Information Systems	Depn	18,437	210,183	1,400	198,673	31,347
Geographic Information Systems	Spec	72,082		39,859		111,941
Policy & Communications	Spec	39,882	230,612	78,100		348,594
Human Resources	Spec	16,120		8,914		25,034
Gratuities	Spec	63,312		35,010		98,322
IT - Office Computer Equipment	Spec	75,279		41,627		116,906
District Assets Infrastructure/Data	Spec	34,620		19,144		53,764
Cars & Gratuities	Spec	278,271		153,876		432,147
Information Technology	Depn	542,553	1,534,476	138,130	1,216,285	998,874
<b>Community Leadership</b>						
Education Fund	Spec	3,340		1,847		5,187
Election Fund	Spec	35,495	319,344	30,713	298,631	86,921
Economic Development	Spec	22,315		12,339		34,654
Clutha Gold Trail	Spec	35,246		19,490		54,736
Lawrence Community Board	Spec	18,364		10,155		28,519
Opportunities Fund	Spec	39,353		21,761		61,114
Tuapeka Bursary	Spec	39,070		13,682	34,128	18,624

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## SCHEDULE OF RESERVE FUNDS

FUND	Type/ Purpose	Opening balance as at 1 July 2015	Transfers into the fund during the period	Interest Earned on the fund during the period	Transfers out of the fund during the period	Closing balance as at 30 June 2025
<b>Community Leadership</b>						
Welcome to Signage	Spec	3,586		1,983		5,569
West Otago Community Board	Spec	75,469		41,732		117,201
<b>Community Services</b>						
Clinton Hall	Depn	23		13		36
Clutha Valley Community Centre	Depn	56,523	35,155	13,198	91,256	13,620
Hillend Hall	Depn	18,321	33,732	3,837	45,356	10,534
Kaka Point Community Centre	Depn	12,029	72,441	8,706	49,798	43,378
Lovell's Flat Hall	Depn	10,441	2,916	6,483		19,840
Moneymore Hall	Depn	7,686	3,447	5,088		16,221
Owaka Community Cnetre	Depn	43,429	34,465	12,734	79,528	11,100
Waiholā Hall	Depn	3,323	3,168	2,607		9,098
Waipahi Hall	Depn	11,717	6,628	8,090		26,435
Waiwera Hall	Depn	5,235	3,977	3,861		13,073
Waitahuna Hall	Depn	72,022	42,419	34,027	66,280	82,188
Various Halls	Depn	114,107		63,098		177,205
Cemeteries	Spec	431,097		238,383		669,480
Kaitangata Cemetery	Spec	12,021		6,647		18,668
Lawrence Cemetery	Spec	24,681		13,648		38,329
Cemetery	Depn	108,659	220,802	80,385	123,600	286,246
Kaka Point Camping Ground	Depn	29,095	116,098	44,304		189,497
Naish Park Camping Ground	Depn	7,583	175,933	46,950		230,466
Taylor Park Camping Ground	Depn	47,125	13,256	10,596	54,126	16,851
Pounawea Camping Ground	Depn	7,104	78,857	14,799	34,126	66,634
Waiholā Camping Ground	Depn	5,272	2,943	3,630		11,845

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previous page

## SCHEDULE OF RESERVE FUNDS

FUND	Type/ Purpose	Opening balance as at 1 July 2015	Transfers into the fund during the period	Interest Earned on the fund during the period	Transfers out of the fund during the period	Closing balance as at 30 June 2025
<b>Community Services</b>						
Balclutha War Memorial Hall	Spec	148,082		35,983	133,139	50,926
Balclutha War Memorial Hall	Depn	266,240	500,056	120,558	667,102	219,752
Milton Civic Centre	Depn	12,346		6,827		19,173
Kaitangata Memorial Hall	Depn	23,289		12,878		36,167
Public Conveniences	Depn	210,034	523,609	83,896	417,225	400,314
Reserve Contributions	Spec	57,240	85,085	52,330		194,655
Parks and Reserves	Depn	104,955	159,071	91,864	19,884	336,006
Administration Office	Spec	260,324		69,262	225,267	104,319
Endowment Land	Spec	503,885		278,633		782,518
Other Property	Depn	106,413		58,843		165,256
Depots	Depn	299,318		165,514		464,832
Community Housing	Depn	393,856	1,162,276	479,478	40,000	1,995,610
Administration Office	Depn	770,347	1,747,676	117,290	2,463,240	172,073
Dunrobin Recreation Reserve Board	Spec	57,122		33,008		90,131
Parkhill Rec Reserve Board	Spec	3,856		2,228		6,084
Waikoikoi Domain Board	Spec	13,467		7,782		21,249
Service Centres	Spec	195,186		107,932		303,118
Grandstand 2000	Depn	127,745		70,639		198,385
Sportsgrounds	Depn	217,504		120,273		337,777
Kaitangata Pool	Depn	69,487		38,424		107,911
Lawrence Pool	Depn	39,307		21,735		61,042
Balclutha Pool	Depn	67,864	556,748	8,877	633,489	0
Kaitangata Pool	Depn	169,192		93,558		262,750
Lawrence Pool	Depn	113,974		63,024		176,998
Milton Pool	Depn	29,110	265,118	17,691	288,469	23,450

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## SCHEDULE OF RESERVE FUNDS

FUND	Type/ Purpose	Opening balance as at 1 July 2015	Transfers into the fund during the period	Interest Earned on the fund during the period	Transfers out of the fund during the period	Closing balance as at 30 June 2025
<b>Funds Not Specifically Allocated to an Activity Group</b>						
General Reserve	Spec	812,000		373,104	185,000	1,000,104
Emergency Fund	Spec	3,758,043		2,078,083		5,836,125
Capital Works and Purchases	Spec	120,266		66,503		186,769
Land and Buildings	Spec	171,037		94,578		265,615
Bulb Growing/Project	Spec	22,941		12,685		35,626
Tapanui Works Infrastructure Fund	Spec	6,712		3,712		10,424
Lawrence Heritage	Spec	23,668		10,011	13,254	20,425
Momona Airport Refund	Spec	23,406		12,943		36,349
Kate Leslie Trust	Trust	105,226		50,494	33,140	122,580
Elderly Citizens Trust (Lawrence)	Trust	13,217		7,308		20,525
Tapanui Domain Trust	Trust	13,217		7,308		20,525
Butler Trust	Trust	377		208		585
Milton Brass Band	Trust	581		321		903
O'Hara Sports Trust	Trust	1,464		810		2,274
Clinton Endowment Land	Trust	78,237		43,263		121,499
J D Swan Estate	Trust	8,036		4,444		12,480
George Melville Estate	Trust	148,422		82,073		230,495

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## SCHEDULE OF RESERVE FUNDS

FUND	Type/ Purpose	Opening balance as at 1 July 2015	Transfers into the fund during the period	Interest Earned on the fund during the period	Transfers out of the fund during the period	Closing balance as at 30 June 2025
<b>Regulatory &amp; Emergency Services</b>						
Rural Fire	Depn	60,829		33,637		94,466
Civil Defence & Emergency	Spec	28,902	66,280	32,060		127,242
Animal Control	Depn	4,555	24,503	8,474		37,532
<b>Roading</b>						
Balclutha Main Street	Spec	48,771		26,969		75,740
Roading - Bridge Lights	Spec	36,063		19,942		56,005
Roading	Depn	4,194,751	7,106,413	2,155,152	8,787,186	4,669,130
Deferred Roading	Depn	786,945		435,156		1,222,101
<b>Stormwater</b>						
Milton	Spec	19,511		918	19,000	1,429
Balclutha	Depn	664,489	1,139,806	156,570	1,666,343	294,522
Clinton	Depn	113,972	95,269	69,616	66,260	212,597
Kaitangata	Depn	108,468	117,211	66,560	84,080	208,159
Kaka Point	Depn	64,346	66,358	37,589	51,073	117,220
Lawrence	Depn	34,740	96,871	7,370	120,329	18,652
Milton	Depn	242,722	936,540	190,225	778,854	590,633
Owaka	Depn	175,500	83,696	110,950	18,543	351,603
Tapanui	Depn	266,965	288,834	39,895	552,896	42,798
Taieri Mouth	Depn	3,627		2,006		5,633
Rural	Depn	36,972	86,178	41,181		164,331
<b>Waste Management</b>						
Solid Waste	Depn	1,578,875	613,582	987,364	143,296	3,036,525

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## SCHEDULE OF RESERVE FUNDS

FUND	Type/ Purpose	Opening balance as at 1 July 2015	Transfers into the fund during the period	Interest Earned on the fund during the period	Transfers out of the fund during the period	Closing balance as at 30 June 2025
<b>Water</b>						
Balclutha Water	Spec	44,724		2,391	43,000	4,115
Balmoral 1 Plant	Spec	2,154		1,191		3,345
Balmoral 2 Plant	Spec	1,348		746		2,094
Kaitangata	Spec	71,561		39,571		111,132
Kaka Point	Spec	15,887		7,041	7,246	15,682
Stirling	Spec	51,830		26,007	12,366	65,471
Stirling Water Treatment Plant	Spec	213,157		19,158	190,000	42,315
Telemetry	Spec	144,139		79,704		223,843
Tuapeka	Spec	1,148		635		1,783
Waiholo	Spec	68,302		33,399	18,162	83,539
Wangaloa Plant	Spec	13,262		839	12,500	1,601
Balclutha	Depn	544,343	1,972,243	192,307	2,207,265	501,628
Balmoral 1	Depn	200,613	323,249	37,724	462,288	99,298
Balmoral 2	Depn	200,234	633,259	42,946	819,620	56,819
Benhar	Depn	63,736	121,385	40,106	169,801	55,426
Clinton	Depn	200,004	145,153	85,614	372,698	58,073
Clydevale/Pomahaka	Depn	53,391	1,257,980	56,449	851,323	516,497
Glenkenich	Depn	404,471	1,190,916	123,874	1,271,422	447,839
Kaitangata	Depn	335,261	389,021	267,965	62,747	929,500
Kaitangata Treatment Plant	Depn	46,928	429,196	76,711	339,053	213,782
Kaka Point	Depn	113,513	174,494	96,913	48,975	335,945
Lawrence	Depn	116,838	598,960	86,396	576,226	225,968
Milton	Depn	104,062	2,640,631	107,465	2,523,874	328,284
Moa Flat	Depn	542,923	1,320,786	258,575	953,361	1,168,923

## SCHEDULE OF RESERVE FUNDS

FUND	Type/ Purpose	Opening balance as at 1 July 2015	Transfers into the fund during the period	Interest Earned on the fund during the period	Transfers out of the fund during the period	Closing balance as at 30 June 2025
<b>Water</b>						
North Bruce	Depn	214,679	1,133,475	18,449	1,118,443	248,160
Owaka	Depn	99,527	229,849	16,047	316,085	29,338
Richardson	Depn	324,539	1,252,873	77,827	1,221,879	433,360
South Bruce	Depn	260,857	250,815	58,765	482,852	87,585
Stirling Treatment Plant	Depn	90,970	387,486	80,409	185,965	372,900
Stirling	Depn	156,245	175,145	120,494	43,231	408,653
Tapanui	Depn	38,750	820,154	136,605	208,085	787,424
Tuapeka	Depn	270,504	843,990	81,751	873,524	322,721
Waihola	Depn	176,959	170,424	132,534	31,920	447,997
Waipahi	Depn	229,389	316,864	85,174	487,795	144,172
Waitahuna	Depn	275,301	512,603	198,487	167,109	819,282
Wangaloa	Depn	121,103	148,220	24,819	216,441	77,701
Telemetry	Depn	383,186	1,242,426	160,250	1,388,247	397,615
<b>Sewerage</b>						
Balclutha	Spec	507,676		77,492	583,452	1,716
Heriot Pump	Spec	4,084	36,983	6,394	36,797	10,664
Kaitangata	Spec	97		54		151
Kaka Point	Spec	69,431		29,647	30,634	68,444
Stirling Plant	Spec	2,535		1,402		3,937
Tapanui	Spec	186		103		289
Waihola	Spec	87,419		3,949	86,229	5,139
Balclutha	Depn	2,385,520	2,533,045	1,110,060	4,250,508	1,778,117
Benhar	Depn	7,437		4,113		11,550
Clinton	Depn	369,917	542,391	183,920	484,660	611,568
Heriot	Depn	6,859	47,570	3,032	54,117	3,344

## SCHEDULE OF RESERVE FUNDS

FUND	Type/ Purpose	Opening balance as at 1 July 2015	Transfers into the fund during the period	Interest Earned on the fund during the period	Transfers out of the fund during the period	Closing balance as at 30 June 2025
<b>Sewerage</b>						
Kaitangata	Depn	685,809	641,236	139,458	977,821	488,682
Kaka Point	Depn	141,815	462,197	151,814	228,481	527,345
Lawrence	Depn	-5,882	540,904	52,996	350,288	237,730
Milton	Depn	1,697,824	2,164,324	1,057,345	1,146,495	3,772,998
Owaka	Depn	135,031	639,858	168,593	245,782	697,700
Stirling	Depn	50,755	334,786	57,191	187,590	255,142
Tapanui	Depn	131,072	778,310	230,686	147,822	992,246
Waihola	Depn	395,182	397,186	65,400	574,454	283,315
<b>TOTAL RESERVE FUNDS</b>		<b>33,882,646</b>	<b>47,267,023</b>	<b>17,147,434</b>	<b>47,205,489</b>	<b>51,091,614</b>
<b>LESS INTERNAL INTEREST</b>						<b>18,683,909</b>
<b>NET RESERVE FUNDS</b>						<b>32,407,705</b>



# GENERAL POLICIES

YOUR COMMUNITY YOUR COUNCIL YOUR FUTURE 2015/25



# SUMMARY OF SIGNIFICANCE AND ENGAGEMENT POLICY

## PURPOSE

The Significance and Engagement Policy (SEP) explains when and how people can take part in and contribute to Council decisions.

It explains how Council:

- assesses the significance of an issue,
- when and how communities and stakeholders can be involved in Council decisions, and
- provides information to Councillors and Council staff about levels and methods of engagement before a decision is made.

## DETERMINING SIGNIFICANCE

Our general approach to determining the significance of proposals or decisions is to have regard to a range of criteria prior to decisions being made. While not an exclusive list, Council will be guided by the following:

- The potential level of financial consequence, in particular rates impact.
- The degree of impact on or change to levels of service, positive or negative.
- How many residents and ratepayers might be affected by the proposal or decision.
- The likely degree of community interest in the proposal or decision.
- The extent to which the consequences of the decision might be controversial.
- The degree to which the decision or proposal deviates from community outcomes or Long Term Plan, Annual Plan or policy.
- The potential impact on current and future interests of the community.
- Whether there is a legal requirement to engage with the community.
- The degree of impact on a strategic asset, particularly if it involves transferring ownership or control<sup>1</sup>.

A matter will be considered significant when one or more of the above criteria are considered high, or are met.

## ENGAGEMENT

The method and degree of community engagement is related to how significant a decision, proposal or other matter is. Council will approve methods of engagement for significant issues. Generally, Council staff will determine engagement methods for all other issues.

Council recognises its legislative obligations to provide opportunities for Maori to contribute to decision-making. Council's response is provided in the Long Term Plan and Annual Report. Council will continue to seek to develop relationships and consult in appropriate ways with Maori, taking into account the nature and significance of the decision to Maori.

A full copy of the SEP is available at the main Council office, Council service centres or online at [www.cluthadc.govt.nz](http://www.cluthadc.govt.nz)

<sup>1</sup> Strategic assets are essential to the continued delivery of outcomes considered essential to community well-being. Examples include the roading network, water supply schemes, sewerage and stormwater networks, solid waste services – wheelie bins and Mt Cooee Landfill – and various community services such as libraries, swimming pools, parks and reserves, community halls and community housing.

# DEVELOPING MĀORI PARTICIPATION AND CAPACITY IN COUNCIL DECISION-MAKING

Clutha District Council acknowledges its obligations under the Local Government Act 2002, Resource Management Act 1991 and Ngāi Tahu Claims Settlement Act 1998, and has been working with all Māori associated with the district to foster and further develop positive relationships, improve communication and consultation processes, and to develop a greater understanding of issues. Relationships have been developed with Te Rūnanga o Ōtākou and Hokonui Rūnanga; with tangata whenua whānau rūpū groups Waikoau Ngāi Tahu Rūnaka and Moturata Taieri Whānau; Māori land owners/trustees; and with ngā matawaka (Nga Whānau O Tokomairiro).

Council currently has the following arrangements in place to facilitate Māori participation in decision making:

- A formal protocol for consultation on resource consents agreed with Kāi Tahu ki Otago Ltd, an environmental consultancy that represents the Kāi Tahu Papatipu Rūnanga within the Clutha District.
- An informal arrangement for consultation on resource consents with Te Ao Marama

Inc, an Iwi liaison entity that represents the Southland Kāi Tahu Rūnanga that have shared interests within Clutha District.

- Consideration is given to the *Kāi Tahu ki Otago Natural Resource Management Plan* and the *Ngāi Tahu ki Murihiku Natural Resource and Environmental Iwi Management Plan* in Council's resource consent and planning processes.
- Council commissioned Kāi Tahu ki Otago Ltd to undertake background research as part of the review of the Clutha District Plan, and is consulting with Kāi Tahu<sup>1</sup> as well as other Māori groups and individuals as the Plan review proceeds.
- Council as a matter of practice consults Kāi Tahu, through Kai Tahu ki Otago Ltd and Te Ao Marama Inc, on matters that may affect the interests or values of tangata whenua<sup>2</sup> specifically and Māori generally.
- Where issues are being considered by a Council committee that may be of significant interest to tangata whenua or Māori generally

Council has invited the nomination of members representing the interests of the appropriate hapū or whānau to the committee. This is exemplified by the appointment of Hokonui and Ōtākou Rūnanga representatives as members with voting rights to Council's Wastewater and Solid Waste working parties.

- Direct communication with representatives of the Waikoau Ngāi Tahu Rūnaka (South Otago) and the Trustees of SILNA lands on a case by case basis.

Council continues to develop and strengthen its relationships with Māori. This includes strengthening existing relationships with the Kāi Tahu Papatipu Rūnanga of Otago through the Otago Mayoral Forum and Te Rōpū Taiao, and with Ngāi Tahu ki Murihiku through the Charter of Understanding – He Huarahi mō Ngā Uri Whakatupu and the associated Te Rōpū Taiao advisory group for Southland.

<sup>1</sup> In the south of the South Island, the local Māori dialect uses a 'k' interchangeably with 'ng'. The preference is to use a 'k' so southern Māori are known as Kāi Tahu, rather than Ngāi Tahu.

<sup>2</sup> Tangata whenua in relation to a particular area, means the iwi, or hapū, that holds mana whenua over that area.

In addition, and within a wider regional context, the Clutha District Council has agreed to the following in relation to the principles of the Treaty of Waitangi and building the capacity of Māori to contribute to local government decision-making processes:

- **Local authority decision-making** – where a significant decision relates to land or a body of water, Clutha District Council will take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga.
- **Contributions to and involvement in decision-making processes** – Clutha District Council will provide opportunities for the engagement of Māori in decision-making.
- **Consultation with Māori** – Clutha District Council has processes in place for consulting with Māori in accordance with the principles of the Local Government Act. Effective consultation is required to improve existing relationships with Māori, and to ensure that processes and protocols relating to local government and resource management issues take into account Māori needs, expectations and aspirations.
- **Iwi Management Plans** – supporting implementation, use and understanding of the *Kāi Tahu ki Otago Natural Resource Management Plan* and *Te Tangi a Tauira – The Cry of the People – the Ngāi Tahu ki Murihiku Resource and Environmental Management Plan*.
- **Resource Management** - Supporting projects initiated by Māori that involve direct management of the region's natural resources.

## TANGATA WHENUA & CLUTHA DISTRICT COUNCIL RELATIONSHIP

While the Local Government Act sets out provisions relating to all Māori it is recognised that within the Clutha District Kāi Tahu are tangata whenua. They have a special status in terms of Clutha District Council resource management activities and are not just another interest group. The relationship between Clutha District Council and tangata whenua is constructive.

Clutha District Council is an active participant and signatory to Te Rōpū Taiao, the Otago Takiwā-wide collective forum, and to the Southland Charter of Understanding – He Huarahi mō Ngā Uri Whakaturu. Te Rōpū Taiao and the Charter establish the basis for Council's engagement with the Kāi Tahu rūnanga in the context of the Local Government Act 2002 and Resource Management Act 1991.

Te Rōpū Taiao and the Charter provide the basis for an ongoing relationship between Council and Kāi Tahu and assist in developing the capacity of tangata whenua to contribute to the decision-making processes of Council. These fora are a foundation for consultation on a wide range of local government issues including Long-term and Annual Plans and assists Council through Kāi Tahu ki Otago Ltd and Te Ao Mārama Inc to consult with tangata whenua who have a shared interest in the Clutha District.

In addition to the Local Government Act obligations set out above under Māori relationships, the Resource Management Act 1991 and the Ngāi Tahu

Claims Settlement Act 1998 set local authorities specific obligations regarding kaitiakitanga, the principles of the Treaty of Waitangi and the relationship between Māori and their culture and traditions with their ancestral lands, water, sites, wāhi tapu and other taonga. To give effect to the obligations under the Local Government Act, and the related obligations under the Resource Management Act and the Ngāi Tahu Claims Settlement Act, Clutha District Council will continue to develop its relationships with the relevant Rūnanga in Otago and Southland through Kāi Tahu ki Otago Ltd and Te Ao Marama, and with Te Rūnanga o Ngāi Tahu, the iwi authority. This is essential for achieving the sustainable management of natural resources and landscapes within the Clutha District.

The Ngāi Tahu Claims Settlement Act 1998 included as cultural redress a number of mechanisms to recognise and give practical effect to Ngāi Tahu mana over tāonga resources and landscapes. These mechanisms include statutory acknowledgement of Ngai Tahu's cultural, spiritual, historic, and traditional association with:

- Mata-au (Clutha River)
- Kuramea (Lake Catlins)
- Tokatā (The Nuggets)
- Te Tai O Arai Te Uru (Otago Coastal Marine Area)

The objective of statutory acknowledgments is to ensure that Ngāi Tahu is engaged in decision-making when activities impact on these statutory areas. Council forwards resource consent applications that impact directly on these statutory areas to Te Rūnanga o Ngāi Tahu for consideration.

# COMMUNITY SUMMARIES

YOUR COMMUNITY YOUR COUNCIL YOUR FUTURE 2015/25





# GUIDE TO COMMUNITY SUMMARIES

Council splits the district into eleven different areas for rating purposes. These include ten urban communities, plus the rural area, which also includes a number of our smaller townships.

This section outlines how district-wide strategies and reviews will affect each area, what's planned in the areas, and an overview of what rating changes are expected. It is provided to supplement the information in the Council Activities section to show what is proposed in areas throughout the district.

The areas included are:

- **Balclutha**
- **Clinton**
- **Heriot (in the Rural rating area)**
- **Kaitangata**
- **Kaka Point**
- **Lawrence**
- **Milton**
- **Owaka (including Pounaweia in the Rural rating area)**
- **Stirling**
- **Taieri Mouth (in the Rural rating area)**
- **Tapanui**
- **Waihola**
- **Rural Clutha District**

Heriot, Pounaweia and Taieri Mouth are townships within the Rural Clutha District rating area.

## INFORMATION INCLUDED IN EACH SECTION

### 1. DISTRICT-WIDE STRATEGIES AND REVIEWS

Council wants to promote growth, and is aiming to do more to develop the district as a place to live, work, play and invest. This focus is the driving force behind a number of initiatives and actions from Council's proposed Economic Development and Living and Working strategies. Several of these involve work to help check and direct our actions in the coming years. These include projects to review the District Plan, leisure strategy, reserve management plans, community housing, community plans, earthquake strengthening requirements and camping grounds. In many cases effects will vary from community to community. This has been identified in each of the areas where they are relevant.

### 2. WHAT WE'RE PLANNING

#### MAIN PROJECTS

The area's main projects and the budgets for them are included under this heading.

#### WORK WE WILL BE FOCUSING ON

This summarises the key elements of the work programme for the area. It is made up of individual projects funded in the main projects section, or other projects that will be funded within existing resources and budgets.

### 3. HOW ARE RATES EXPECTED TO CHANGE?

These sections give an example property, with what the forecast rates change will be according to Council's current proposals included in the 2015/25 Long Term Plan. These examples summarise the actual rates for 2014/15, 2015/16, and proposed for 2016/17 and 2017/18. These examples are intended to give a high level representation of the type of changes expected in the rating area.

While some rates are a fixed charge and every property in the area will pay the same amount, other rates (including local roading, district roading, and community services) are based on a property's land or capital value and will vary within the community. Properties with lower than median values will pay less for these rates than the example given, while properties with higher than median values will pay more.

Rural Clutha District examples do not include additional charges that vary due to location. This means they don't include other charges such as water unit rates, wheelie bin charges, Cross Recreation Centre, West Otago Health Centre or community board rates.

Additional information about rates changes from 2014/15 to 2015/16 is included in the Rates section of this 2015/25 Long Term Plan.

# BALCLUTHA

Spanning both banks of the Clutha River, Balclutha is the administrative and servicing centre of the district

Like other rural towns throughout the country, Balclutha has experienced a period of population decline in recent years. In developing this plan Council has taken the opportunity to consider the current and future needs of Balclutha, and look ahead to consider what our organisation can do to help grow and future proof the town. A number of improvements and projects proposed are oriented towards doing just that. As you will see outlined here, there is considerable work to be done.

## DISTRICT-WIDE STRATEGIES AND REVIEWS THAT AFFECT BALCLUTHA

Council wants to promote growth, and is aiming to do more to develop the district as a place to live, work, play and invest. This focus is the driving force behind the proposed Economic Development and Living and Working strategies. Initiatives and actions are expected to impact on communities throughout the district.

### SOME OF THE INITIATIVES AND ACTIONS THAT DIRECTLY RELATE TO BALCLUTHA INCLUDE:

#### Reviewing the District Plan

A key part of this work will focus on facilitating the development of Balclutha as a service hub and encouraging development in and around Balclutha. Opportunities to develop residential and business areas will also be explored.

#### Recreation strategy and reserve management reviews

The District's first Physical Activity Strategy helped confirm and direct several initiatives for the district and Balclutha, including the Cross Recreation Centre. A key part of the Working and Living programme is updating this strategy, to help make future decisions about recreation and leisure. The updated strategy will look at a wide range of leisure facilities involving both active and passive recreation. This includes pools, parks, reserves, playgrounds, sportsgrounds, halls, community centres and libraries. The updated strategy will also help inform a reserve management plan review for Balclutha's reserve areas, such as Naish Park, Arthur Strang and Riverside reserves.

#### Facilitating community plans

An action in the Living and Working strategy is to work with local communities to help them develop a vision, with a set of actions (or community plan) to help work towards that vision. A community

### COUNCILLOR COMMENT



#### Ron Davis BALCLUTHA WARD

"This plan is about future-proofing our town and district. We want to help the district grow, while ensuring we progress positively and in the most cost effective and efficient way.

Recent investments in the town's recreation facilities, footpaths and pool are enhancing our way of life. Streetscape improvements will bring further vitality and add to what the town has to offer.

But there is more work to do. We encourage you to give us your views and offer your input about our future."

plan is also a tool for informing national and local organisations, like Council, about aspirations and priorities for local communities. Council will look to facilitate a community plan for Balclutha.

#### Community housing review

Suitable housing is an important factor influencing where people choose to live. Council owns, maintains and manages a number of community housing



units throughout the district. Some 41 units are located in Balclutha. Council will review the district's portfolio of community housing. Once complete this will provide information on current issues, future demand, types of community housing required and longer term sustainability.

#### Camping ground review

Initial work has indicated that there is significant work needed for Council-owned camping grounds, including Naish Park. Lessees have also indicated they would like to see Council invest in improving the camping grounds. Council will review camping grounds to evaluate whether they are sustainable into the future and fit for purpose. The review will include ownership and lease arrangements, funding for renewal work, and the level of investment in improvements.

## WHAT WE'RE PLANNING FOR BALCLUTHA

#### STREETSCAPE IMPROVEMENTS

The consultation process undertaken as part of the Balclutha Streetscape Upgrade project was rigorous and generated many great ideas. So much so that Council had to limit the extent of works to ensure the project could be completed within the approved budget. Another theme that was consistent in the messaging was 'do it once and do it right'. As such Council has included an additional \$600,000 in the 2015/16 year to enable further work on this key project to be completed.

#### SEWAGE TREATMENT PLANT UPGRADE

Council has budgeted \$2.4 million towards upgrading Balclutha's sewage treatment plant, so

a new discharge consent can be granted ahead of 2018/19. This will be a key project for Balclutha during the next ten years.

#### POSSIBLE STORMWATER IMPROVEMENTS

Options for improving stormwater drainage in the Balclutha flat area will be investigated in 2016/17, with a potential \$593,000 reticulation and outfall upgrade in 2019/20.

#### BALCLUTHA MEMORIAL HALL RENEWAL AND UPGRADES

Renewal work for the hall was budgeted during the term of the 2012/22 Long Term Plan. Since then the issue of meeting earthquake standards has come to the fore. At 30% of the National Building Standards, the hall is considered earthquake prone. A major contributor to the low rating is the flytower structure but a full analysis of this important building is required.

Overall there are several considerations and decisions to be made before renewals and improvements to the district's main hall take place. These include:

- **Structural analysis to evaluate what work is needed to make the building earthquake safe.**
- **Reviewing current and future needs and opportunities for the town hall space and building. This review also needs to carefully consider existing community buildings and infrastructure in Balclutha such as the Cross Recreation Centre, South Otago Museum and future proposals that may affect the building, e.g. the service and information centre review. The review will also consider how the greater hall area can better link to other areas and**

**facilities in the town, e.g. central business district, playgrounds and the river area.**

- **Reviewing long term funding options for the hall. This also links with a proposed review of how community services are rated for.**

Indicative budgets for functional upgrade works have been included in this plan, but these will be subject to the review.



### COUNCILLOR COMMENT

Ken Payne  
BALCLUTHA WARD

The streetscape improvements are entering the final stages and soon we will see a revitalised and vibrant town centre we can be proud of.

Essential services like sewerage and stormwater are non-negotiable, and will continue to be upgraded.

"Progress is the key to our future..."

## SERVICE AND INFORMATION CENTRE REVIEW

Council has committed to reviewing sustainable future options for service, information and museum arrangements.

As this review has evolved, the focus has been on Balclutha. Council will look to explore two main options:

1. Relocating the current Balclutha i-SITE from Balclutha Memorial Hall to a site at Elizabeth Street. This site is located at what is to become the focal point of the Balclutha Streetscape improvements.
2. Retaining the i-SITE at the Balclutha Memorial Hall and considering community proposals such as co-location of information services and museum facilities, or developing the facility as a community hub.

## WORK WE WILL BE FOCUSING ON FOR BALCLUTHA\*:

- District Plan review
- Leisure strategy and reserve management plan reviews
- Completing streetscape improvements
- Upgrading sewage treatment to meet resource consent conditions
- Possibly upgrading stormwater drainage
- Reviewing the future use and upgrades needed for Balclutha War Memorial Hall
- Deciding the future location for the i-SITE
- Community housing review
- Camping ground review

\* Either funded as individual projects under the Balclutha's Main Projects section or within existing resources and budgets

## COUNCILLOR COMMENT



### Jo-ann Thomson BALCLUTHA WARD

"A key vision for Council is promoting growth, developing the district as a place to live, work, play and invest. As the seat of local government in the Clutha District, Balclutha is an integral part of this. Projects such as the Streetscape upgrade, now nearing the implementation stage, will ensure that Balclutha remains a vital part of a vital district."

## BALCLUTHA'S MAIN PROJECTS

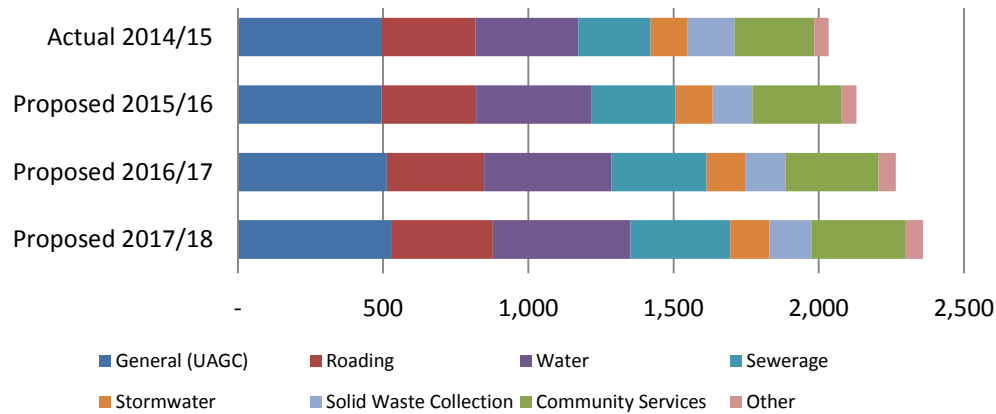
PROJECT (All in \$000s)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Streetscape improvements	2,700									
Sewage treatment upgrade	25	52		110	2,280					
Stormwater upgrade		26			570					
War Memorial Hall flytower		185								
War Memorial Hall renewals				309		75	78			208
War Memorial Hall upgrade				1,070						

# HOW BALCLUTHA'S RATES ARE EXPECTED TO CHANGE

The graph below is an indicative example of how rates are expected to change during the next three years.

## BALCLUTHA PROPERTY

2014/15: LV:\$48,000, CV:\$195,000 | 2015/16: LV: \$48,000, CV: \$195,000



## COUNCILLOR COMMENT

**Hamish Anderson  
BALCLUTHA WARD**

"Along with the rest of the district, the Balclutha ward is facing some changes. Whilst on the surface this may seem unfair, it's only after careful consideration that your Council's elected members have decided to pursue the 'one service - one charge' proposal for urban water, sewerage and stormwater. It fits in with both Central Government doctrine and the idea of a one Clutha District. We as elected members always pursue the idea of a value proposition for your rate dollar expenditure to ensure you get the best return at the most affordable cost."

# CLINTON

A focal point in Clinton is the monument of Clydesdale horses, a testament to the important contribution they made to agriculture and the history of the area.

Clinton remains today as a small rural servicing centre on State Highway 1 between Balclutha and Gore. Its surrounds continue to be intensively farmed with sheep, deer and dairying making an important contribution to the district's economy.

## DISTRICT-WIDE STRATEGIES AND REVIEWS THAT AFFECT CLINTON

Council is aiming to do more to develop the district as a place to live, work, play and invest. This focus is the driving force behind the proposed Economic Development and Living and Working strategies.

### SOME OF THE INITIATIVES AND ACTIONS THAT DIRECTLY RELATE TO CLINTON INCLUDE:

#### **Facilitating community plans**

An action in the Living and Working strategy is to work with local communities to help them develop a vision, with a set of actions (or community plan) to help work towards that vision. A community plan is also a tool for informing national and local organisations, like Council, about aspirations and

priorities for local communities. Council will look to facilitate a community plan for Clinton.

#### **Review of halls and community centres**

Changes to the Building Act 2004 as a consequence of the Canterbury earthquakes will require building owners to strengthen commercial earthquake prone buildings to at least 33% of the National Building Code, or demolish the building. The potential cost of earthquake strengthening means it makes sense for Council to review the usage, funding and long-term future of all of the district's halls and community centres.

The review will also extend to community-owned and Council-funded buildings, including Clinton's Community Centre. Council will fund the cost of a detailed estimate to help establish what would be needed to earthquake strengthen the centre.

#### **Community housing review**

Council is planning a review of community housing, including the six units in Clinton. Once complete the review will provide information on current issues, future demand, types of community housing required and the longer term sustainability of Council's housing portfolio.

### COUNCILLOR COMMENT



John Cochrane  
**CLINTON WARD**

*"Council is moving towards a new model of how we charge for water, sewerage and stormwater. The 'same service - same charge' approach means lower rates for Clinton residents.*

*I encourage you to take note of what's being proposed for Clinton, but most of all be proud of what we already have here in our town."*

## WHAT WE'RE PLANNING FOR CLINTON

### **SEWAGE TREATMENT PLANT UPGRADE**

Clinton's resource consent for its sewage discharge is coming up for renewal in 2018/19. To upgrade to the levels needed to secure a long term (35 year) consent Council has budgeted \$53,000 in 2017/18 and \$331,000 in 2018/19.

### **DRINKING WATER UPGRADE**

Clinton's water is supplied by the Clydevale-Pomahaka rural water scheme. This means that

Clinton will benefit from the water treatment upgrade planned for this scheme. The main part of the upgrade is proposed in 2017/18.

### TOILET RENEWAL

Clinton public toilets are included in a district-wide renewal programme. Clinton's turn is coming up in 2016/17 and \$51,000 has been budgeted for the work.

**WORK WE WILL BE FOCUSING ON IN THIS PLAN\*:**

- Upgrading sewage treatment to meet resource consent conditions
- Upgrading drinking water to meet national standards
- Renewing Clinton's public toilets
- Determining the future for Clinton's housing units
- Facilitating a community plan for Clinton
- Helping investigate what work will be needed to earthquake strengthen Clinton Community Centre

\* Either funded as individual projects under the Clinton's Main Projects section or within existing resources and budgets

## CLINTON'S MAIN PROJECTS

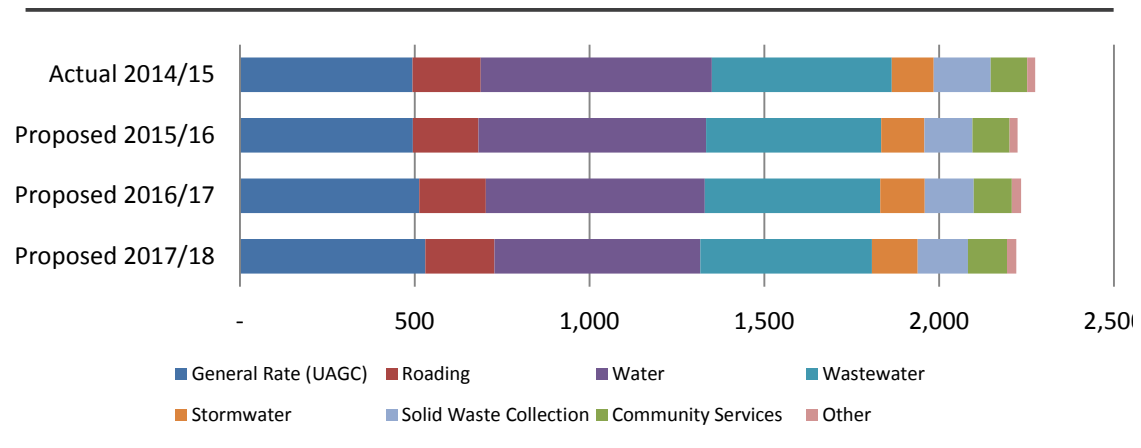
PROJECT (All in \$000s)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Sewage Treatment Plant upgrade			53	331						
Clydevale-Pomahaka water treatment upgrade	75	57	267							
Clinton toilet renewal		51								

## HOW CLINTON'S RATES ARE EXPECTED TO CHANGE

The graph to the right is an indicative example of how rates are expected to change during the next three years.

### CLINTON PROPERTY

2014/15: LV:\$14,000, CV:\$71,000 | 2015/16: LV: \$9,000, CV: \$60,000



# HERIOT

Heriot was pivotal in the early days of New Zealand's commercial and farming heritage and a cradle for the development of the famous sheep breed, the Romney.

These days Heriot remains as the second largest settlement in the West Otago area.

## DISTRICT-WIDE STRATEGIES AND REVIEWS THAT AFFECT HERIOT

Council is aiming to do more to develop the district as a place to live, work, play and invest. This focus is the driving force behind the proposed Economic Development and Living and Working strategies.

### SOME OF THE INITIATIVES AND ACTIONS THAT DIRECTLY RELATE TO HERIOT INCLUDE:

#### **Facilitating community plans**

An action in the Living and Working strategy is to work with local communities to help them develop a vision, with a set of actions (or community plan) to help work towards that vision. A community plan is also a tool for informing national and local organisations, like Council, about aspirations and priorities for local communities. Council will look to facilitate a community plan for Heriot.

#### **Review of halls and community centres**

Changes to the Building Act 2004 as a consequence of the Canterbury earthquakes will require building owners to strengthen commercial earthquake prone buildings to at least 33% of the National Building Code, or demolish the building. The potential cost of earthquake strengthening means it makes sense for Council to review the usage, funding and long-term future of all of the district's halls and community centres.

The review will also extend to community-owned and Council-funded buildings in this review, including Heriot's community centre. Council will fund the cost of a detailed estimate to help establish what would be needed to earthquake strengthen the hall.

## WHAT WE'RE PLANNING FOR HERIOT

#### **SEWAGE TREATMENT PLANT UPGRADE**

Heriot's resource consent for its sewage discharge is being renewed. To upgrade to the levels needed to secure a long term (35 year) consent Council has budgeted \$280,000 in 2015/16.

### COUNCILLOR COMMENT

Jeff McKenzie  
**WEST OTAGO WARD**



*"Meeting drinking water standards will mean Moa Flat and Glenkenich water schemes will be upgraded.*

*Maintaining levels of service for roading is going to be a challenge.*

*Heriot's sewage treatment will be upgraded so that it can achieve new consent conditions.*

*As Councillors, we are very conscious of costs, and are striving to make rates affordable."*

#### **DRINKING WATER UPGRADE**

Heriot's water is supplied by the Moa Flat rural water scheme. This means that Heriot will benefit from the water treatment upgrade planned for this scheme.

#### **STORMWATER DRAINAGE**

A number of stormwater issues have been identified in our smaller communities, including Heriot. Work will be done to develop a drainage plan to help determine what future work will be undertaken. Because Heriot benefits from stormwater drainage, ratepayers in this area will also pay a stormwater service rate from 1 July 2015.

# HERIOT'S MAIN PROJECTS

PROJECT (All in \$000s)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Sewage treatment plant upgrade	280									
Moa Flat water treatment plant upgrade	111	83	208							

## WORK WE WILL BE FOCUSING ON FOR HERIOT\*:

- Upgrading sewage treatment to meet resource consent conditions
- Upgrading drinking water to meet national standards
- Developing a stormwater drainage plan and determining what future work will be necessary

\* Either funded as individual projects under the Heriot's Main Projects section or within existing resources and budgets

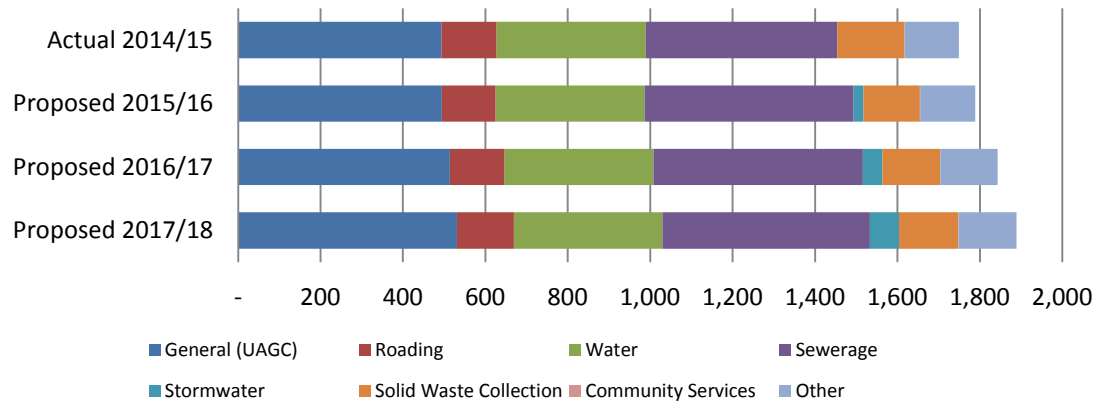
## HOW HERIOT'S RATES ARE EXPECTED TO CHANGE

The graph below is an indicative example of how rates are expected to change during the next three years.

A driver behind the increase in rates in this rating area is the introduction of a stormwater rate.

### HERIOT

2014/15: LV: \$9,000, CV: \$136,000 | 2015/16: LV: \$9,000, CV: \$149,000



# KAITANGATA

Located on the banks of the Matau branch of the Clutha River, Kaitangata is the district's third largest town.

Coal has been mined in the area since the 1850s, and is a significant part of the town's history and identity today.

## DISTRICT-WIDE STRATEGIES AND REVIEWS THAT AFFECT KAITANGATA

Council is aiming to promote growth, and do more to develop the district as a place to live, work, play and invest. This focus is the driving force behind the proposed Economic Development and Living and Working strategies.

SOME OF THE INITIATIVES AND ACTIONS THAT DIRECTLY RELATE TO KAITANGATA INCLUDE:

### Recreation strategy and reserve management reviews

The District's first Physical Activity Strategy helped confirm and direct several initiatives for the district affecting Kaitangata, including the Cross Recreation Centre. An important part of the Working and Living programme is updating this strategy, to help make future decisions about recreation and leisure opportunities in the district. The updated strategy will look at a wide range of leisure facilities involving

both active and passive recreation. This includes pools, parks, reserves, playgrounds, sportsgrounds, halls, community centres and libraries. The updated strategy will also help inform a reserve management plan review for Kaitangata's reserve areas, such as Victoria Park and the Old Cemetery playground.

### Community housing review

Council is planning a review of community housing, including the three units in Kaitangata. Once complete the review will provide information on current issues, future demand, types of community housing required and the longer term sustainability of Council's housing portfolio.

## WHAT WE'RE PLANNING FOR KAITANGATA

### SEWAGE TREATMENT PLANT UPGRADES

Kaitangata's resource consent for its sewage discharge is being renewed. To upgrade to the levels needed to secure a long term (35 year) consent Council has budgeted \$950,000 in 2015/16.

## COUNCILLOR COMMENT



Bruce Graham  
KAITANGATA-MATAU WARD

"One of the main issues facing our community is the state of, and future running of our swimming pool. Figures don't look promising and options proposed will mean some tough calls. These decisions will be a reflection of what the community decides.

Water and sewerage treatment upgrades also feature highly and can only be good for the town.

It is exciting to see strong and positive groups continuing to reinforce why Kai is a great place to live and I commend them for all their hard work and commitment."



## WATER TREATMENT PLANT IMPROVEMENTS

An upgrade to the intake structure of Kaitangata's water treatment plant has been programmed in 2016/17. A budget has been included for \$294,000, making this a significant project for the town.

## TOILET RENEWAL

Kaitangata's public toilets are included in a district-wide renewal programme. This work is proposed in 2016/17 and \$51,000 has been budgeted.

## KAITANGATA WAR MEMORIAL HALL

Kaitangata's War Memorial Hall was built during the mid -20th century for what was then a busy post-war coal mining town. A detailed structural review has identified significant costs would be incurred to bring the hall up to minimum standards. Costly renewal or improvements are unrealistic and unsustainable for the existing hall.

In keeping with precedents with other communities in the district Council has committed a \$100,000 grant in 2015/16 to the Kaitangata community, towards a community-owned and maintained facility that will meet the current and future needs for a community facility in the town.

An amount of \$85,000 has also been budgeted in 2015/16 for the project to demolish the old hall and retain the site as a war memorial.

## KAITANGATA POOL

Kaitangata's current pool was built in the late 1960s and covered in 1996. In previous long term plans the sustainability of this as a Council-owned and operated pool has been raised and discussed with community representatives.

A continuing decline in pool usage now meant that at a cost of over \$100 per swim, Council has determined that this pool is unsustainable as a Council-owned and operated facility. The facility reopening from 2015/16 onwards will be determined by the Kaitangata community and its representatives.

# KAITANGATA'S MAIN PROJECTS

PROJECT (All in \$000s)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Sewage treatment plant upgrade	950									
Water treatment plant intake structure upgrade		294								
Kaitangata toilet renewal		51								
Kaitangata hall demolition and memorial project	85									
Kaitangata hall community grant	100									

## WORK WE WILL BE FOCUSING ON FOR KAITANGATA\*:

- Upgrading sewage treatment to meet resource consent conditions
- Upgrading the water treatment plant's intake structure
- Determining the future of Kaitangata hall and pool

\* Either funded as individual projects under the Kaitangata's Main Projects section or within existing resources and budgets

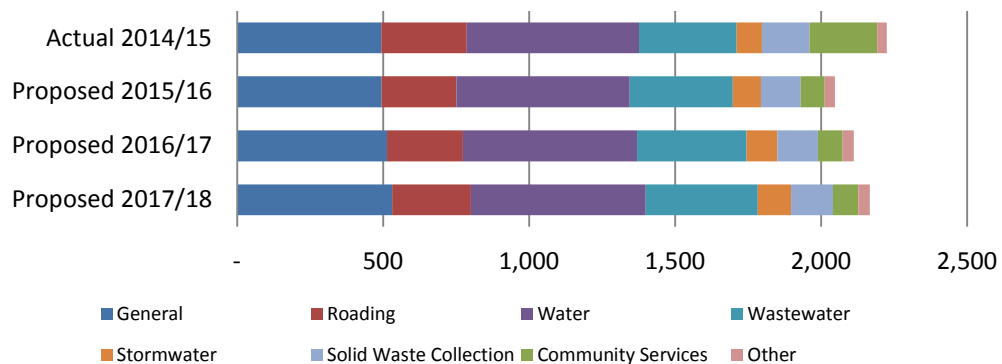
## HOW KAITANGATA'S RATES ARE EXPECTED TO CHANGE

The graph below is an indicative example of how rates are expected to change during the next three years.

A driver behind the decrease in this rating area is the proposed changes for Kaitangata's hall and pool, and subsequent rates savings if they are no longer Council owned and operated.

### KAITANGATA PROPERTY

2014/15: LV:\$18,000, CV:\$84,000 | 2015/16: LV: \$10,000, CV: \$84,000



# KAKA POINT

Kaka Point is a seaside township south of Balclutha and has served as a holiday destination for many years.

The area is also a popular tourist stop-over point, for those visiting the nearby iconic Nugget Point Lighthouse. Kaka Point has experienced an increase in property and development in recent years, especially for coastal and native bush properties. Subdivision and new building along the coast has continued, but these are rural lifestyle properties rather than expansion of the township itself.

## DISTRICT-WIDE STRATEGIES AND REVIEWS THAT AFFECT KAKA POINT

Council is aiming to promote growth, and do more to develop the district as a place to live, work, play and invest. This focus is the driving force behind the proposed Economic Development and Living and Working strategies.

### SOME OF THE INITIATIVES AND ACTIONS THAT DIRECTLY RELATE TO KAKA POINT INCLUDE:

#### **Reviewing the District Plan**

A key part of this work will focus reviewing the constraints for coastal areas in the district, as well as opportunities for appropriate further development along the coast.

#### **Facilitating community plans**

An action in the Living and Working strategy is to work with local communities to help them develop a vision, with a set of actions (or community plan) to help work towards that vision. A community plan is also a tool for informing national and local organisations, like Council, about aspirations and priorities for local communities. Council will look to facilitate a community plan for Kaka Point.

#### **Camping ground review**

Initial work has indicated that there is significant work needed for Council-owned camping grounds, including Kaka Point. Lessees have also indicated they would like to see Council invest in improving the camping grounds. Council will review the strategic direction of camping grounds to ensure they are sustainable into the future and fit for purpose. The review will include ownership and lease arrangements, funding for renewal work and the level of investment in improvements.

## WHAT WE'RE PLANNING FOR KAKA POINT

#### **THE NUGGETS ROAD SEALING**

The sealing of the Nuggets Road, which leads to the iconic lighthouse and scenic viewpoints, has been included in the plan for construction in the 2015/16

### COUNCILLOR COMMENT



#### Jo-anne Thomson BALCLUTHA WARD

*"The Kaka Point community is to be congratulated for the beautification and native planting that's been carried out in recent years. This work will complement future planned developments which are expected to benefit the town, including the sealing of The Nuggets Road –subject to NZTA funding – and the proposed writers' retreat being developed by the Hone Tuwhare Trust. Kaka Point has a bright future."*

year. Completion of the project is still subject to securing NZTA funding assistance. An overall budget of \$2.6 million has been included and Council's share of \$1.0 million of this budget is proposed to be loan funded.

As indicated above, this is a significant project which requires regional support and as such, has been included in the draft Otago Southland Regional Land Transport Plan 2015-2021. The project is further supported through the collaboration between Clutha District Council and Southland District

Council, by combining the seal extension of the Nuggets Road with Southland's seal extension of the road between Haldane and Curio Bay. This is a route which goes through the Catlins area taking visitors across Otago and Southland and is being referred to as the Southern Penguin Scenic Journey.

The inclusion of the project in the Otago Southland Regional Land Transport Plan recognises and reflects the importance of providing visitors with a safe, consistent experience that goes across administrative boundaries and supports the NZTA's "Visiting Driver Signature Project" initiative.

### WORK WE WILL BE FOCUSING ON FOR KAKA POINT\*:

- Reviewing the District Plan
- Pursuing sealing of The Nuggets Road
- Renewal work for the hall and public toilets

\* Either funded as individual projects under the Kaka Point's Main Projects section or within existing resources and budgets

## KAKA POINT'S MAIN PROJECTS

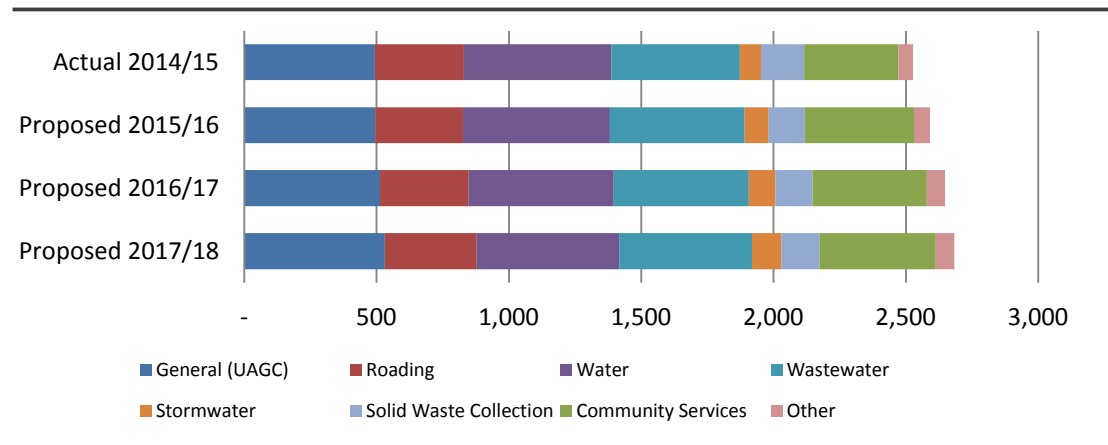
PROJECT (All in \$000s)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
The Nuggets Road sealing	2,630									
Public Toilet renewal					20					
Kaka Point Community Centre renewals			11	8		18				

## HOW KAKA POINT'S RATES ARE EXPECTED TO CHANGE

The graph to the right is an indicative example of how rates are expected to change during the next three years.

### KAKA POINT PROPERTY

2014/15: LV:\$140,000, CV:\$285,000 | 2015/16: LV: \$140,000, CV: \$285,000



# LAWRENCE

The historic gold mining town of Lawrence is an agricultural servicing town for the Tuapeka area.

It is also a destination and stopover for visitors interested in the town's history and heritage. The area has had losses and gains in recent times. A major one was the loss of the town's major employer. On the other hand the opening of the Clutha Gold Trail has been a major gain for the area.

## DISTRICT-WIDE STRATEGIES AND REVIEWS THAT AFFECT LAWRENCE

Council is aiming to promote growth, and do more to develop the district as a place to live, work, play and invest. This focus is the driving force behind the proposed Economic Development and Living and Working strategies.

### SOME OF THE INITIATIVES AND ACTIONS THAT DIRECTLY RELATE TO LAWRENCE INCLUDE:

#### **Facilitating community plans**

An action in the Living and Working strategy is to work with local communities to help them develop a vision, with a set of actions (or community plan) to help work towards that vision. A community plan is also a tool for informing national and local organisations, like Council, about aspirations and

priorities for local communities. Council will look to facilitate a community plan for Lawrence.

#### **Community housing review**

Suitable housing is an important factor influencing where people chose to live. Council owns, maintains and manages a number of community housing units throughout the district, oriented towards residents on low incomes. There are 11 units in Lawrence. Council wants to future proof its portfolio and will review them. Once complete this will provide information on current issues, future demand, types of community housing required and the longer term sustainability.

#### **Review of halls and community centres**

Changes to the Building Act 2004 as a consequence of the Canterbury earthquakes will require building owners to strengthen earthquake prone buildings to at least 33% of the National Building Code, or demolish the building. The potential cost of earthquake strengthening means it makes sense for Council to review the usage, funding and long-term future of all of the district's halls and community centres.

The review will also extend to community-owned and Council-funded buildings, including Simpson Park. Council will fund the cost of a detailed estimate to help establish what would be needed to earthquake strengthen the complex.

## COUNCILLOR COMMENT



Geoff Blackmore  
**LAWRENCE-TUAPEKA WARD**

"Lawrence continues to be a town of opportunities. The Cycle Trail has added another dimension for the town to build on. The town's infrastructure, especially for water and sewerage, is as good as anywhere in the district. The new community pool will be a welcome addition to our current impressive facilities. A positive community has always been Lawrence's biggest asset."

## WHAT WE'RE PLANNING FOR LAWRENCE

### **TOILET RENEWALS**

As part of a district-wide programme of toilet renewals, Council has set aside \$32,000 in 2018/19 for the renewal of Lawrence public toilets.

### **FORMER LAWRENCE POOL SITE**

The new community-owned-and-operated Tuapeka Aquatic Centre facility will mean the existing Lawrence pool site will become surplus to requirements. There are several options for the site that will be worked through in conjunction with the Lawrence community and Community Board.

### LAWRENCE SERVICE CENTRE RENEWAL WORK

Council will assess what earthquake strengthening work is required for the Lawrence Service Centre. In the meantime a programme of ongoing renewal work for Lawrence Service Centre has been included in this plan. More information on earthquake prone buildings is included in this plan.

### LAWRENCE'S HOSPITAL CREEK INVESTIGATION

Work to investigate stormwater drainage issues for Lawrence's Hospital Creek are proposed in 2015/16.

#### WORK WE WILL BE FOCUSING ON FOR LAWRENCE\*:

- Determining the future for Lawrence's housing units
- Facilitating a community plan for Lawrence
- Helping investigate what work will be needed to earthquake strengthen Simpson Park
- Investigating Hospital Creek

\* Either funded as individual projects under the Lawrence's Main Projects section or within existing resources and budgets

## PROJECTS PLANNED FOR LAWRENCE

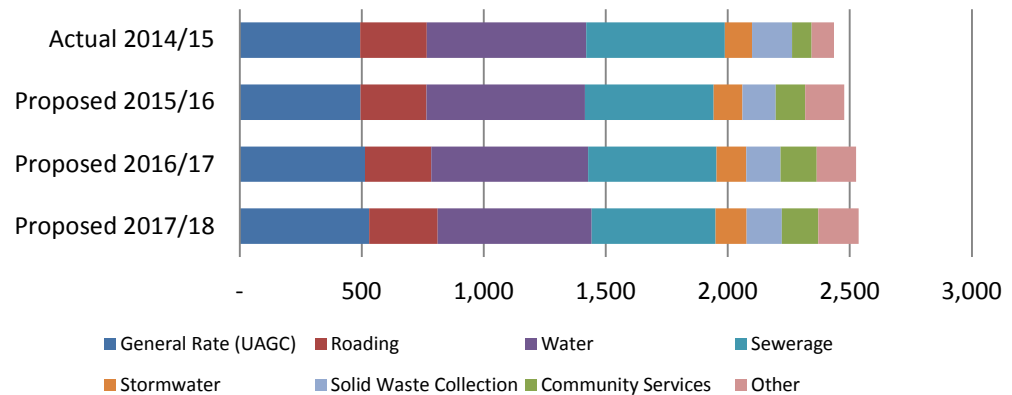
PROJECT (All in \$000s)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Public toilet renewal				32						
Lawrence service centre renewal work					34	57				19
Lawrence's Hospital Creek investigation	25									

## HOW LAWRENCE'S RATES ARE EXPECTED TO CHANGE

The graph to the right is an indicative example of how rates are expected to change during the next three years.

### LAWRENCE PROPERTY

2014/15: LV:\$46,000, CV:\$165,000 | 2015/16: \$46,000, CV: \$165,000



# MILTON

Milton is the district's second largest town and provider of services and facilities for the northern part of the district.

Milton has seen significant change and development in recent years. Its combination of affordable flat land, access to transport infrastructure and proximity to Dunedin and Port Otago are key factors. These locational advantages offer opportunities for Milton to build on recent successes and to prosper further from continued investment in key raw material processing, manufacturing and servicing industries. The town is also near the junction of two state highways and has been able to attract activities that also service tourist and business travellers.

## DISTRICT-WIDE STRATEGIES AND REVIEWS THAT AFFECT MILTON

Council is aiming to promote growth, and do more to develop the district as a place to live, work, play and invest. This focus is the driving force behind the proposed Economic Development and Living and Working strategies.

### SOME OF THE INITIATIVES AND ACTIONS THAT DIRECTLY RELATE TO MILTON INCLUDE:

#### **Reviewing the District Plan**

A key part of this work will focus on facilitating the development of Milton as an industrial hub and encouraging development in and around

Milton. The review will also look at residential development opportunities.

#### **Facilitating community plans**

An action in the Living and Working strategy is to work with local communities to help them develop a vision, with a set of actions (or community plan) to help work towards that vision. A community plan is also a tool for informing national and local organisations, like Council, about aspirations and priorities for local communities. Council will look to facilitate a community plan for Milton.

#### **Review of halls and community centres**

Changes to the Building Act 2004 as a consequence of the Canterbury earthquakes will require building owners to strengthen earthquake prone buildings to at least 33% of the National Building Code, or demolish the building. The potential cost of earthquake strengthening means it makes sense for Council to review the usage, funding and long-term future of all of the district's halls and community centres. The review will also extend to community-owned and Council-funded buildings in this review, including Milton's Coronation Hall. Council will fund the cost of a detailed estimate to help establish what would be needed to earthquake strengthen the hall.

#### **Community housing review**

Suitable housing is an important factor influencing where people chose to live. Council is also planning a review of community housing, including the 16 units in Milton. Once complete this will provide information on current issues, future demand, types

## COUNCILLOR COMMENT

Gaynor Finch  
**BRUCE WARD**



*"It's great to see the last of the flood diversion work completed to improve the flooding issues from rural run-off affecting some areas of Milton.*

*Upgrades to the sewerage system, water reticulation renewals and ongoing pool maintenance will be good to get done, and will help see this key infrastructure into the future."*

of community housing required and the longer term sustainability of Council's housing portfolio. Until this review is completed, all work except for minor maintenance has been put on hold.

#### **Camping ground review**

Initial work has indicated that there is significant work needed for Council-owned camping grounds, including Taylor Park. Lessees have also indicated they would like to see Council invest in improving the camping grounds. Council will review the strategic direction of camping grounds to ensure they are sustainable into the future and fit for purpose. The review will include ownership and lease arrangements, funding for renewal work and the level of investment in improvements.

# WHAT WE'RE PLANNING FOR MILTON

## SEWAGE TREATMENT UPGRADE

During periods of high rainfall the inflow to Milton's sewage treatment plant is greater than the plant can handle. Consent for this discharge also expires in 2017 and Council is budgeting \$830,000 to ensure that anticipated new consent conditions can be met. Work is underway to reduce inflow from the stormwater system and this will hopefully reduce the cost of the sewage upgrade.

## POOL RENEWALS

Ongoing renewal work is programmed for Milton Pool. There are plans to purchase pool covers, painting and electrical maintenance. In 2016/17 Council has budgeted to replace the wall cladding around the pool, repaint the pool and purchase a pool cleaner.

## MILTON TENNIS CLUB PAVILION

The Greater Taylor Park Reserve Management Plan identified that the old and derelict tennis pavilion building should be demolished, and the court area restored to a green space. A budget of \$21,000 has been included in 2017/18 for this work.

## COUNCILLOR COMMENT

### Bruce Volweiller BRUCE WARD



**"One of the key elements proposed in this Long Term Plan is the desire to grow our rating base, and the economy of our District.**

**After a number of years of little to no population growth, we need to look for opportunities to reverse this trend, if we wish to retain, and improve, the services and facilities (such as health, educational, social and cultural) we regard as necessary for a vibrant go-ahead community.**

**Milton, and the surrounding area is well situated to lead growth, as it is located on the main highway and the railway, it is near an international airport and port."**

## WATER RENEWALS

Condition assessments and a series of significant pipeline renewals are programmed for Milton.

## REMAINDER OF MILTON FLOOD DIVERSION UPGRADES

There remains a small amount of earthworks to be completed around Milton to ensure the rural runoff is diverted around the town. This is planned for the 2015/16 year.

## WORK WE WILL BE FOCUSING ON FOR MILTON\*:

- Upgrading Milton's sewerage system and renewing its discharge consent
- Completing the remainder of flood diversion and extension work
- Ongoing assessments and renewals of water pipelines
- Determining the future for Milton's housing units
- Carrying out renewal work to Milton's pool
- Facilitating a community plan for Milton
- Helping investigate what work will be needed to earthquake strengthen Milton's Coronation Hall
- Demolishing the tennis pavilion at Taylor Park

\* Either funded as individual projects under the Milton's Main Projects section or within existing resources and budgets



# MILTON'S MAIN PROJECTS

PROJECT (All in \$000s)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Sewage treatment plant upgrade	45	104	695							
Flood diversion and extension work	25									
Water pipeline renewals			321		342					
Water renewals							538			
Pool renewals	58	105		44		201				
Tennis pavillion demolition			21							

## COUNCILLOR COMMENT

Selwyn Wilkinson  
**BRUCE WARD**



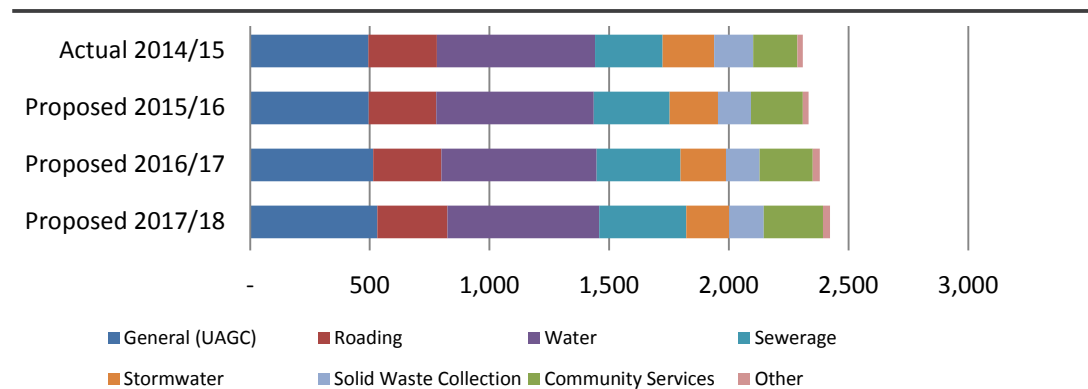
"It's good to see this plan includes a number of positive, go-ahead projects for Milton. The sewage treatment plant upgrade, various renewals at the Milton pool are just a few examples."

## HOW MILTON'S RATES ARE EXPECTED TO CHANGE

The graph below is an indicative example of how rates are expected to change during the next three years.

### MILTON PROPERTY

2014/15: LV:\$45,000, CV:\$165,000 | 2015/16: LV: \$40,000, CV: \$165,000



# OWAKA

Owaka is the largest township in the rugged, forested Catlins area.

Agriculture is still the mainstay of the Catlins economy, but since the sealing of the Southern Scenic Route, the profile of Owaka and the Catlins as a tourist destination has grown. A satellite to Owaka is the coastal settlement and popular holiday spot of Pounaweia.

## DISTRICT-WIDE STRATEGIES AND REVIEWS THAT AFFECT OWAKA

Council is aiming to do more to develop the district as a place to live, work, play and invest. This focus is the driving force behind the proposed Economic Development and Living and Working strategies.

### SOME OF THE INITIATIVES AND ACTIONS THAT DIRECTLY RELATE TO OWAKA INCLUDE:

#### **Review of halls and community centres**

Changes to the Building Act 2004 as a consequence of the Canterbury earthquakes will require building owners to strengthen earthquake prone buildings to at least 33% of the National Building Code, or demolish the building. The potential cost of earthquake strengthening means it makes sense for Council to review the usage, funding and long-term

future of all of the district's halls and community centres. Owaka's Memorial Community Centre is currently considered to be earthquake prone and requiring strengthening work. It will now undergo detailed structural analysis to give Council more information, including the work and likely costs to bring the building up to standard within the expected 15 year limit.

#### **Community housing review**

Council is planning a review of community housing, including the six units in Owaka. Once complete the review will provide information on current issues, future demand, types of community housing required and the longer term sustainability of Council's housing portfolio.

## WHAT WE'RE PLANNING FOR OWAKA

### IMPROVING WATER AND COMPLIANCE WITH DRINKING WATER STANDARDS

Council is required to "take all practicable steps" to meet national drinking water standards. This means that Council is undertaking treatment upgrades across all urban and rural water schemes, including Owaka. Council has budgeted \$31,000 in 2016/17 and \$75,000 in 2017/18 for this.

### COUNCILLOR COMMENT



Hilary McNab  
**CATLINS WARD**

*"Owaka celebrates it's 150th in 2016. In preparation towards this main street work is underway, with landscaping plans, installing a waka structure and new public toilets.*

Council is investigating the future of Hina Hina bridge.

Impacts of changes to roading, and improving drinking water are things that have a bearing on levels of service and rates affordability in our town.

### NEW TOILETS

Owaka is considered the gateway to the Catlins and it has long been felt it should have a higher standard of public toilet. Council is working with the Owaka community to develop new toilets for the town and has set aside \$130,000 for the construction of new toilets. Construction will begin once agreement has been reached about location and design.

# OWAKA'S MAIN PROJECTS

PROJECT (All in \$000s)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Water treatment improvements		31	75							
Community centre renewals				25		28	17		17	
New toilets	130									

## WORK WE WILL BE FOCUSING ON FOR OWAKA\*:

- Upgrading Owaka's water to meet drinking water standards
- Constructing new toilets
- Determining the future for Owaka's housing units
- Investigating what work will be needed to earthquake strengthen Owaka Community Centre

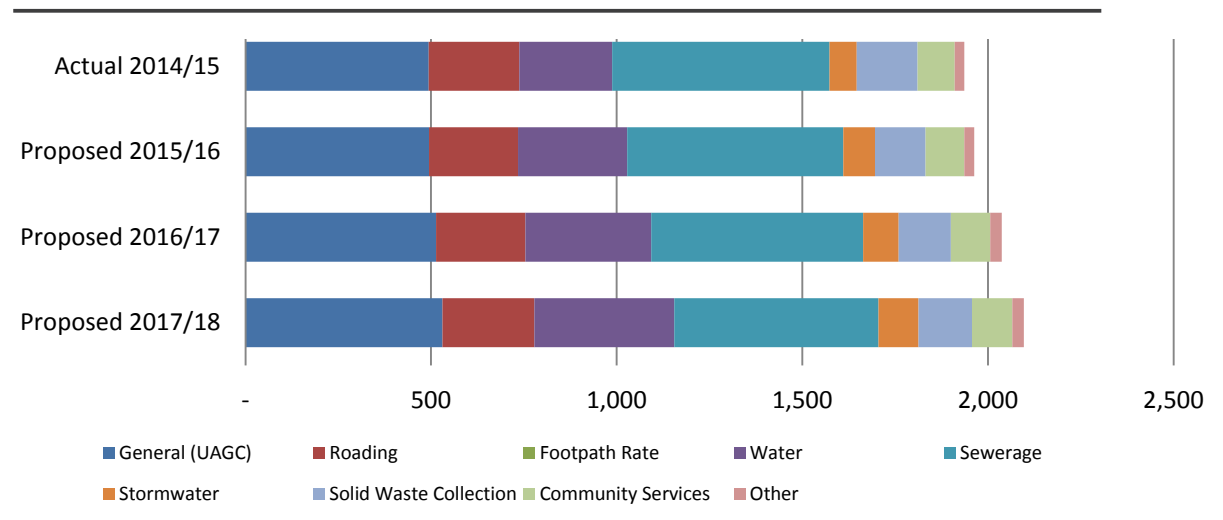
\* Either funded as individual projects under the Owaka's Main Projects section or within existing resources and budgets

## HOW OWAKA'S RATES ARE EXPECTED TO CHANGE

The graph below is an indicative example of how rates are expected to change during the next three years.

### OWAKA PROPERTY

2014/15: LV: \$25,000, CV: \$110,000 | 2015/16: LV: \$25,000, CV: \$105,000



# POUNAWEA

## DISTRICT-WIDE STRATEGIES AND REVIEWS THAT AFFECT POUNAWEA

### REVIEWING THE DISTRICT PLAN

A key part of this work will focus on reviewing the constraints for coastal areas of the district, as well as opportunities for further development along the coast.

### STORMWATER DRAINAGE

A number of stormwater issues have been identified in our smaller communities, including Pounaweia. Work will be done to develop a drainage plan to help determine what future work will be undertaken. Because Pounaweia benefits from stormwater drainage, ratepayers in this area will also pay a stormwater service rate from 1 July 2015.

#### WORK WE WILL BE FOCUSING ON FOR POUNAWEA:

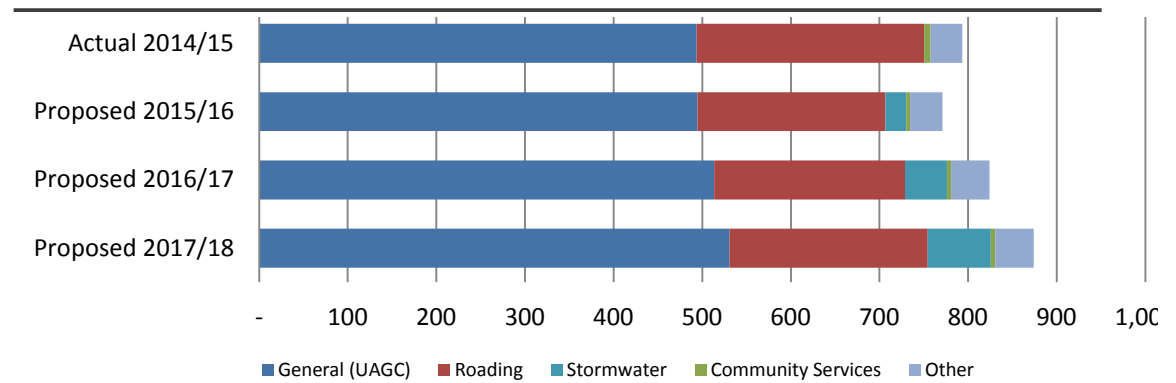
- Reviewing the opportunities for development via the District Plan
- Developing a stormwater drainage plan and determining what future work will be necessary

## HOW POUNAWEA'S RATES ARE EXPECTED TO CHANGE

The graph above is an indicative example of how rates are expected to change during the next three years. A driver behind the increase in rates in this rating area is the proposal to introduce stormwater rates. Refer to the Consultation Document or Key Issues section of the 2015/25 Long Term Plan for more information.

### POUNAWEA

2014/15: LV: \$77,000, CV: \$240,000 | 2015/16: LV: \$62,000, CV: \$225,000



## WHAT WE'RE PLANNING FOR HINA HINA BRIDGE

The Hina Hina Bridge has been deteriorating over a number of years and now has severe weight restrictions for safety reasons. This is considered locally to be a critical link to Jack's Bay.

Detailed structural testing work is being carried out in 2014/15 to confirm options and a business case and the future of the bridge is expected to be determined in 2015/16.

There is an alternative route available but this can add up to 26 kilometers to a round trip for some road users and these impacts will be considered as part of the business case development.

# STIRLING

Stirling is a residential satellite town located 5km east of Balclutha.

The township is the home of a Fonterra operated cheese factory which is a key employer in the District. Upgrades to the factory have provided confidence that the plant will remain an important employer for the township and district as a whole.

## DISTRICT-WIDE STRATEGIES AND REVIEWS THAT AFFECT STIRLING

Council is aiming to promote growth, and do more to develop the district as a place to live, work, play and invest. This focus is the driving force behind the proposed Economic Development and Living and Working strategies. Stirling is closely linked with Balclutha. Refer also to the Balclutha section for more information about initiatives and actions that will directly affect Stirling.

## WHAT WE'RE PLANNING FOR STIRLING

### IMPROVING WATER AND COMPLIANCE WITH DRINKING WATER STANDARDS

Council is required to "take all practicable steps" to meet national drinking water standards. This means that Council is undertaking treatment upgrades across all urban and rural water schemes, including Stirling. Council has budgeted \$190,000 for this in 2015/16 and \$208,000 in 2016/17.

### STORMWATER DRAINAGE

A number of stormwater issues have been identified in our smaller communities, including Stirling. Work is planned to develop a drainage plan to help determine what future work will be undertaken. Because Stirling benefits from stormwater drainage, ratepayers in this area will also pay a stormwater rate from 1 July 2015.

### COUNCILLOR COMMENT



Hamish Anderson  
**BALCLUTHA WARD**

"Stirling faces changes in coming years. The water treatment plant is due to be upgraded over the 2015/16 and 2016/17 in order to meet national drinking water standards.

Because Stirling benefits from stormwater drainage it is proposed this area will pay a stormwater rate from 1 July 2015, phased in over three years.

Council, when making decisions, is mindful of the value proposition to ensure you get the best return at the most affordable cost."

# STIRLING'S MAIN PROJECTS

PROJECT (All in \$000s)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Stirling water treatment plant upgrade	190	208								

## WORK WE WILL BE FOCUSING ON FOR STIRLING\*:

- Upgrading Stirling's water to meet drinking water standards
- Developing a stormwater catchment drainage plan and determining what future work will be necessary

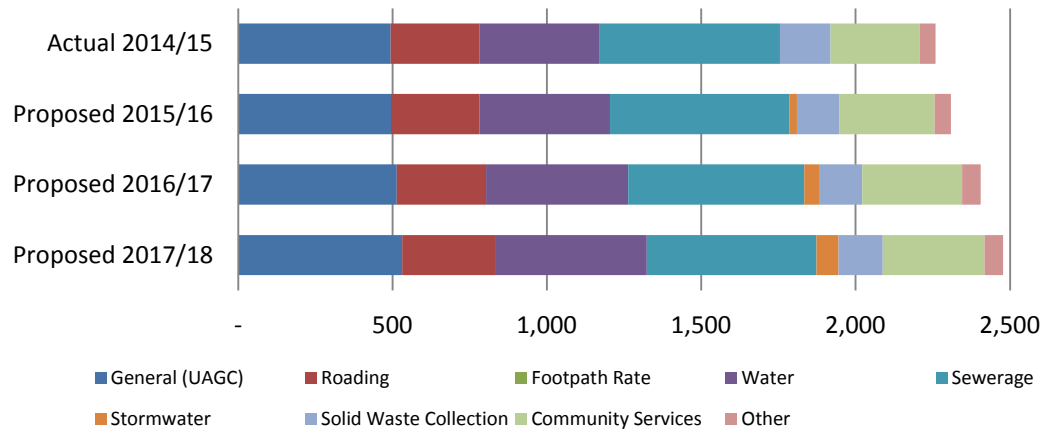
\* Either funded as individual projects under the Stirling's Main Projects section or within existing resources and budgets

## HOW STIRLING'S RATES ARE EXPECTED TO CHANGE

The graph below is an indicative example of how rates are expected to change during the the next three years.

### STIRLING PROPERTY

2014/15: LV: \$36,000, CV: \$200,000 | 2015/16: LV: \$36,000, CV: \$200,000



# TAIERI MOUTH

Taieri Mouth is a coastal settlement in the north of the district at the mouth of the Taieri River.

It is known as a fishing village and is attractive for Dunedin commuters and holiday makers.

## DISTRICT-WIDE STRATEGIES AND REVIEWS THAT AFFECT TAIERI MOUTH

Council wants to promote growth, and is aiming to do more to develop the district as a place to live, work, play and invest. This focus is the driving force behind the proposed Economic Development and Living and Working strategies.

### SOME OF THE INITIATIVES AND ACTIONS THAT DIRECTLY RELATE TO TAIERI MOUTH INCLUDE:

#### **Reviewing the District Plan**

A key part of this work will focus on reviewing the constraints for coastal areas of the district as well as opportunities for appropriate further development along the coast.

#### **Facilitating community plans**

An action in the Living and Working strategy is to work with local communities to help them develop a vision, with a set of actions (or community plan) to help work towards that vision. A community plan is also a tool for informing national and local organisations, like Council, about aspirations and priorities for local communities. Council will look to facilitate a community plan for Taieri Mouth.

#### **Review of halls and community centres**

Changes to the Building Act 2004 as a consequence to the Canterbury earthquakes will require building owners to strengthen earthquake prone buildings to at least 33% of the National Building Code, or demolish the building. The potential cost of earthquake strengthening means it makes sense for Council to review the usage, funding and long-term future of all of the district's halls and community centres.

The review will also extend to community-owned and Council-funded buildings in this review, including Taieri Mouth's Leitch Memorial hall. Council will fund the cost of a detailed estimate to help establish what would be needed to earthquake strengthen the hall.



### COUNCILLOR COMMENT

Gaynor Finch  
**BRUCE WARD**

*"Reviewing opportunities under the District Plan for our coastal area may help with appropriate developments in and around Taieri Mouth.*

*It's great that Council will help fund the cost of establishing what work might be needed to earthquake strengthen the hall.*

*Finally a stormwater drainage plan for Taieri Mouth, but it will come at a cost."*

# WHAT WE'RE PLANNING FOR TAIERI MOUTH

## STORMWATER DRAINAGE

A number of stormwater issues have been identified in our smaller communities, including Taieri Mouth. Work will be done to develop a drainage plan to help determine what future work will be undertaken. Because Taieri Mouth properties benefit from stormwater drainage, ratepayers in this area will pay a stormwater service rate from 1 July 2015.

### WORK WE WILL BE FOCUSING ON FOR TAIERI MOUTH:

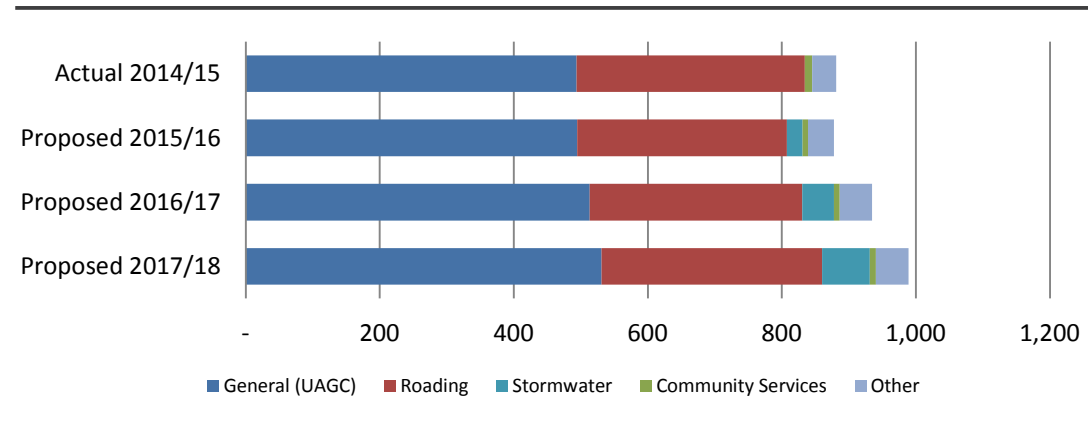
- Reviewing the opportunities for appropriate development via the District Plan
- Developing a stormwater drainage plan and determining what future work will be necessary
- Facilitating a community plan for Taieri Mouth
- Helping investigate what work will be needed to earthquake strengthen Taieri Mouth's hall

# HOW TAIERI MOUTH'S RATES ARE EXPECTED TO CHANGE

The graph below is an indicative example of how rates are expected to change during the next three years. A driver behind the increase in rates in this rating area is the proposal to introduce stormwater rates. Refer to the Consultation Document or Key Issues section of the 2015/25 Long Term Plan for more information.

## TAIERI MOUTH

2014/15: LV: \$106,000, CV: \$340,000 | 2015/16: LV: \$113,000, CV: \$350,000





# TAPANUI

Tapanui is situated on rolling land between the western slopes of the Blue Mountains and the Pomahaka River, a major tributary of the Clutha River.

The town was founded as a saw milling town in the mid-1860s, and today its main role is servicing the productive farming and forestry activities of the West Otago area.

## DISTRICT-WIDE STRATEGIES AND REVIEWS THAT AFFECT TAPANUI

SOME OF THE INITIATIVES AND ACTIONS THAT DIRECTLY RELATE TO TAPANUI INCLUDE:

### Facilitating community plans

An action in the Living and Working strategy is to work with local communities to help them develop a vision, with a set of actions (or community plan) to help work towards that vision. A community plan is also a tool for informing national and local organisations, like Council, about aspirations and priorities for local communities. Council will look to facilitate a community plan for Tapanui.

### Community housing review

Suitable housing is an important factor influencing where people chose to live. Council owns, maintains and manages a number of community housing units throughout the district, orientated towards

residents on low incomes. There are 10 units in Tapanui. Council wants to future proof its portfolio and will do a review. Once complete this will provide information on current issues, future demand, types of community housing required and the longer term sustainability.

### Review of halls and community centres

Changes to the Building Act 2004 as a consequence to the Canterbury earthquakes will require building owners to strengthen earthquake prone buildings to at least 33% of the National Building Standards, or demolish the building. The potential cost of earthquake strengthening means it makes sense for Council to review the usage, funding and long-term future of all of the district's halls and community centres.

The review will also extend to community-owned and Council-funded buildings, including West Otago Community Centre. Council will fund the cost of a detailed estimate to help establish what would be needed to earthquake strengthen the centre.

## WHAT WE'RE PLANNING FOR TAPANUI

### BUSHYHILL TOILETS

Bushyhill Street playground toilets are programmed to be replaced with a new single toilet in 2015/16.

### COUNCILLOR COMMENT



Michele Kennedy  
**WEST OTAGO WARD**

"We have experienced an exciting year with the completion of the West Otago Health Facility, which is a credit to the hard working people of this area.

As we look ahead, it's time to turn our attention to solving the Paterson Creek stormwater dilemma."

### ADOPTION OF TAPANUI'S PATERSON CREEK AS A PUBLIC DRAIN AND UPGRADE

The West Otago Community Board and the township of Tapanui have been wrestling with the issue of Paterson Creek for many years. In the past, this creek has been confirmed as a private drain which has meant that maintaining and renewing the ditch or piped section was the responsibility of the private landowner and Council where it crossed public roads. This has led to the pipelines and ditches making up the creek having a highly variable capacity and state of repair as landowners treat each section differently.

The West Otago Community Board has proposed that this drain become a public drain and that it is renewed and upgraded by Council in the future. This obviously will come at a cost but is considered to be fairer to the landowners involved and would be consistent with Council looking after most other stormwater drains and pipes in the Tapanui township. Initial engineering work has

# TAPANUI'S MAIN PROJECTS

PROJECT (All in \$000s)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Paterson Creek stormwater upgrade	95		32	685						
Water treatment upgrade	50									
Bushyhill toilet replacement	65									
Tapanui service centre upgrades	31		39	13		10				30

been completed and a number of options have been identified. Budgets of \$95,000 (2015/16) and \$685,000 (2018/19) have been included in this plan for consultation. This work may be staged over a longer period once the final design is confirmed.

## HOW TAPANUI'S RATES ARE EXPECTED TO CHANGE

The graph below is an indicative example of how rates are expected to change during the next three years.

### TAPANUI SERVICE CENTRE RENEWAL WORK

Council will assess what earthquake strengthening work is required for the Tapanui Service Centre. In the meantime a programme of ongoing renewal work for the facility has been included in this plan.

#### WORK WE WILL BE FOCUSING ON FOR TAPANUI\*:

- Determining the future of Tapanui's housing units
- Facilitating a community plan for Tapanui
- Investigate what work will be needed to earthquake strengthen West Otago Community Centre and Tapanui Service Centre
- Upgrading the stormwater system to address issues relating to Paterson Creek
- Replacing Bushyhill Street toilets

\* Either funded as individual projects under the Tapanui's Main Projects section or within existing resources and budgets

### TAPANUI PROPERTY

2014/15: LV: \$14,000, CV \$147,000 | 2015/16: LV: \$14,000, CV: \$160,000



# WAIHOLA

Waihola is a popular retirement and satellite village for Dunedin and Milton.

Many of the homes in the town are holiday homes rather than permanent dwellings, meaning the population fluctuates significantly at weekends and holiday periods. The population of the township as well as the surrounding area has grown significantly over the past decade. The growth seen in recent years is expected to continue, a result of the desirable location and proximity to Dunedin.

## DISTRICT-WIDE STRATEGIES AND REVIEWS THAT AFFECT WAIHOLA

Council is aiming to promote growth, and do more to develop the district as a place to live, work, play and invest. This focus is the driving force behind the proposed Economic Development and Living and Working strategies.

### SOME OF THE INITIATIVES AND ACTIONS THAT DIRECTLY RELATE TO WAIHOLA INCLUDE:

#### Reviewing the District Plan

This review will look at residential development opportunities throughout the district, including Waihola.

#### Facilitating community plans

An action in the Living and Working strategy is to work with local communities to help them develop

a vision, with a set of actions (or community plan) to help work towards that vision. A community plan is also a tool for informing national and local organisations, like Council, about aspirations and priorities for local communities. Council will look to facilitate a community plan for Waihola.

#### Review of halls and community centres

Changes to the Building Act 2004 as a consequence of the Canterbury earthquakes will require building owners to strengthen commercial earthquake prone buildings to at least 33% of the National Building Code, or demolish the building. The potential cost of earthquake strengthening means it makes sense for Council to review the usage, funding and long-term future of all of the district's halls and community centres. The review will also extend to community-owned and Council-funded buildings, including Waihola's Hall. Council will fund the cost of a detailed estimate to help establish what would be needed to earthquake strengthen the hall.

#### Community housing review

Suitable housing is an important factor influencing where people chose to live. Council is also planning a review of community housing, including the five units in Waihola. Once complete this will provide information on current issues, future demand, types of community housing required and the longer term sustainability of Council's housing portfolio. Until then all work except for minor maintenance has been put on hold.

#### Camping ground review

Initial work has indicated that there is significant

## COUNCILLOR COMMENT

Bruce Volweiller  
**BRUCE WARD**



*"Waihola has grown steadily in recent times, and this is expected to continue. It is now timely to introduce a stormwater rate and plan for future needs, rather than dealing with issues on an ad-hoc basis. An \$800,00 upgrade of the sewage plant to meet consent conditions is expected in this coming year. Rates are not expected to change much, particularly if the 'same service - same charge' proposal is introduced."*

work needed for Council-owned camping grounds, including Waihola. Lessees have also indicated they would like to see Council invest in improving the camping grounds. Council will review the strategic direction of camping grounds to ensure they are sustainable into the future and fit for purpose. The review will include ownership and lease arrangements, funding for renewal work and level of investment in improvements.

#### Stormwater drainage

A number of stormwater issues have been identified in our smaller communities, including Waihola. Work to develop a drainage plan to help determine what future work will be undertaken. Because Waihola benefits from stormwater drainage, ratepayers in this area will also pay a stormwater rate from 1 July 2015.

# WHAT WE'RE PLANNING FOR WAIHOLA

## SEWAGE TREATMENT PLANT UPGRADE

Under the Resource Management Act 1991, Council is required to have various resource consents in place for its sewage discharges. Many of these consents require renewal over the next ten years, and in some cases this will mean Council will need to consider costly upgrade options to meet increasingly stringent conditions. In light of this Council has budgeted \$800,000 for the upgrade of the Waihola sewage treatment plant in 2015/16.

## TOILET RENEWALS

Waihola public toilets will be included in a district-wide renewal programme

### WORK WE WILL BE FOCUSING ON FOR WAIHOLA\*:

- Upgrading Waihola's sewerage system and renewing its discharge consent
- Determining the future for Waihola's housing units
- Facilitating a community plan for Waihola
- Helping investigate what work will be needed to earthquake strengthen Waihola's Hall
- Camping ground review
- Reviewing the opportunities for development via the District Plan
- Developing a stormwater catchment drainage plan and determining what future work will be

\* Either funded as individual projects under the Main Projects section or within existing resources and budgets

# WAIHOLA'S MAIN PROJECTS

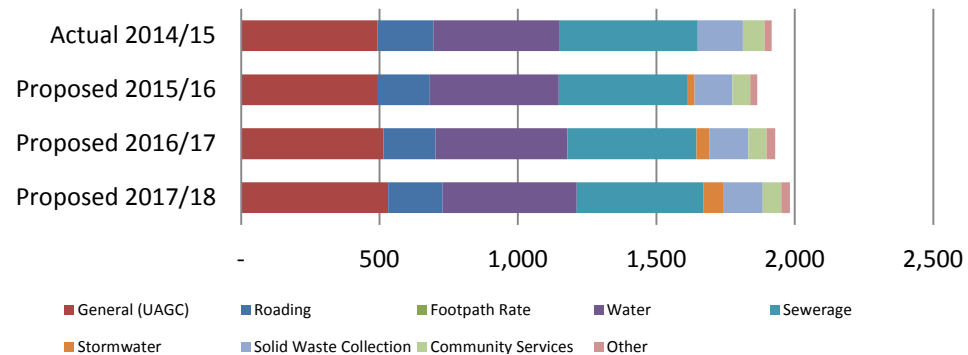
PROJECT (All in \$000s)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Waihola treatment upgrade	800					
Waihola toilet renewal				65		

# HOW WAIHOLA'S RATES ARE EXPECTED TO CHANGE

The graph below is an indicative example of how rates are expected to change during the next three years.

## WAIHOLA PROPERTY

2014/15: LV: \$80,000, CV \$200,000 | 2015/16: LV: \$76,000, CV: \$180,000



# RURAL CLUTHA DISTRICT

The rural rating area is by far our largest geographically and illustrates the rural nature of the district.

The rural rating area not only covers the rural area, but also includes some of the district's smaller townships that aren't a separate rating area in their own right. These include Benhar, Clydevale, Heriot, Papatowai, Pounawea, Taieri Mouth, Tokoiti and Toko Mouth. There is more information for Heriot, Pounawea and Taieri Mouth in their specific community sections.

## DISTRICT-WIDE STRATEGIES AND REVIEWS THAT AFFECT RURAL CLUTHA DISTRICT

Council wants to promote growth, and is aiming to do more to develop the district as a place to live, work, play and invest. This focus is the driving force behind the proposed Economic Development and Living and Working strategies. Initiatives and actions are expected to impact on communities throughout the district.

### SOME OF THE INITIATIVES AND ACTIONS THAT DIRECTLY RELATE TO RURAL CLUTHA DISTRICT INCLUDE:

#### Reviewing the District Plan

Generally the District Plan is permissive and does not overly restrict rural activities. However in key environmental areas, the District Plan will need to reflect both national and regional priorities to manage natural resources, such as our coastal areas, outstanding landscapes and biodiversity. Some work has already been done across these areas and Council will look to continue this with the involvement of our rural communities and other interested parties.

#### Review of halls and community centres

Changes to the Building Act 2004 as a consequence to the Canterbury earthquakes will require building owners to strengthen commercial earthquake prone buildings to at least 33% of the National Building Code, or demolish the building. The potential cost of earthquake strengthening means it makes sense for Council to review the usage, funding and long-term future of all of the district's halls and community centres.

### COUNCILLOR COMMENT



Stewart Cowie  
**CLUTHA VALLEY WARD**

"Recent rural rating valuations have risen significantly (24% in our case) and will have a rates implications for higher value properties.

Various rural water scheme upgrades and the new dairy products processing plant near Clydevale have reflects land use changes.

Council's challenge is to maintain a roading network capable of meeting the expectations and demands put on it."

The review will affect several throughout the rural rating area including those at Clutha Valley, Hillend, Lovells Flat, Moneymore, Paretai, Waipahi, Waitahuna and Waiwera. It may also affect those that are community-owned and Council-funded. Council will fund the cost of a detailed estimate to help establish what would be needed to earthquake strengthen these buildings.

# WHAT WE'RE PLANNING FOR RURAL CLUTHA DISTRICT

## IMPROVING WATER AND COMPLIANCE WITH DRINKING WATER STANDARDS

Council is required to "take all practicable steps" to meet national drinking water standards. This means treatment upgrades are planned for all rural water schemes.

The upgrades will take place over the next ten years. Funding assistance for these schemes is unlikely to be available as the communities they supply don't meet funding requirements, and because of the high proportion of stock-water use in the case of rural water schemes. A total of \$4 million has been budgeted for treatment upgrades between 2015/16 to 2017/18.

## RURAL WATER SCHEMES: RESERVOIR RENEWALS

Many of the rural schemes water reservoirs are coming to the end of their forecast economic lives. A programme to inspect reservoirs to assess their condition and propose renewals solutions where necessary will be undertaken. Secondly a budget has been established five years after the inspection to replace the reservoirs. Exact timing of renewals will be determined by inspections and budgets may be moved forward or backwards following this.

## REDUCING SPENDING BY REDUCING PAVEMENT REHABILITATION AND RESEALING WORK

As part of the development of the 2015/25 Long Term Plan, Council has reassessed the approach and strategy for how we manage and invest in the roading network.

While sealed roads make up just over a quarter of the roading network, they are the most expensive part of it.

Council has been reducing the length of sealed pavement rehabilitation activities during recent years as the risk of thin pavement failures has been reduced to a manageable level. A recent independent review has reinforced the ability for Council to take more risk through a revised strategy of further reduced pavement rehabilitations.

As a result, Council is proposing to continue to reduce the level of pavement rehabilitation work and slightly increase maintenance levels to achieve lower overall costs. The strategy going forward to manage the risk of road failure will be to maintain a contingency fund to enable Council to fund the local share required to reconstruct/strengthen up to ten kilometres of road, should there be a sudden increase in localised traffic/loading or a failure that would require such urgent pavement rehabilitation.

## TARGETING INVESTMENT VIA AN ECONOMIC NETWORK PLAN

Council is also signaling that over the next three years we expect to change future spending. Instead of maintaining all roads (sealed and unsealed local roads) to a similar level, Council will target roads with the biggest economic benefit to the district. In order for Council to be able to target investment on

the roads, an 'Economic Network Plan' approach is proposed.

Council has developed a picture of current land use and associated likely impact on the network. Over the next three years an Economic Network Plan will be developed that will give Council an opportunity to understand current and future demands, and their associated likely impacts on the network. It means that larger expenditure items, such as pavement rehabilitations, can be assessed on a case-by-case basis and Council can make decisions about committing funding depending upon the economic benefit of the road, including traffic volumes. Importantly it will be a tool in helping to evaluate and ensure value for money.

## MAIN PROJECTS PLANNED IN RURAL CLUTHA DISTRICT

PROJECT (All in \$000s)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Water renewals programme	453	227	189	231	119	77	802	87	284	343
Reservoir assessment and renewals	185	31	310	11		737	12	756	494	461
<b>Drinking Water Treatment Upgrades</b>										
Clydevale/Pomahaka	75	57	267							
Glenkenich	50	415	460							
Moa Flat	111	83	208							
North Bruce	80	519								
Owaka		31	75							
Richardson	390	389	5							
Tuapeka	60	42	374							
Waitahuna	140	104								

### WORK WE WILL BE FOCUSING ON IN THIS PLAN:

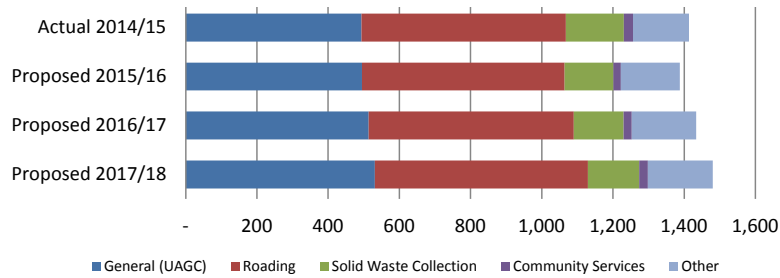
- Looking at how we target investment for roading
- Drinking water upgrades
- Water reservoir renewals programme

# HOW RURAL RATES ARE EXPECTED TO CHANGE

The graphs above are indicative example of how rates are expected to change during the life of this plan.

## RURAL - LIFESTYLE

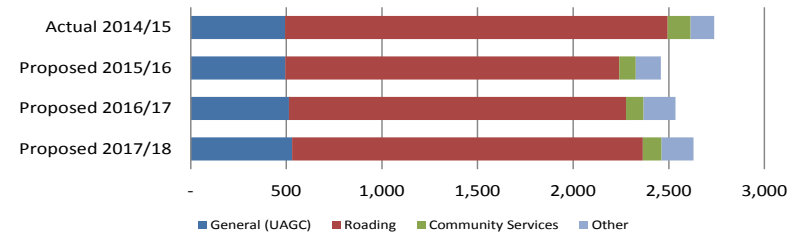
2014/15: LV: \$260,000, CV: \$490,000 | 2015/16: LV: \$300,000, CV: \$550,000



## RURAL - FORESTRY

2014/15: LV: \$1,225,000, CV: \$1,303,000

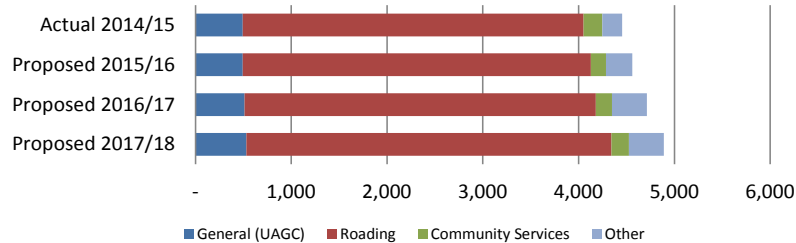
2015/16: LV: \$1,230,000, CV: \$1,310,000



## RURAL 1

2014/15: LV: \$2,000,000, CV: \$2,270,000

2015/16: LV: \$2,270,000, CV: \$3,470,000



## RURAL 2

2014/15: LV: \$4,500,000, CV: \$5,300,000

2015/16: LV: \$5,625,000, CV: \$6,525,000

