



# Clutha District Council



Long Term Plan 2012/22

# 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 2013/14. 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

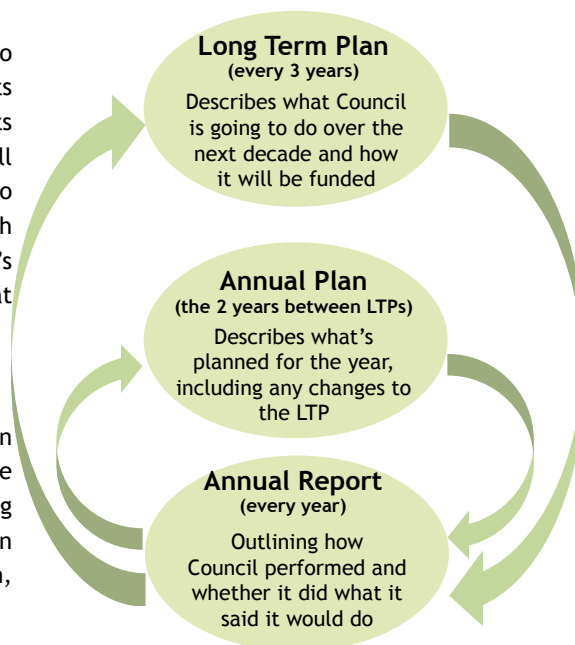
Each year Council produces an Annual Report, to report to the community on Council's actual performance against the relevant plan (Annual Plan or Long Term Plan).

## 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.



# Changes since the draft plan

## Roading

Since the draft plan was adopted we've found out that the government (through the NZTA) intends to 'freeze' our funding for roading at 2009-12 levels. We now expect to get around \$21.8 million from the NZTA over the next three years - around \$1 million less than what we asked for. As the cost of building and maintaining roads has increased (due to inflation) in effect we are getting a funding cut. This means we won't be able to undertake all the projects that are necessary to maintain and improve our network.

Instead of reducing our rate-funded budget for roading, to match the NZTA's reduction, Council has decided to spend around \$200,000 a year on unsubsidised roading projects such as Eco Star dust suppression and traction seals. Council hopes that this will help reduce the impact of NZTA's funding cuts on our levels of service in the short term. In the medium term, however, there is likely to be a reduction in our levels of service for roading. This means that it is likely that the 'smoothness' of our roads will decrease, the average number of times unsealed roads are graded will decrease and that there will be a reduction in resident satisfaction with roads. It will also mean that some gravel roads will be metalled less often.

## Water Services

In better news, we've achieved a great result for water supply, sewerage and stormwater ratepayers, with the successful tender for the new water services contract coming in under budget. This means it will cost around \$300,000 less a year for our water services than what we had initially budgeted. As a result, most water, sewer and stormwater rates will be lower than forecasted in the draft plan.

## Changes as a result of submissions

Over 200 residents, ratepayers and other interested parties made submissions to Council's draft plan, which was released for public consultation in April 2012. These submissions were taken into consideration when Council finalised the plan. Key changes that Council made as a result of submissions include;

- Agreeing to maintain the carpark and riverbank at the Cross Recreation Centre as well as contributing towards the cost of lighting the carpark and locking a gate on the access road at nights.
- Increasing funding for the Kaka Point Life Saving Club by \$4,400 a year to help fund an increase in the number of lifeguards on duty during peak periods, from two to three.
- Increasing funding for the Owaka Swimming Pool by \$1,500 a year to help fund the increased costs faced since heating the pool.
- Increasing funding for the district's museums by \$10,000 a year to help offset rising insurance and power costs.
- Increasing funding for the Heriot and Districts Community Centre by \$3,000 a year to help meet increased operating and maintenance costs.
- Agreeing to provide a short-term, interest free loan of up to \$150,000 to the Tuapeka Aquatic Centre to help with bridging finance to cover pledged funds.
- Agreeing to provide \$2,300 to Waihola Looking Forward for new picnic tables in the Waihola Domain.
- Agreeing to providing a one-year trial of Ancestry.com Library Edition at the Balclutha Library.
- Agreeing to provide \$30,000 towards the cost of a public toilet at Moore Park, Milton (if the community can raise the remainder of the cost) and to maintain (clean) the toilet once constructed.
- Funding the cost of remediating the Kaka Point landfill through the district-wide UAGC rather than on wheelie bin rates and landfill users.

## What does all this mean for rates?

Changes made since the draft was adopted have resulted in our rates requirement decreasing, and have lowered our overall rates increase for 2012/13 from 4.2% to 3.4%. Rates increases for most other years are also projected to be lower than in the draft plan.

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# introduction

# 1



# Word from the Mayor

Hello and thank you for taking the time to read our Long Term Plan, we appreciate your interest.

This is my first Long Term Plan as Mayor and I think you would agree with me that in the present economic environment it is imperative that Council must focus on providing the core services required by our district and maintaining our strong financial position allowing us to best weather any future challenges.

Consequently, we have produced a 'steady as she goes' plan. We have recently seen a number of projects come to fruition such as swimming pool upgrades, improved water and sewage treatment, and district-wide footpath upgrades. These improvements mean that Council's costs have increased in recent times, particularly for some townships which will notice larger rates increases in the first couple of years of this plan.

But once this period is accounted for, I think you will start to see that from 2014/15 onwards, the momentum of rate increases better reflect our district's ability to pay.

Many of Council's cost drivers have come through forces beyond our control. For example, insurance premiums have increased considerably this year and as such, Council intends to self-insure underground assets.

A reduction in the subsidy that central government provides us with for roading has the potential to have long term implications on our roading network. However, reduced costs in our new roading maintenance contracts and a small unsubsidised roading programme (around \$200,000 a year), will hopefully stave off the worst of the impacts in the short to medium term.

With roading making up such a large portion of our rural rating, a reduction in central government's funding subsidy contributes to a second consecutive year of rural rates reductions, or only small increases.

In contrast, the main drivers in our urban areas are the projects instigated 2 or 3 years ago that are now coming to fruition and need to be paid for.

This is clearly seen in Balclutha where rates will increase to a larger degree in 2012/13 as projects such as the swimming pool and water treatment upgrades begin being paid for. On the other hand towns like Kaitangata and Lawrence have had no major projects recently and are looking at a neutral rates change.

Prioritising projects and introducing them in a timely and fiscally prudent manner is, I believe, the best way to keep our district moving forward, while acknowledging that for many of our ratepayers, these are volatile and demanding times.

I am pleased that since adopting the draft plan, we have managed to reduce overall projected rates increases for most years of the plan. In 2012/13 this means an overall rates increase of 3.4% compared to the 4.2% projected in the draft.

Thank you once again for your interest in our Long Term Plan.

Cheers,



**Bryan Cadogan**

**Mayor**



**Bryan Cadogan**

# Chief Executive's Introduction

Doesn't time fly! It doesn't seem like three years ago that I was preparing the introduction to the Council's last Long Term Plan, then called the Long Term Council Community Plan (LTCCP). The name has changed (now Long Term Plan) and some of the layout and how we report the plan has changed but essentially much of it and the purpose is the same.

The Long Term Plan sets out how Council will deliver its services over the next ten years and importantly how it rates the district's property owners and charges users to fund these services.

Looking back Council had developed and set an ambitious programme of work in the last plan including;

- Funding towards the Cross Recreation Centre in Balclutha
- Refurbishment of swimming pools in Balclutha and Milton
- Upgrading of water treatment and supplies
- Upgrading of sewage treatment
- Introduction of recycling
- Capping urban water and sewerage rates (harmonisation)
- Balclutha main street upgrade
- District-wide footpath upgrades

It is pleasing to be able to tick most of these off, with others well underway or soon to be started.

As always, there is a cost for these projects and the previous plan was projecting rates increases over the period of 2009 to 2012 of 25.1%. There was some good news though in that we were able to find a sewage treatment system that was considerably cheaper than expected and new roading and greenspace contracts came in cheaper than budgeted. Along with some late completion and deferment of projects, this has resulted in actual rates increases over the three year period being 14.8%.

This plan picks up from here catching up with late and deferred projects (Balclutha main street, West Otago Health and the new Tuapeka Aquatic Centre) coming to charge over the next three years. Essentially the work programmed beyond that is limited to renewals of existing infrastructure, compulsory improvements (roading safety works, water treatment upgrades and sewage discharge upgrades) and providing the same services as we are at present. The Council's focus has been to ensure that it keeps the level of services to its communities at existing standards and ensuring the infrastructure it manages remains in good condition for the district's future residents.

Since putting out the draft plan Council has awarded a new water services contract, which came in 16% lower than budgeted. We have been able to pass on these savings to scheme consumers, contributing towards a lower overall rates increase for 2012/13 (3.4% compared to 4.2% in the draft).

There have also been some changes as a result of submissions made to the draft plan. The main ones are funding towards improvements of the carpark at the Cross Recreation Centre (\$22,400); extra money for the district's museums (\$10,200); and a grant towards toilets at Moore Park in Milton (\$30,000).

Unfortunately we have been advised since the draft was prepared that Council will receive less funding from the New Zealand Transport Agency than we believe is necessary to maintain our roads and had budgeted for. Indications are that we will receive the same as we received in the past three years with no allowance for inflationary costs. While our roading team will be doing its best to maintain the roads to current standards, we do expect that levels of service will decline, resulting in lower satisfaction with the roading network.

As I indicated earlier, the layout of the plan is similar to the previous plan. It incorporates sections for our main communities so that you can easily read about what is planned for your town or for the rural area. We now have separate sections for Benhar and Tokoiti so that you can see exactly what is happening as result of the new sewerage schemes in these two communities.

You can go to the activity sections to read about the main services that Council provides; the Funding Impact Statements have been set out differently and hopefully are now easier to understand where the costs are, and how they are being funded.

A new and important part of the plan is Council's Financial Strategy. This sets out the main strategic objectives for Council as it made decisions about what was in the plan and how it would all be funded. It also gives the background



Charles Hakkaart

and assumptions that were made when developing the plan. You will note we have set some boundaries in respect to future rate increases, debt levels, and how funds will be invested to protect them for future use for renewing, replacing or upgrading community infrastructure. In 2013 prior to the next local body elections a report will be prepared to show how Council performed against this strategy.

A lot of work goes into developing Council's Long Term Plan. It is an important document that sets the future direction for the Council and the services it provides. It is therefore an important document for the Clutha District and our people.



**Charles Hakkaart**  
Chief Executive





**INDEPENDENT AUDITOR'S REPORT**  
**TO THE READERS OF CLUTHA DISTRICT COUNCIL'S**  
**LONG-TERM PLAN FOR THE TEN YEARS COMMENCING 1 JULY 2012**

The Auditor-General is the auditor of Clutha District Council (the District Council). The Auditor-General has appointed me, Peter Gulliver, using the staff and resources of Deloitte, to report on the Long Term Plan (LTP), on her behalf. We have audited the District Council's LTP dated 21 June 2012 for the ten years commencing 1 July 2012.

The Auditor-General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

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

**Opinion**

***Overall Opinion***

**In our opinion the District Council's LTP dated the 21 June 2012 provides a reasonable basis for long term integrated decision-making by the District Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the District Council.**

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows.

***Opinion on Specific Matters Required by the Act***

**In our view:**

**the District Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment; and**

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

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.



Our report was completed on 21 June 2012. This is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

### **Basis of Opinion**

We carried out the audit in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 : *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information*.

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

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

Our audit procedures also include assessing whether:

- the LTP provides the community with sufficient and balanced information about the strategic and other key issues, and implications it faces and provides for participation by the public in decision making processes;
- the District Council's financial strategy, supported by financial policies is financially prudent, and has been clearly communicated to the community in the LTP;
- the presentation of the LTP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTP are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTP is based on materially complete and reliable asset or activity information;
- the agreed levels of service are fairly reflected throughout the LTP;



- the District Council's key plans and policies have been consistently applied in the development of the forecast information;
- the assumptions set out within the LTP are based on best information currently available to the District Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;
- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the District Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTP.

We do not guarantee complete accuracy of the information in the LTP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTP and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

### **Responsibilities of the Council**

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

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

### **Responsibilities of the Auditor**

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

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

### **Independence**

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



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

A handwritten signature in blue ink, appearing to read "P. Gulliver".

A handwritten version of the Deloitte logo in blue ink.

Peter Gulliver

Dunedin

On behalf of the Auditor-General

Dunedin, New Zealand

**Matters relating to the electronic presentation of the report to readers of the Long-term Plan**

This audit report relates to the Long-Term Plan of Clutha District Council for the 10 years commencing 1 July 2012 included on the council's website. Clutha District Council is responsible for the maintenance and integrity of its website. We have not been engaged to report on the integrity of Clutha District Council's website. We accept no responsibility for any changes that may have occurred to the Long-Term Plan since it was initially presented on the website.

The audit report refers only to the Long-Term Plan named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the Long-Term Plan. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited Long-Term Plan as well as the related audit report dated 21 June 2012 to confirm the information included in the audited Long-Term Plan presented on this website.

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

# community outcomes

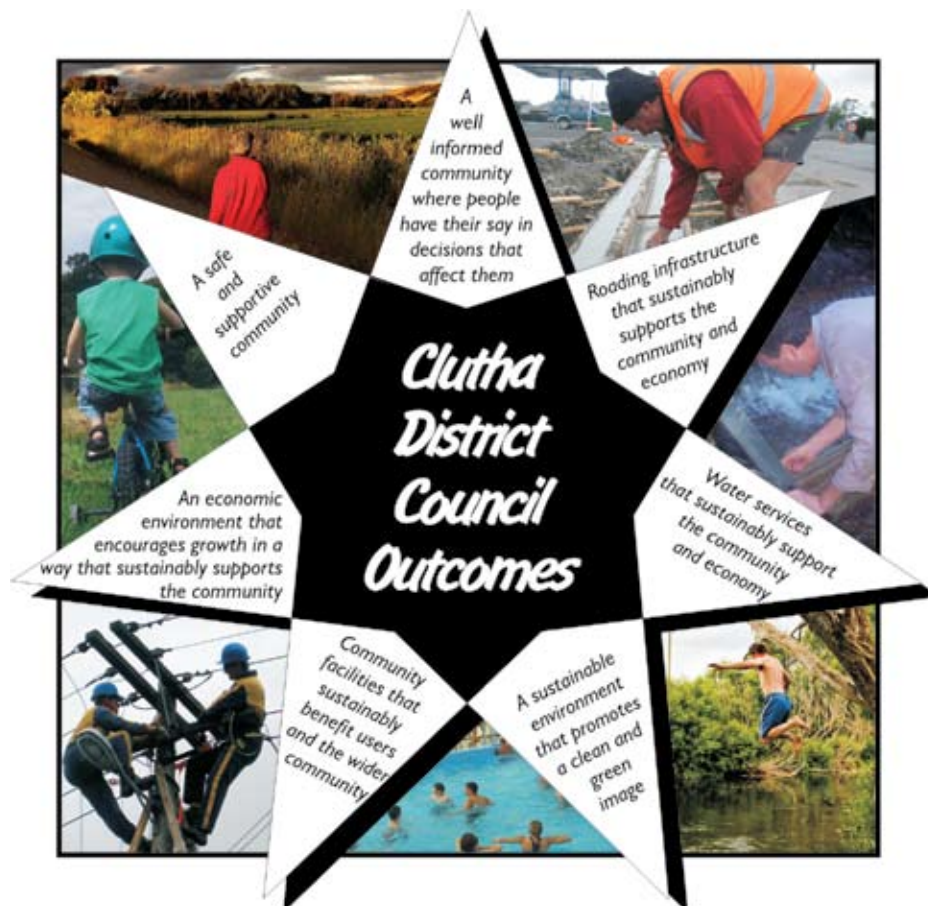
# 2



# Council's Community Outcomes

In 2005 Council, community groups and the public identified a set of 'District Directions' which described the type of community that the Clutha District wanted to be. These directions were owned by the community, and Council was just one of many who were working towards achieving them.

Council is now required to identify the specific community outcomes that it will work towards itself. The following outcomes are those that Council has set itself as the overarching goals it will work towards for the communities of the Clutha District;



Council believes that these outcomes will protect and enhance our communities' social, cultural, economic and environmental wellbeing.



On the following pages Council explains why it considers these outcomes to be important and outlines the measures it will use to gauge its progress towards the outcomes.

Each of Council's activities contribute towards one or more of these outcomes. This is summarised on the table on the right and further information on how each activity will contribute towards Council's community outcomes is provided in the 'Council Activities' section of this plan.

**Table: Linking Council Activities with Council’s Community Outcomes**

Wellbeing(s)	Social/ Cultural	Economic	Economic	Social/ Cultural	Environ- mental	Economic	Social
	1	2	3	4	5	6	7
Outcome	A well informed community where people have their say in decisions that affect them	Roading infrastructure that sustainably supports the community and economy	Water services that sustainably support the community and economy	Community facilities that sustainably benefit users and the wider community	A sustainable environment that promotes a clean, green image	An economic environment that encourages growth in a way which sustainably supports the community	A safe and supportive community
<b>Community Leadership</b>							
Governance	Primary	Secondary	Secondary	Secondary	Secondary	Secondary	Secondary
Economic Development	Secondary	Secondary	Secondary	Secondary	Secondary	Primary	Secondary
Community Development	Secondary	Secondary	Secondary	Primary	Secondary	Secondary	Primary
<b>Roading</b>							
Roads & Footpaths	Secondary	Primary	Secondary	Secondary	Secondary	Secondary	Secondary
<b>Water Supply</b>							
Urban Water Supply	Secondary	Secondary	Primary	Secondary	Secondary	Secondary	Secondary
Rural Water Schemes	Primary	Secondary	Primary	Secondary	Secondary	Secondary	Secondary
<b>Sewerage</b>							
Sewerage	Secondary	Secondary	Primary	Secondary	Primary	Secondary	Secondary
<b>Stormwater</b>							
Stormwater	Secondary	Secondary	Primary	Secondary	Primary	Secondary	Secondary
<b>Solid Waste Management</b>							
Solid Waste Management	Secondary	Secondary	Secondary	Secondary	Primary	Secondary	Secondary
<b>Community Services</b>							
Libraries, Service & Info Centres	Secondary	Secondary	Secondary	Primary	Secondary	Primary	Secondary
Swimming Pools	Secondary	Secondary	Secondary	Primary	Secondary	Secondary	Secondary
Parks, Reserves & Sportsgrounds	Secondary	Secondary	Secondary	Primary	Primary	Secondary	Secondary
Halls & Community Centres	Secondary	Secondary	Secondary	Primary	Secondary	Secondary	Secondary
Public Conveniences	Secondary	Secondary	Secondary	Primary	Primary	Secondary	Secondary
Cemeteries	Secondary	Secondary	Secondary	Primary	Primary	Secondary	Secondary
Community Housing & Property	Secondary	Secondary	Secondary	Primary	Secondary	Secondary	Primary
Cross Recreation Centre	Secondary	Secondary	Secondary	Primary	Secondary	Secondary	Secondary
<b>Regulatory and Emergency Services</b>							
Resource Management	Primary	Secondary	Secondary	Secondary	Primary	Primary	Secondary
Building Control	Secondary	Secondary	Secondary	Secondary	Secondary	Primary	Primary
Environmental Health	Secondary	Secondary	Secondary	Secondary	Secondary	Primary	Primary
Animal Control	Secondary	Secondary	Secondary	Secondary	Primary	Secondary	Primary
Liquor Licensing	Primary	Secondary	Secondary	Secondary	Secondary	Primary	Primary
Civil Defence	Secondary	Secondary	Secondary	Secondary	Secondary	Secondary	Primary
Rural Fire	Secondary	Secondary	Secondary	Secondary	Secondary	Secondary	Primary

**Key**

-  Community Outcome the activity primarily contributes to.
-  Community Outcome the activity makes a secondary contribution to.

# Clutha District Council Community Outcomes



## Community Outcome

**A well informed community where people have their say in decisions that affect them**

### Why it is important

'Local people making local decisions' is an important part of the philosophy of our rural district and our council.

### How we will monitor this outcome

% of residents satisfied that they have had an opportunity to participate in decision-making and planning processes  
Voter turnout (% of voting papers returned)



## Community Outcome

**Roading infrastructure that sustainably supports the community and economy**

### Why it is important

Local roading is an integral part of our infrastructure and is especially important to our lives and livelihood in our widespread rural district.

### How we will monitor this outcome

% of residents satisfied that local roads are an effective means of transport



## Community Outcome

**Water services that sustainably support the community and economy**

### Why it is important

Water supplies, sewerage schemes and stormwater drainage are essential for our urban communities to function.  
Rural water schemes provide an important cornerstone for the productivity of our agricultural industry.

### How we will monitor this outcome

% of urban customers satisfied with their urban water supply  
% of customers satisfied with sewerage services  
% of customers satisfied with stormwater services  
% of rural customers satisfied with the supply from their rural water scheme



## Community Outcome

**Community facilities that sustainably provide benefit to users and the wider community**

### Why it is important

Community facilities play a key part in our way of life and well-being, but we recognise they do come at a cost for our relatively small rating base. Getting as much as we can out of them, now and in the future is important.

### How we will monitor this outcome

% of residents satisfied with community facilities (overall average)  
% of residents who have used Council operated community facilities during the past 12 months (overall average)



# Clutha District Council Community Outcomes



## Community Outcome

### A sustainable environment that promotes a clean, green image

#### Why it is important

Our district's economy and lifestyle is based around the natural environment. Stewardship of our environment is vital for sustaining our way of life for both today's residents and for future generations.

#### How we will monitor this outcome

Waste to landfill per resident (kg)

Waste diverted from landfill per resident (kg)

% of residents aware of at least two ways to reduce the waste they produce

% of resource consent conditions for Council's activities met



## Community Outcome

### An economic environment that encourages growth in a way which sustainably supports and protects the community

#### Why it is important

A strong economy not only provides for our economic wellbeing, but also supports our social, cultural and environmental wellbeing. It is also important to ensure that economic growth does not occur at the expense of our communities or environment.

#### How we will monitor this outcome

\$ value of building consents processed

% of residents that agree that the Clutha District is a good place to make a living

% of businesses that agree that the Clutha District is a good place to do business

Rate \$ per resident for economic development



## Community Outcome

### A safe and supportive community

#### Why it is important

Having a safe and supportive community is part of our district's identity as the place 'where everybody says hello'. It is an important part of what makes our district a great place to live.

#### How we will monitor this outcome

% of residents who agree that there is a great sense of community where they live.

% of residents who agree that the Clutha District is a safe place to live

Number of community groups and organisations provided with financial assistance

\$ per resident spent on community grants



# Key Issues

# 3



## ***Key issues facing the district over the next 10 years***

This section gives details about the key issues faced by Council and our district over the period of this Long Term Plan, including how Council plans to respond to them.

These include;

- Council's Financial Strategy
- Roading: getting the 'best bang for our buck'
- Cost changes for water services

The section also outlines;

- Other projects of note
- Progress made on projects included in Council's 2009/19 Long Term Plan

# Council's Financial Strategy

*Council's Financial Strategy aims to demonstrate prudent financial management; illustrate that Council has thought about the overall effects that proposed funding and expenditure has on services, rates, debt and investments; and provide transparency and enable the reader to understand the impact of Council's proposals.*

## Introduction

Like other rural areas throughout New Zealand, the Clutha District has experienced a period of population decline in recent times. Now that our population has all but stabilised, Council will primarily concentrate on maintaining current levels of service for our residents throughout our widespread rural district. In some instances there will be moves to increase levels of service, largely to meet compulsory requirements, such as increasing standards for sewage discharges and drinking water. These aspects will be the main focus during the ten year term of this Long Term Plan, to 2021/22.

The past three years has been a busy period for this Council. A number of projects and issues set out in the previous 2009/19 Long Term Council Community Plan (LTCCP) have been tackled and our communities are starting to see the benefits of these now. These include kerbside recycling, the Cross Recreation Centre, footpath upgrades, improved drinking water and sewage treatment, and upgrades to the district's main swimming pools in Balclutha and Milton.

The improvements referred to above have increased Council's costs during recent years. In developing this Long Term Plan, Council has spent a considerable amount of time considering fairness and equity for how it rates for its services, and 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 Council's financial strategy.

Council's overall strategic objectives are to:

- Meet mandatory requirements for the services we provide, for example drinking water standards and environmental standards.
- Support new projects that deliver infrastructure and services requested by the community that will improve the wellbeing of the district's communities.
- Utilise debt to spread capital costs over future generations who will benefit from investment in infrastructure, whilst not burdening them.
- Develop and maintain a rating system that is equitable (reasonable and fair) at levels that are affordable.

Given the likely outlook for the next ten years, Council thinks this Long Term Plan demonstrates a conservative and appropriate approach to the coming ten years.

## Factors affecting our district and people during the next ten years

In considering its financial strategy Council has had to make some assumptions about the future of the district and the people living in it.

### Population changes

Whilst the district's population has experienced a slow but consistent decline over previous decades, in the last few years the population has stabilised. The estimated residential population for the district in 2011 is 17,550, a small increase since 2006. Current projections see a slight decrease to 17,150 by 2021, a decline of an average 0.2% per year<sup>1</sup>.

### Economic trends

As our district's economy significantly depends on the primary sector, the ability to absorb and sustain labour (and thus population) in the district is influenced by this sector's economic performance. The sector has been strong across the previous decade, showing strong employment and GDP gains since 2000. Conversions to dairying have driven much of this strength. We anticipate that this sector will remain relatively strong over the next ten years, although its performance will be highly affected by the exchange rate, climate, and rapidly increasing fuel costs, so will be more volatile than can be predicted here. The tourism sector has also shown its strength in recent years, and is expected to continue to do so, although it is only about 3% of the district's economy.

<sup>1</sup> Refer to "Projected Growth in the Clutha District: Growth Assumptions Report prepared as part of the development of the Long Term Plan 2012-22"

The global economic downturn over the past few years has affected all aspects of the economy. Whilst the district has not felt the effects of this as sharply as other areas, unemployment has increased and inflation has been higher. Further exacerbating the effects of this for Council is the fact that local government costs have been increasing faster than the general rate of inflation. At the same time as it is facing increased costs, Council is aware of the financial pressures on households as inflation rises faster than incomes.

### Land use changes

In general terms the district is not likely to see major shifts in land use. However, within this overall framework there are expected to be some changes that will impact on Council services. The static population is not likely to create any significant demand for residential expansion and any significant industrial development is expected to be limited to the Milburn area. It is also expected that conversions to dairying and increases in dairy herd sizes will continue across the district although potential changes to the Otago Regional Plan: Water may impact on this. With continued dairy expansion, particularly in the south and west of the district, there is likely to be increased demand for water from rural water schemes. This is being considered by the various scheme committees based on their knowledge of developments within their area.

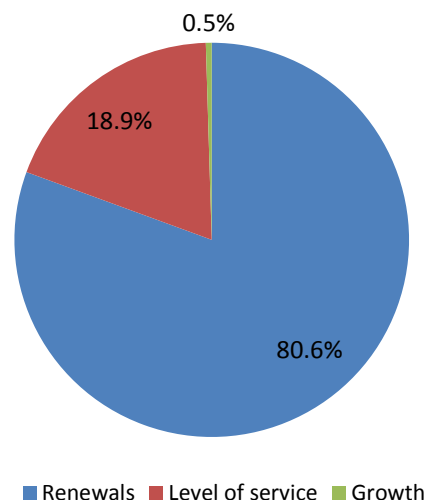
As outlined above, population change will have only a minor impact on land use. The main area of land use change due to residential expansion will be lifestyle and coastal subdivision that is expected to continue along the coast south of Taieri Mouth, around the township of Waihola, and along Finlayson Road which runs between those two areas. There could also be some expansion in Benhar and Tokoiti as construction of reticulated sewerage systems makes them more attractive places to live.

## Capital works programme

Council currently has assets worth \$877 million and during the next 10 years has budgeted to undertake additional capital works of just under \$139.4 million. Of this, \$112.3 million (80.6%) is to renew existing assets, \$26.4 million (18.9%) is to improve levels of service and \$0.7 million to meet additional demand/growth (0.5%).

### Renewals (to replace existing assets)

Council’s capital renewal programme is based on detailed activity management plans and assessments for its key infrastructural assets. The vast majority (80.6%) of capital expenditure budgeted is earmarked for renewals of existing assets, illustrating Council’s ‘business-as-usual’ approach during the life of this plan. Council intends to maintain current levels of service to our widespread rural communities and continue to maintain key infrastructural assets, for now and into the future.

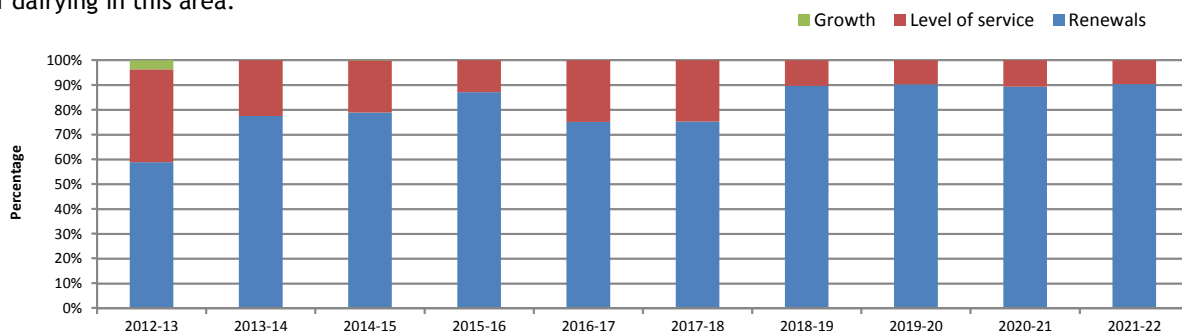


### Improving levels of service

It is forecast that 18.9% of all capital expenditure budgeted will involve increasing levels of service over and above what Council is currently providing. As outlined later in this strategy, a significant majority (80.2% or \$21.2 million) of this is considered to be compulsory, e.g. to meet increasing sewage discharge and drinking water standards.

### Growth (to meet additional demand)

On current projections, population growth is not expected to place any pressures on Council assets and infrastructure, and the district’s population has all but stabilised. Our agricultural industry continues to and will always be the mainstay of our district. There is some growth-related capital expenditure proposed for this plan for the Clydevale-Pomahaka Rural Water Schemes, and South Bruce to a smaller degree. A \$600,000 reticulation upgrade is budgeted for Clydevale-Pomahaka, to increase the number of water units available. This would allow for the further expansion of dairying in this area.



	Renewal (\$ 000)	Level of Service (\$ 000)	Growth (\$ 000)	Total (\$ 000)	Total (%)
Community Leadership	0	0	0	0	0%
Central Administration	1,272	0	0	1,272	1%
Roading	94,784	14,331	0	109,115	78%
Water Supply	10,009	4,032	655	14,696	11%
Sewerage	1,245	6,181	0	7,426	5%
Stormwater	693	751	0	1,444	1%
Solid Waste Management	0	691	0	691	0%
Community Services	4,284	397	11	4,691	3%
Regulatory & Emergency Services	0	0	0	0	0%
<b>Total</b>	<b>112,286</b>	<b>26,384</b>	<b>666</b>	<b>139,335</b>	<b>100%</b>

### Compulsory vs 'Discretionary' Capital Expenditure

A substantial majority (96%) of the proposed capital expenditure included in budgets for this plan is considered compulsory, in the sense the expenditure is committed to, or is required to ensure Council meets legislative requirements:

Renewing (maintaining or replacing) existing assets	\$112 million
Carrying out safety improvement projects to make our local roads safer*	\$11.7 million
Meeting mandatory standards that involve increased levels of service:	
• To meet increasing environmental standards for sewage discharge consents	\$5.0 million
• To meet drinking water treatment standards	\$2.5 million
• Remediation of the former Kaka Point landfill site	\$0.3 million
• Remediation of the stormwater pipeline at Mt Cooee Landfill	\$0.3 million

The main 'discretionary' items in the remaining 4% include the following:

Balclutha's main street upgrade	\$2.6 million
Upgrading Balclutha's stormwater system to improve the level of protection during periods when the Clutha River is high**	\$0.7 million
Improving Milton's water treatment plant so that it can perform better when the Tokomairiro River is high**	\$0.3 million
Increasing the capacity of the Clydevale Pomahaka Rural Water Scheme**	\$0.6 million

\* These projects receive a 69% subsidy from the New Zealand Transport Agency and their share for these projects is still subject to confirmation by this organisation at the time of drafting budgets.

\*\*Budgeted in this plan, but further investigations will determine whether these projects will go ahead or not.

### Changes in operating expenditure

Operating expenditure is budgeted to increase from \$36.4 million to just under \$47.4 million during the ten years of this plan. This includes inflation, along with the below aspects of note:

Funding to West Otago Health for proposed new health facility in Tapanui*	\$1.0 million
Funding for Tuapeka Aquatic Centre*	\$1.1 million
Mt Cooee landfill Emissions Trading Scheme (ETS) costs	\$3.8 million

\* Are projects Council has responded to requests from the community, and are dependent on the community share of funding these projects being secured. The grants will be funded by way of internal loan funding, with the loan repaid by ratepayers in the respective communities.

## How will Council fund the proposed work?

Council's overarching goal is to maintain a financially prudent position that ensures ongoing financial sustainability. The following key principles outline Council's financial stance for the Long Term Plan 2012/22.

### Council's key financial principles

The following outlines the key aspects of Council's approach:

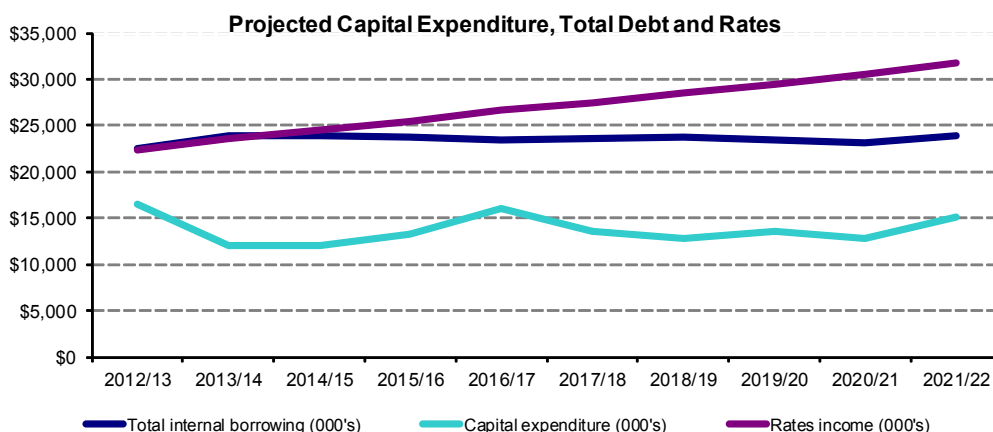
- Council will collect annual revenue sufficient to fund all expenditure needs including depreciation. (To ensure that assets are maintained into perpetuity and are not rundown for future generations to pay for).
- Council will borrow (either internally or externally) to fund large capital assets and to smooth the cost of asset renewals and other major items of expenditure.
- Council's level of internal debt will be regularly reviewed, to ensure it is at a level that aligns with assets and rating base.
- Debt will not be used to fund operating expenditure.
- In most instances, where practical, those who benefit from a Council service will fund that service.
- The impact of rates and rates increases on ratepayers' ability to pay will be a key consideration in Council's decision-making.
- Council seeks to preserve ratepayer funds when investing. As a consequence it is risk averse and invests in low risk government stocks and corporate bonds.

### Balancing the budget

Council is required to ensure that each year's projected operating revenues (including rates) are set at a level sufficient to meet that year's 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.

Council has balanced the budget in the context of Section 100 of the Local Government Act 2002, with the exception of depreciation for Water Supply, Sewerage and Stormwater. As a prudent asset manager, Council treats depreciation (decline in value) of its water assets 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's water assets were revalued in 2011 and all schemes have increased in replacement value. This means the cost of depreciation on these schemes will also go up, as the use of the asset has now become more expensive. Where an increase in depreciation is large, Council is phasing in the increased funding over three years to smooth the rates increase for ratepayers. This approach is seen as reasonable and will not affect service levels over the next ten years.

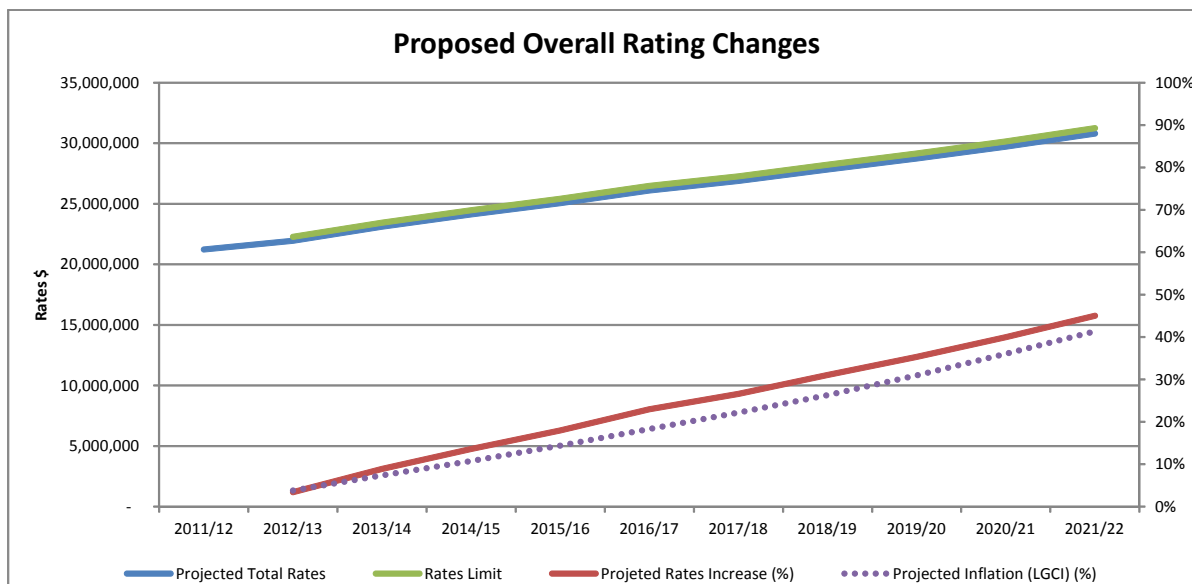
The Statement of Financial Performance forecasts deficits for 2012/13 to 2014/15. These deficits are mainly driven by the remediation of the former Kaka Point Landfill and the decision to provide grants to certain communities to support their capital projects, (including the Tuapeka Aquatic Centre and the West Otago Health Centre). Council's financial strategy with respect to these items is to fund the amount by drawing down on investment balances (which creates an internal loan) and reinstating the amount over time with rates funding.





## Rates

Rates are one of the most important sources Council uses to fund the cost of its services. It is expected that 59% of Council's overall costs will be paid for by rates during 2012/22. 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 2012/13 year, as shown in the table below is just under \$22 million. Council is forecasting that funding required from rates will increase to almost \$31 million by 2021/22. This increase includes price adjustments for inflation, as recommended by BERL. The amount over and above inflation is due to compulsory increases like insurance, the Emissions Trading Scheme (ETS) and increased depreciation and loan repayments linked to the capital programme outlined previously in this strategy.



	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
Projected total rates (\$ 000)	21,959	23,120	24,121	25,048	26,106	26,882	27,826	28,734	29,725	30,793
Projected rates change (%)	3.42%	5.29%	4.33%	3.84%	4.22%	2.97%	3.51%	3.26%	3.45%	3.60%
Inflation Increase (LGCI)	3.79%	3.46%	3.17%	3.26%	3.42%	3.26%	3.38%	3.69%	3.89%	3.90%
Difference	-0.37%	1.83%	1.16%	0.58%	0.80%	-0.29%	0.13%	-0.43%	-0.44%	-0.30%
Limit on total rates (\$ 000)		23,450	24,468	25,410	26,482	27,273	28,229	29,151	30,156	31,239
Limit on rates increases (%)		6.79%	5.83%	5.34%	5.72%	4.47%	5.01%	4.76%	4.95%	5.10%

### Rates limits

You will see in the table above that Council has set itself some limits around the level of future rates and rate increases. These have been set at 1.5% above the projected rates increases in the current Long Term Plan budgets. This means that Council has some leeway to deal with unforeseen price level changes and requests for funding for projects identified and supported by the community. However, it also gives you - the ratepayer - confidence that overall rates and rate increases won't vary too far from what is projected.

It is important to note that these are limits - not targets - and actual rates increases may in fact be lower than projected, as has been the case for the past two years.

Council's performance against these limits will be reported in the pre-election report from 2013 onwards.

### Variations to rates

Council splits the district into 11 different areas for rating purposes: 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 2011 and will come into effect for rating purposes from July 2012. The exact rates percentage change for a property will depend on which of the 11 rating areas the 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. For more information about the rates changes expected in each of the 11 rating areas refer to the Community Summaries section of this plan.

## New Zealand Transport Agency

The majority of Council's roading activities are financially assisted by central government through the New Zealand Transport Agency (NZTA). NZTA has indicated that the assistance it will provide Council over the first three years of the plan (2012-15) will be frozen at 2009-12 levels.

Council hopes to minimise the impact on levels of service in the short term and has reflected only small reductions in expected levels of service. This is due to savings achieved on the renewal of roading maintenance contracts in 2011 and a small non-subsidised roading programme (approx. \$200,000 per annum). In the medium to longer term, more significant reductions in levels of service may be felt (see page 30-31 for further information).

Council is assuming that the government will realise that this level of funding is unsustainable and that our funding will be inflation adjusted from 2015/16 onwards. There is a risk that funding assistance may continue to be lowered in the future as the government 'encourages efficiency'. This would mean that service levels would decrease further.

## Borrowing and debt

Council is in the financial position to internally borrow long term to fund various infrastructural asset renewals and upgrades. This internal borrowing is budgeted to decrease from \$23.5 million to just under \$20.3 million during the ten year term of this plan to help fund the capital works outlined previously. Refer to the investments section of this strategy for further information about the funding of internal loans in relation to investments.

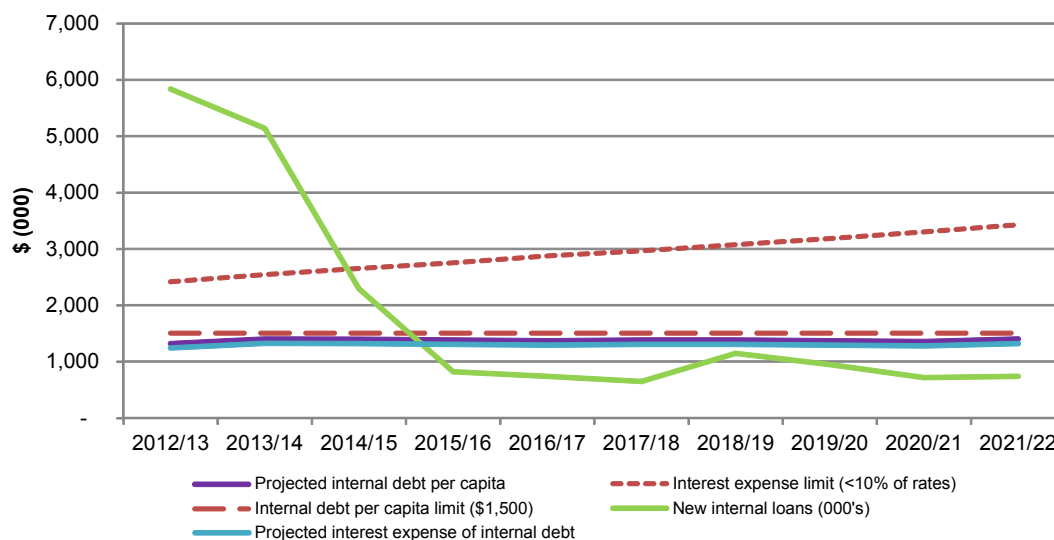
Note that at this stage Council does not intend to borrow externally to loan fund but would consider it in certain circumstances, e.g. if the external borrowing rate drops below the investment rate.

### Debt limits

In terms of debt limits, Council adheres to the lowest of the two following limits - that gross interest expense of all internal debt will not exceed 10% of the annual rate revenue, and that total internal debt per capita will not exceed \$1,500. Council intends to continue to internally loan fund capital projects in instances where that infrastructure will have clear intergenerational benefits. Under current projections Council will stay well within its self imposed limit of \$1,500 per capita and the gross interest expense of internal debt will not exceed 6.2% of annual rate revenue during the life of this plan.

The graph and table below illustrate Council's debt profile during the life of the Long Term Plan 2012/22.

	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
Capital expenditure (\$000)	17,639	12,081	12,095	13,283	16,069	13,674	12,893	13,613	12,854	15,164
Total debt (from internal borrowing) (\$000)	23,477	24,455	23,939	23,247	22,708	22,499	21,938	21,106	20,259	20,302
New internal loans (\$000)	5,835	6,099	1,795	365	208	335	664	361	107	111
Internal debt per capita (\$)	1,369	1,426	1,396	1,356	1,324	1,312	1,279	1,231	1,181	1,184
Interest expense of debt as a % of annual rates revenue	6.2%	6.1%	5.7%	5.4%	5.0%	4.8%	4.5%	4.2%	3.9%	3.8%



## 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 it has not yet done 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.

## Investments

Council manages its investment funds in a way that ensures there is an availability of operating and capital funds when needed. Council’s investments as at 1 July 2012 total \$14.1 million, and will be managed externally by a fund manager on behalf of Council. Council has budgeted on receiving 4.5% interest per annum over the ten year period. Investments are projected to increase to \$36.3 million by the end of the ten year period for this plan.

Council maintains investments to:

- Provide cash in the event of a natural disaster. Council currently has set aside a special fund of \$3 million to meet Council’s share of immediate costs following a major disaster.
- Invest amounts allocated to special funds and reserves.
- Invest amounts allocated for approved 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. However, note that during the life of this plan there is no intention to sell any assets that would fall under this category.
- Invest surplus cash. Cash flow surpluses often arise from day-to-day operations. These surpluses are invested in a bank money market account. The interest from these surpluses is used to off set rates.

Council is risk-averse in terms of investment and consequently requires at least 50% of its portfolio to be held in government stock. The balance is held in corporate and bank bonds. The following table represents those investment classes that Council invests in.

Institution	Minimum Short Term Credit Rating**	Minimum Long Term Credit Rating**	Total Exposure Limit for Each Counter-party	Investment Portfolio limit (up to)
NZ Government	N/A	N/A	Unlimited	≥50%
NZ Registered Bank	A-1	A	\$5 million	50%≤
Strongly rated Corporates, LAs & SOEs	A-1	A	\$2 million	25%≤

\*\* Rating could be Standard and Poor’s, equivalents from Moody’s Investor Services or Fitch Ratings.

## Internal Investments

Council invests funds held for investment purposes in specific Council activities which would otherwise require external borrowing. Each year Council sets an annual internal borrowing charge for the use of these funds. The investment rate is the borrowing rate. The borrowing rate is referenced to a trading bank 3 year borrowing rate. This charge is met by the ratepayers who receive the benefit of those activities, through targeted rates and charges (refer to borrowing and debt levels section).

Investments (\$000)	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
Opening	14,056	9,169	9,590	11,482	14,467	15,101	17,334	21,756	26,238	31,572
Closing	9,169	9,590	11,482	14,467	15,101	17,334	21,756	26,238	31,572	36,342
Change	(4,886)	420	1,892	2,985	634	2,233	4,422	4,482	5,334	4,770

Council holds very few investments that are not considered 'core' Council activity, although these do generally support Council activities and functions. These include:

### Property investments

Council owns a range of property (e.g. community housing, bare land) for strategic reasons. The value of such property is \$12.8 million. Council seeks to derive a market-related return, although this is incidental to the strategic purpose for holding the property asset. Income from property (apart from community housing) is used to off-set rates (uniform annual general charge). Sale of property requires Council approval.

### Forestry investments

The Council owns approximately 400 hectares of forestry planted on reserve and various other land of low value. They form a relatively small component of Council's overall investments but utilise land that couldn't otherwise be disposed of. The current value of the forestry is estimated at \$2.1 million, with an internal debt of \$800,000. The Council's approach is to schedule harvesting so as to take advantage of industry cycles to maximise returns. Proceeds from harvesting will firstly repay related internal borrowings, with the remainder to be allocated at Council's discretion.

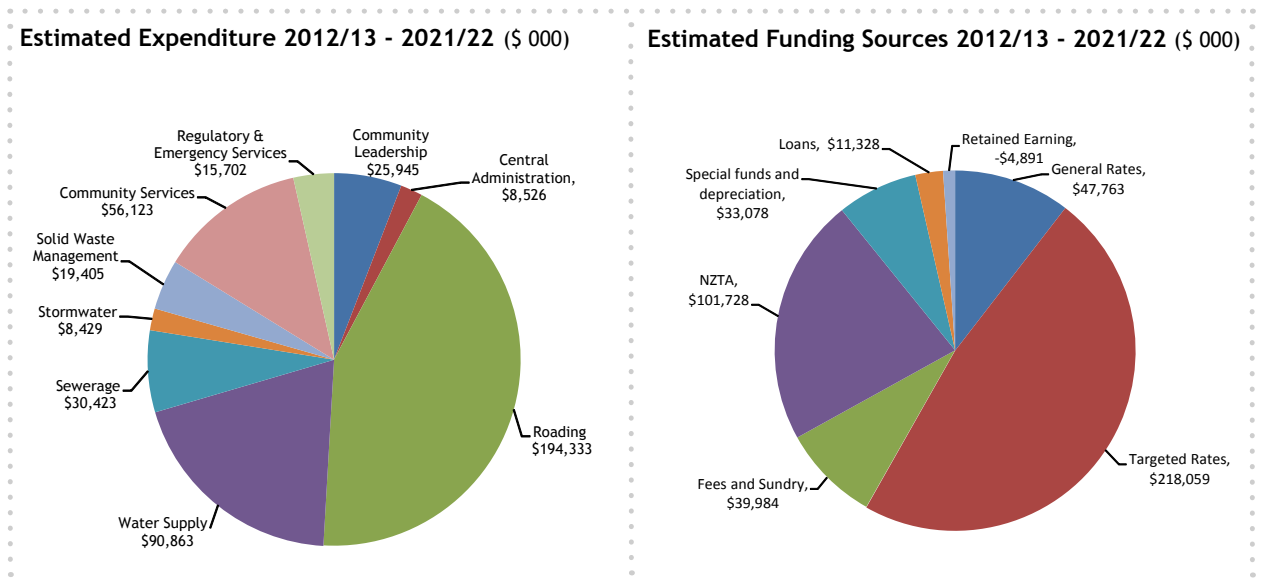
### Sale of assets

Following the sale of Serdel (the roading company formed by Council) in the mid 1990s, Council established a fund of \$4.7 million where interest income is used to offset rates (the UAGC) annually. Other asset sales primarily relate to property that Council no longer wishes to hold for strategic reasons. Proceeds from these asset sales are accrued to a general fund reserve.

### Equity investments

Because of Council's stance on risk it does not actively pursue returns from equity investments.

Overall Council believes that preservation of the ratepayer funds is more important than seeking higher investment returns that are associated with higher risk investments. While returns are lower, they are still favourable. In this respect rather than setting specific targets on investment returns, Council seeks to hold investments that are low risk and as a consequence accepts the returns that derive from the low risk investments.



### **Strategic Financial End Point**

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

- 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 inflation, as forecast by the Local Government Cost Index.
- 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 \$1,100 per capita by 2021/22.
- A projected increase in Council's investment funds from \$14.1 million at 1 July 2012 to \$36.3 million at 31 June 2022.

# Roading: getting the best ‘bang for our buck’

*Roading is very much a core service for Council. We have the third longest local roading network in New Zealand (behind Auckland and Southland), and over 40% of our total expenditure is on this activity.*



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

Our roading network enables the efficient movement of people and goods throughout the district, and contributes to Council’s community outcome; “Roading infrastructure that sustainably supports the community and economy.” Council considers it to be one of its core functions.

The majority of Council’s roading activities are financially assisted by central government through the NZTA. Although NZTA’s budgets for 2012-15 will not be confirmed until September 2012, they have indicated that our funding will be ‘frozen’ at 2009-12 levels. As the cost of building and maintaining roads has increased (due to inflation) in real terms we are getting a funding cut.

We now expect to get around \$21.8 million from NZTA for road maintenance over the next three years - around \$1 million less than what we asked for to undertake all the projects necessary to maintain our network.

Instead of reducing our rate-funded budget for roading, to match the NZTA’s reduction, Council has decided to put aside around \$200,000 a year for unsubsidised roading projects such as Eco Star dust suppression and traction seals. Council hopes that will help reduce the impact of NZTA’s funding cuts on our levels of service, particularly for rural ratepayers, who pay the greatest share of roading rates.

Council has prioritised spending for the subsidised roading programme so that we get the ‘best bang for our buck’ overall and so that we can minimise the impact of funding cuts.

Our priorities are;

**1 - Bridge renewals:** While you can still use a road if it is not smooth or has some potholes, if a bridge is damaged or has weight restrictions, then the bridge and road may not be usable at all. Renewing bridges, especially on key routes, will be given the top priority, e.g. Clydevale bridge.

**2 - Resealing roads:** Maintaining a watertight surface for our sealed roads means less potholes and that they should last longer.

**3 - Road maintenance for unsealed roads:** This priority is orientated towards keeping unsealed roads durable and serviceable through the likes of metalling, grading and repairing potholes.

**4 - Rebuilding sealed roads (road rehabilitation):** A lower priority, because by putting more into reseals above, roads should last longer and not need to be rebuilt as soon.

By prioritising our roading spending in this manner Council believes it can minimise the impact of the funding cuts in the short term. In the medium term, however, there is likely to be a reduction in our levels of service for roading. Although it is hard, at this stage, to identify exactly what this means, it is likely that the ‘smoothness’ of our roads will decrease, the average number of times unsealed roads are graded will decrease and that there will be a reduction in resident satisfaction with roads. It will also mean that some gravel roads will be metalled less often.

Council will continue to advocate for optimal funding assistance for roading from central government.

## Minimum Road Access Charge

In the past some properties in the district have paid very little for roading rates, including around 400 who currently pay less than \$50 per year.

To ensure that every ratepayer makes a minimum contribution towards the cost of our roads Council is introducing a fixed charge component on local roading rates from 2012/13 onwards. This means that every property will pay a minimum of \$50 +GST on their local roading rate, with the rest of the rate continuing to be based on each property’s land value.

This change will not change the amount rated for, rather it will change how roading rates are split between ratepayers in each community. It will result in a more even spread of local roading rates within towns, with lower value properties paying a bit more, median value properties paying around the same share as they do now, and higher value properties paying a slightly smaller share. In the rural roading rating area, properties with lower land values (such as lifestyle blocks and properties in smaller rural townships) would pay more, while farms with high land values would receive a saving.

# Cost changes for water services

*A number of cost drivers in our water services are projected to change water supply, sewerage and stormwater rates over the life of this plan.*

## Water Treatment Upgrades

The government requires Council to “take all practicable steps” to meet new drinking water standards, introduced in 2005. This means that Council is undertaking treatment upgrades across urban and rural water schemes.

Upgrades on the Balclutha, Kaitangata, Lawrence and Tapanui water supplies have been undertaken over the past three years with varying levels of funding assistance from the Ministry of Health’s Capital Assistance Programme. Milton’s new Water Treatment Plant also fully complies with the new standards.

Further treatment upgrades are required across most 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 are less deprived and because of the high proportion of stock-water use in the case of rural water schemes. A total of \$2.5 million has been budgeted for treatment upgrades.

The capital costs of water treatment upgrades are generally funded from depreciation or special reserve funds. However, the upgrades do have a rates impact as they have additional operational costs and depreciation. Where loan funding is required interest charges must also be rates-funded.

## Sewage Discharge Upgrades

Council is also facing increased costs to meet more stringent consent conditions when renewing discharge consents for sewage disposal throughout the district. The key issue has been treating effluent to a standard safe for swimming, prior to discharge.

In the past three years Council has upgraded sewage treatment on the Kaka Point, Lawrence, Owaka, Stirling and Tapanui sewerage schemes. Upgrades will also be required for many of Council’s remaining schemes over the next ten years as their consents come up for renewal.

Fortunately, Council has been able to install a new treatment method which has resulted in much lower capital and operating costs than would have been the case using conventional treatment systems. The new systems have also enabled Council to gain 35-year discharge consents, providing ratepayers with peace of mind that further (and potentially expensive) treatment upgrades should not be required for many years to come.

Council has budgeted for similar-cost upgrades for the remaining discharge consent renewals and hopes to continue to keep the cost of required treatment upgrades to an acceptable level.

Like water treatment upgrades, these sewage treatment upgrades also require additional rates funding for increased ongoing operational costs and depreciation, and finance charges where loan-funding is required.





## Insurance

Insurance costs have increased across the board following the Canterbury earthquakes. This is especially so for our underground assets (pipes etc.) for which our existing insurance premium would have meant an increase from \$30,000 to \$150,000 a year.

Council has decided that the risk of a natural event causing significant damage is relatively low, and that self-insurance is a more prudent option. Council intends to self-insure underground assets at the level of \$50,000 (plus inflation) a year from 2013/14 - the earliest we can withdraw from our existing underground insurance policy.

Previously insurance costs were funded council-wide (across all of council's activities). However the increase in premiums has meant that Council has re-evaluated its insurance cover and funding.

Council has decided that for now, underground insurance costs will be funded by individual schemes based on how the premiums are calculated by our insurer - asset value. 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. This will be reviewed in the coming years as further information on risk levels become available.

## Revaluation & Depreciation

Council treats depreciation of its water assets as an operating cost. This means that money must be raised from rates and put aside each year to reflect that use of an asset causes wear and tear and to ensure that those whose use contribute to wear and tear pay for that usage. This depreciation charge is a substantial item in the rates-funded operating budgets. Council saves this money, placing it in interest-earning reserves and uses them to fund future costs of renewing the asset or other capital expenditure on that scheme.

Council's water assets were revalued in 2011 and schemes have increased in replacement value. This means the cost of depreciation on these schemes will also go up, as the wear and tear of the asset has now become more expensive. Where an increase in depreciation is large, Council is phasing in the increased funding over three years to smooth the rates increase for ratepayers.

## Operation and Maintenance Costs

Council has recently updated the distribution of the costs of the water services operation and maintenance contract to reflect the amount of time and resources spent on each scheme. This was last updated over a decade ago and subsequent upgrades, for example, have redistributed the amount of time and resources spent on various schemes.

As a result, some schemes will pay an increased share (e.g. Balmoral 1, Balmoral 2, Glenkenich, Moa Flat, North Bruce, Balclutha and Tapanui water schemes and Clinton, Milton and Waihola sewerage schemes) while some will pay a reduced share (e.g. Kaka Point, Milton, South Bruce and Waihola water schemes, Balclutha, Kaka Point and Owaka sewerage schemes and all stormwater schemes).

Lastly, our new water services operations and maintenance contract, which starts on 1 July 2012, came in under budget. This means it will cost around \$300,000 less a year for our water services than what we had initially budgeted. As a result, most water, sewer and stormwater rates will be lower per year than forecast in the draft plan.

See the 'Community Summary' section to see how these changes will impact on water supply, sewerage and stormwater rates in your community.

# Other changes & projects of note

## Economic and Social Development

Council has decided to change the way it delivers 'District Development' so as to refocus and strengthen its contribution towards supporting economic and social development in the district.

Following the 'District Direction's Community Outcomes project in 2005, Council changed the then Economic Development Board to the District Development Board and increased the focus and activities the Board undertook to include community development.

While this change provided gains in community support and development, as well as obvious interaction and crossover, Council now wishes to separate the economic and community development roles and functions so as to refocus and strengthen economic development.

Council, via the District Development Board, currently contracts the Enterprise Clutha Trust to provide much of the business development functions and the Clutha Agricultural Development Board for support of the district's agricultural sector.

These three bodies rely on a finite number of people within the district to provide the governance, advice and support for the functions the Trusts and Boards provide to the community.

Council believes there is an opportunity for the Boards and the Trust to be brought together to avoid duplication of governance, advice, reporting and operations.

After a thorough review by members of the three boards and Council representatives, Council believes the best way forward is for it to continue to provide community development coordination and delivery, and for a non-Council organisation to provide economic development coordination and initiatives.

This would see a new board established that would be governed and managed independently of Council. Council would also need to continue to employ a community development coordinator for delivering and obtaining community development activities.

An Establishment Working Party, made up of members from Enterprise Clutha, the Agriculture Development Board, District Development Board and Council is working towards establishing the new structure with a view to have it in place by January 2013.

## Remediation of the former Kaka Point landfill

For several years now, Council has been in discussions with the Otago Regional Council and Department of Conservation regarding an old landfill site near Kaka Point which has been uncovered by coastal erosion.

Since its closure in the early 1980's the old dump site, 1km north of Kaka Point has been exposed through erosion by the sea. This has resulted in dangerous waste being unearthed and deposited on the foreshore. Tests have also shown elevated levels of metals in the soil. While much of the exposed waste has already been removed, a more permanent solution is now required because ongoing erosion could result in further discharges to the receiving environment and further risks to beach users.

Although the dump site was never operated by Council or its predecessors, the majority of the site is on Council owned road reserve and as such, Council has reluctantly assumed responsibility to resolve the issues the site is facing.

A number of options for managing the site have been investigated, with the preferred option being to remove the contaminated materials from the site and dispose of it at the Mt Cooe landfill. However, the cost of this was estimated to be approximately \$1 million +GST and Council's application to the Ministry for the Environment for funding assistance was declined. Since then further investigations into a more cost-effective option, removing waste from the most vulnerable area and protecting the site from erosion by armouring the foreshore, have been undertaken. This is estimated to cost approximately \$330,000 +GST, and has been budgeted to occur in 2012/13.

This cost will be covered by an internal loan which will be repaid over the next 25 years. Council looked at two options for how to repay this loan. One was that all ratepayers contribute through the UAGC (about \$3 a year). The other option was that wheelie bin and Mt Cooe users cover the cost. Council has decided that rating across the district (rather than just on wheelie bin users) better reflects the benefit gained from the remediation. The cost of monitoring other closed landfill sites will remain on wheelie bin rates and landfill user fees.

## Waste Management and Minimisation

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. A Waste Minimisation Officer has been employed, free drop-off facilities for recyclables have been introduced throughout the district and fortnightly kerbside collection of recyclables began in April 2012. Council's involvement in waste minimisation education has also increased including facilitating the Enviroschools programme at schools throughout the district.

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 Waste Management and Minimisation Plan. These include providing free recycling collections to schools and non-profit early childhood centres on existing collection routes, investigating the ways to reduce greenwaste disposed of to landfill and evaluating options for e-waste collections. 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. If additional funding is required in the future this would be consulted on through future Annual or Long Term Plans.

From 1 July 2012, the way that customers are charged to use the Mt Cooee landfill will change. Most landfill users will now pay by weight rather than their vehicle type. This is a much fairer way to charge landfill users and reflects that ETS and waste levy costs are based on weight not volume.

Council has also decided to introduce a discount for customers who divert their greenwaste from landfill at Mt Cooee. From 1 July 2012, landfill users will pay 50% of the normal disposal cost when they deposit their greenwaste in the designated area than they would to dump it at the tip-face. This will help reduce the amount of waste going to landfill and therefore ETS and waste levy costs.

## Funding Benhar and Tokoiti Sewerage

A significant change to Council's rating policy is the way in which the capital cost of new community sewerage schemes in Benhar (pictured below) and Tokoiti are funded. Following extensive consultation with the communities involved and the whole district, Council has decided that half the cost of the new schemes will be funded from those connected to the schemes while the other half will be funded by other ratepayers. Part of the cost (10%) will be funded by all ratepayers in the district, based on capital value, while 40% will be funded by a uniform contribution from all sewerage ratepayers. While this change is a deviation from Council's general principle that those who benefit from a service pay for that service, it has been made to reflect the community-wide benefit of improved sewage disposal and to help reduce the significant cost to those connected to the schemes.



# Project update

***Council's 2009-19 Long Term Plan and subsequent Annual Plans have included a number of substantial projects and changes. This section provides an outline of progress made on these projects to date.***

The past three years has been a busy period for Council. A number of projects and issues set out in the previous 2009-19 Long Term Plan have been tackled and our communities are starting to see the benefits of these now. These include kerbside recycling, the Cross Recreation Centre, improved water and sewage treatment in some towns, and upgrades to the Balclutha and Milton swimming pools.

## Balclutha Main Street

Public consultation during development of the 2009-19 Long Term Plan identified a desire to upgrade Balclutha's main street to improve its appearance. It was felt that an upgrade would give the area better usability for pedestrians and shoppers and an improved public image, resulting in greater pride in the town and district. A more attractive town centre would also encourage more people to stop and spend time in the area, resulting in economic benefits, not only to main street retailers, but to the wider town and district.

Council planned to undertake a \$2 million upgrade in 2011/12. However, this was deferred until 2012/13 while consultation with the community and the NZTA to determine the future of the traffic flow through central Balclutha was completed. This process has now concluded, with the highway and by-pass designations to remain as-is.

Now that this has been confirmed, Council can move forward designing the upgrade. Public consultation on the design will be completed in mid to late 2012, with the 'on-the-ground' work scheduled to be completed by mid 2013.



Potential improvements include, but are not limited to, new footpath paving, bulbous kerbing, new rubbish bins, tables and chairs and more plantings.

One option Council has recently looked at, which wasn't raised in the last Long Term Plan, is the undergrounding of the power lines in the main CBD area of Clyde Street at a cost of approximately \$400,000. Powerlines were undergrounded in Lawrence as part of its recent main street upgrade, and feedback about the aesthetic impact this has had there has generally been very positive.

Through the Long Term Plan process, Council confirmed a budget of \$2.6 million for the main street upgrade, including \$400,000 to underground the powerlines.

About \$85,000 a year is already rated for minor works in the Balclutha CBD area (around \$41 for a median value Balclutha property and \$1.80 per UAGC). Funding some main street costs through the UAGC (Uniform Annual General Charge) recognises that there is a district-wide benefit in having attractive main streets in our local townships. The same funding method was used for recent main street upgrades in Lawrence and Tapanui and the loan funding for the previous Milton upgrade.

The main street upgrade will increase the annual funding requirement to about \$140,000 a year for the next 25 years. This means a rates increase of around \$26 per median value Balclutha property each year, and \$1.20 on the UAGC. This increase will be phased in over the first four years of the plan.

## West Otago Health

After consultation with affected ratepayers in 2010/11, Council agreed to a ratepayer-funded grant of \$1 million for the proposed new West Otago Health facility in Tapanui.

The grant was subject to conditions, in particular that all other funding to meet the full construction costs was to be contractually confirmed, and that other sources of funding would be either interest free loans or grants. Although the conditions have not yet been met, Council has re-confirmed its intention to make the grant and this has been budgeted for 2013/14. Council may decide to make this grant earlier if construction begins in 2012/13. This means that an annual uniform charge to households within the West Otago Health area of around \$70+GST will be rated from 2013/14 onwards.

## Recycling

As a result of growing community demand, legislative pressures (the Waste Minimisation Act 2008 and the Emissions Trading Scheme) and a desire to protect and improve our environment, Council budgeted in the last Long Term Plan to introduce recycling services.

Since then, free drop-off facilities for recyclables have been introduced throughout the district and a kerbside recyclables collection service for the district's towns has begun.

Recycling drop-off facilities were opened at the Mt Coote landfill in 2009 and the Lawrence, Milton and Tapanui waste transfer stations in 2010. Residents can now dispose of paper, plastics (numbers 1 -7), aluminium, steel and tin cans, glass containers and cardboard, free of charge during normal landfill or transfer station operating hours.

In April 2012, Council's kerbside waste collection service began, with the introduction of a new wheelie bin for recyclables (excluding glass and green waste). The existing residual waste bin is now only collected fortnightly, with the bin for recyclables being collected on the alternate week.

## Cross Recreation Centre

In the last Long Term Plan Council confirmed its intention to provide a grant of \$1.2 million towards the construction of a new multi-purpose recreation facility in Balclutha. This was increased to \$2.5 million in the 2010/11 Annual Plan.

The Cross Recreation Centre opened in late 2011 and incorporates a gym and five netball courts which are able to be used for other activities such as indoor hockey, soccer, tennis, basketball, volleyball and indoor cricket.

The continued success of the facility is important for the district in helping to attract and retain people in the area and in improving physical activity and recreation opportunities for residents of the whole district.

To help ensure this success, Council has agreed to support the centre by funding the operation of a night-gate on the access road to the Riverside Reserve, to maintain the carpark and to mow the floodbank around the facility. Council has also agreed to part-fund carpark lighting and a sign at the entrance to the Riverside Reserve.

## Swimming Pool upgrades

Sustainability of Council's swimming pools was a key issue raised in the last Long Term Plan. Residents had raised a number of issues with Council's swimming pools with the main concerns including the standard of changing rooms facilities and water temperatures. Council committed to addressing these issues, and during the past three years has worked towards significant upgrades at the Balclutha and Milton Swimming Pools.

### Milton

In early 2011 Council consulted with the Milton community on an upgrade of the entrance and changing rooms at the Milton Swimming Pool. The need for the upgrade was confirmed and a budget was included in the 2011/12 Annual Plan for the upgrade. The pool re-opened in February 2012 and feedback from pool users has been overwhelmingly positive.

### Balclutha

An upgrade of the Balclutha pool, including replacement of the old asbestos roof and walls, reconfiguration of the learner's pool to provide a shallower 'beach' pool and renewal of the heating and ventilation was planned for 2010. As plans for the upgrade progressed, it became clear that the pool required a larger overhaul than originally budgeted. The scope of the project was increased to include an upgrade of the boiler, changing rooms, entrance and foyer plus the tiling of the pool and surrounds. Construction of a bulk-head and therapeutic pool was also included, with these projects being funded by external grants secured by Sport Clutha.

These design and specification delays led to the re-development being postponed. Eventually, the pool had to close in February 2011 due to on-going mechanical issues. At the beginning of May 2011 Council awarded a \$3.49 million contract to Lund South to upgrade the pool to modern standards. Due to the increased scope of the project this was more than the \$2.1 million that was originally budgeted.

The pool is due to re-open at the start of July 2012.

### Lawrence

In 2009 Council made a commitment to provide a grant for a new community owned and operated pool for Lawrence-Tuapeka. Plans for the new facility are well underway, with just under \$330,000 of community funding secured or pledged as at June 2012 and applications being lodged for external funding.

Council has confirmed its intention to make a loan-funded grant of up to \$1.1 million towards the new facility (capped at 55% of the project cost). Beginning the year after the grant is made, the loan will be repaid from Lawrence/Tuapeka Community Board rates (60%) and Lawrence Community Services rates (40%) over 25 years.

Council has also agreed to provide the community group, Tuapeka Aquatic Centre Incorporated, with a short-term, interest free loan of up to \$150,000 as bridging finance to cover pledged funds.

Until the new pool opens it is 'business as usual' for the existing Council owned and operated pool in Lawrence. Once the new facility is opened (expected to be in 2013), Council's pool will close.

### Harmonisation (capping) of urban water and sewer rates

In 2009 Council decided to cap urban water and sewerage rates so that no one paid more than 25% above the average water or sewerage rate. While this was a deviation from Council's general 'user pays' approach, it means that ratepayers who receive a similar level of service (for water supply and sewerage) pay a similar amount for that service.

Council has decided to retain rates capping as-is for urban water supply. This means, in 2012/13 most water ratepayers will pay about \$30 extra on their water rate so that ratepayers on the most expensive water schemes (Clinton, Milton and Tapanui) don't pay more than the \$595 cap.

In addition to the existing cap on sewerage rates, from 2012/13 40% of the capital cost of the Benhar and Tokoiti sewerage schemes will also be harmonised across all other sewerage rates. This means, in 2012/13 most sewerage ratepayers will pay about \$15 extra on their sewerage rate so that Benhar and Tokoiti ratepayers get some help with their significant capital costs and that ratepayers on Council's most expensive sewerage scheme (Stirling) don't pay any more than the \$495 cap.

# community summaries

# 4



# 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 incorporates our rural areas and a number of smaller townships.

This section outlines the services Council provides in each of these rating areas, as well as what is planned for each of them during the next ten years. It also outlines and explains how and why rates are expected to change in each community over the life of the plan.

Benhar and Tokoiti are two of the district's smaller townships within the rural rating area. Because both townships are receiving a significant new service (reticulated sewerage) specific examples are provided for each.

A number of proposed changes and projects will impact on all or a large number of communities. These are outlined at the start of the section rather than being repeated across each community summary. Some of these issues are explained further in the 'Key Issues' section.

Each community summary begins with a brief overview of the services and facilities that Council provides within the community. For further information on the services Council provides see the 'Council Activities' section. Each community summary then covers;

## **Progress made during the past three years**

The key projects that Council has undertaken in the community since the last Long Term Plan was adopted in 2009.

## **What's planned for the next 10 years?**

The key projects and changes that Council is planning to undertake over the next ten years are outlined under this heading. Projects are also shown on the 'key projects' timeline.

## **How are rates expected to change?**

Under this heading the projected rates for a median value property within the community are shown. The table shows the breakdown of expected rates in detail for the first three years of the plan, while the graph shows the trend expected over the next ten years. Where there are substantial changes to rates from year to year an explanation is provided. In some cases these will refer to the 'Key Issues' section where changes or projects are explained in greater detail.

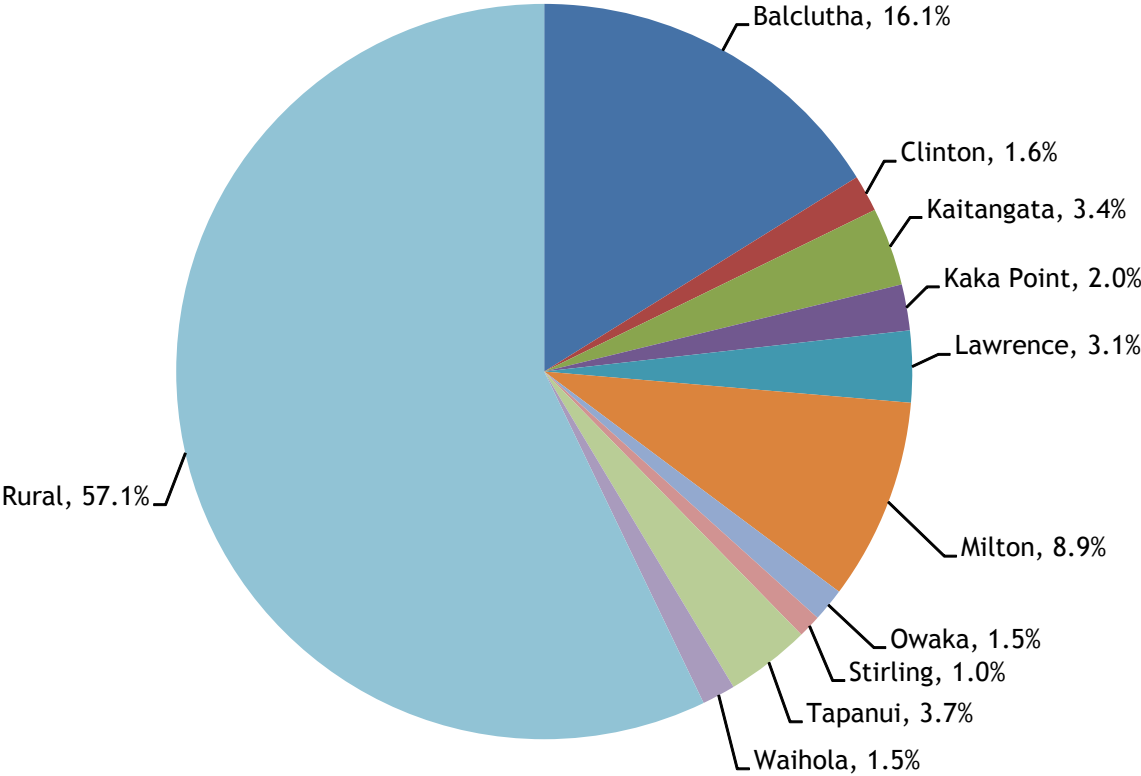
Please note when looking at these examples, that a median value property has been used to calculate the rates. While some rates are a fixed charge and every property in the community will pay the same amount, other rates (including local and district roading and community services) are based on a property's 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.

The 2011/12 'actual' rates combine the former 'waste minimisation rate' with the UAGC and the former 'recycling collection rate' with the 'waste management services' rate, as this is how funding for these services will be collected from 2012/13 onwards.



To give an indication of the breakdown of rates between rating areas, the following graph shows the approximate share of total rates to be paid by each of the 11 rating areas in 2012/13.

**Approximate share of rates paid by each rating area in 2012/13**

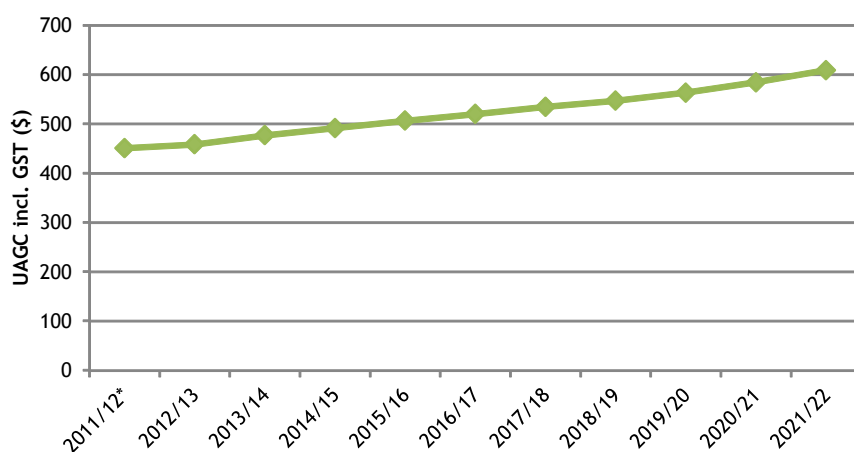


# Changes and projects that affect all communities

## Uniform Annual General Charge (UAGC)

The UAGC is a uniform charge on every separately used or inhabited part of a rating unit (SUIP) in the district. It funds (or partly funds) a range of services that have district-wide benefit, including economic and community development, libraries, council service centres and public toilets, to name a few.

The UAGC is projected to increase by \$7 between 2011/12 and 2012/13 with cost reductions for maintaining our greenspaces (parks, reserves and cemeteries) offsetting an increase in the swimming pool component. However, the rate is expected to increase by around 3.5% a year (the expected inflation rate for local government costs) for the remaining years of the plan.



\* Includes waste minimisation rate as it will be rated as part of the UAGC from 2012/13 onwards

## Water Services Changes

There are a number of cost drivers in our water services (in particular water supply and sewerage) that are projected to increase water and sewerage rates over the life of this plan.

Firstly, more stringent drinking water standards and sewage discharge standards are meaning that Council is having to undertake expensive upgrades. These not only have capital costs, but in many cases have ongoing operating costs. Another impact of these upgrades is that Council has to fund depreciation (loss in value of the assets), further increasing costs. Council is also facing higher costs to insure underground assets (pipes etc) following the Canterbury earthquakes. Lastly, Council has redistributed the cost of the water services operation and maintenance contract to ensure that each scheme pays its fair share of this contract. The impact of these changes is explained further in the 'Key Issues' section.

## Roading Minimum Charge

In the past some properties in the district have paid very little for roading rates, including around 400 who currently pay less than \$50 per year.

To ensure that every ratepayer makes a minimum contribution towards the cost of our roads Council is introducing a fixed charge component on local roading rates from 2012/13 onwards. This means that every property will pay a minimum of \$50 +GST on their local roading rate, with the rest of the rate continuing to being based on each property's land value.

This change will not change the amount rated for, rather it will change how roading rates are split between ratepayers in each community. It will result in a more even spread of local roading rates within towns, with lower value properties paying a bit more, median value properties paying around the same share as they do now, and higher value properties paying a slightly smaller share. In the rural roading rating area, properties with lower land values (such as lifestyle blocks and properties in smaller rural townships) would pay more, while farms with high land values would receive a saving.

## **Waste Management Rates**

The cost of Council's new waste management contract (which began on 1 April 2012) is lower than that of the previous contract, despite the addition of the new kerbside recycling service. This means the waste management (wheelie bin) rate will decrease by \$26 (13%) in 2012/13.

However, the rate is expected to increase again over the coming years due to the government's Emissions Trading Scheme. This cost increase will contribute to the waste management rate rising back to 2011/12 levels by 2015/16. See the 'Key Issues' and 'Council Activities' section for further information.

## **Community Services Rating**

Council intends to review how it rates for community services (including swimming pools, halls, parks and reserves, libraries etc) over the next three years, with any changes likely to be implemented in 2015/16. As this process has yet to begin, rating examples show projected rates based on Council's current rating policy.

One change Council is proposing to implement from 2012/13, is for Stirling and Kaka Point community services rates to include a contribution towards community services in Balclutha. This recognises that ratepayers in Kaka Point and Stirling are users of community facilities in Balclutha, and should help pay for these. This will mean an increase in the community services rate for those in Stirling and Kaka Point and will be phased in over a three year period beginning 2012/13.

## **Revaluations**

It is also important to keep in mind that the value of all properties in the district are reviewed every three years. The latest values were published in November 2011 and will come into effect for rating purposes from July 2012. The exact rates percentage change for a property will depend on which of the 11 rating areas the property is in, and whether an individual property's value has changed more or less than the average increase or decrease in the district and in that rating area.

# BALCLUTHA

Spanning both banks of the Clutha River, Balclutha is the administrative and servicing centre of the district. The town has general rural servicing industries, retail, health and education facilities and is the district’s main centre for most professional activities.

Balclutha’s current estimated population is 4,060. Statistics New Zealand’s ‘medium’ projections expect this to decline by 10% by 2026, however, Council expects the recent population stabilisation along with the effects of an aging population and increasing fuel prices to work against such a sharp decline.

Balclutha is serviced by a council water supply, sewerage and stormwater schemes and has 30km of roads (29.6km sealed, 0.4km unsealed) and 51km of footpaths. Council provides 14 parks, reserves, playgrounds and sports grounds, 7 public toilets, 2 cemeteries, a library, information centre, swimming pool, town hall and 41 community housing units in Balclutha.



## Councillor Comment

Ron Davis  
Balclutha Ward

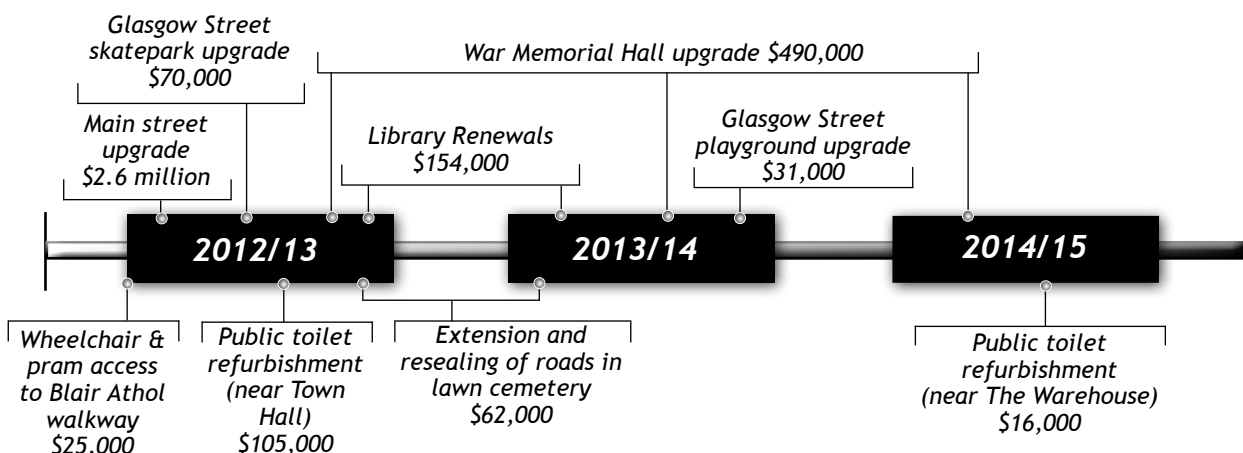
*“Investment in our essential services and proposed new projects are paramount to the vitality of Balclutha and the wider district. We have seen significant investments come to fruition in recent years with the Cross Recreation Centre, the swimming pool upgrade and footpath upgrades. All of these projects have an impact on rates. However, along with the proposed main street upgrade they will provide for the health and wellbeing of the community and promote a far greater public image. Consultation with the community as part of Council’s decision making for this plan was important in providing transparency and collective involvement moving forward. Thanks to all who got involved.”*

## Progress made during the past 3 years

Council has made a number of significant investments in Balclutha over the past three years. These include a major upgrade of the Balclutha Swimming Pool to bring it up to modern standards, along with upgrades to Naish Park and the Balclutha Library. Another major investment has been the \$2.5 million grant made towards the construction of the multi-purpose Cross Recreation Centre. Council has also upgraded Balclutha’s water treatment to bring it up to new drinking water standards and has made a substantial investment in improving the town’s footpaths. A modernisation programme for the town’s community housing units also began.

An upgrade of the main street area, as proposed in the 2009-19 Long Term Plan, was deferred until 2012/13 as Council, the community and NZTA developed a Balclutha Traffic Management Strategy to confirm the future alignment of the state highway through central Balclutha.

## Proposed projects of note in Balclutha



## What's planned over the next 10 years?

### Mainstreet Upgrade

Public consultation during development of the 2009-19 Long Term Plan identified a desire to upgrade Balclutha's main street to improve its appearance. It was felt that an upgrade would give the area better usability for pedestrians and shoppers and an improved public image, resulting in greater pride in the town and district. A more attractive town centre would also encourage more people to stop and spend time in the area, resulting in economic benefits, not only to main street retailers, but to the wider town and district.

Council planned to undertake a \$2 million upgrade in 2011/12. However, this was deferred until 2012/13 while consultation with the community and the NZTA to determine the future of the traffic flow through central Balclutha was completed. This process has now concluded, with the highway and by-pass designations to remain as-is.

Now that this has been confirmed, Council can move forward designing the upgrade. Public consultation on the design will be completed in mid to late 2012, with the 'on-the-ground' work scheduled to be completed by mid 2013.

Potential improvements include, but are not limited to, new footpath paving, bulbous kerbing, new rubbish bins, tables and chairs and more plantings.

One option Council has recently looked at, which wasn't raised in the last Long Term Plan, is the undergrounding of the power lines in the main CBD area of Clyde Street at a cost of approximately \$400,000. Powerlines were undergrounded in Lawrence as part of its recent main street upgrade, and feedback about the aesthetic impact this has had there has been very positive.

Through the Long Term Plan process, Council confirmed a budget of \$2.6 million for the main street upgrade, including \$400,000 to underground the powerlines.

### War Memorial Hall Renewals and Upgrade

A number of significant renewals are planned for the Balclutha War Memorial hall over the first two years of the plan at a cost of \$490,000. These include maintenance of the stage and flytower (\$40,000 of external funding will 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 will also be upgraded, with options for removable 'theatre' type seating to be evaluated as part of the overall upgrade. This work is expected to bring the hall up to modern standards and meet community and hall users' expectations. Council will consult with hall users to confirm the exact details and timing of the upgrade.

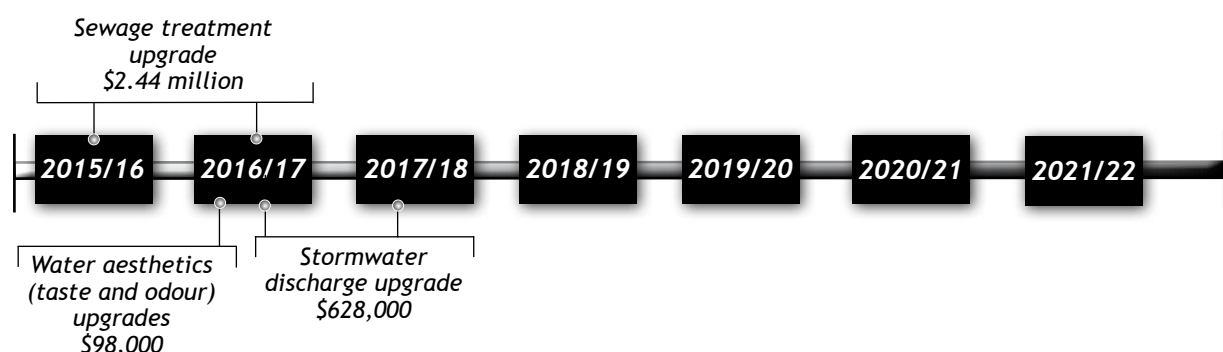
### Sewage Treatment Upgrade

Balclutha's treated sewage is discharged into the Clutha River near Finegand. Additional consent standards are expected to mean that treatment of the town's sewage will need to be upgraded to ensure that the discharge can continue beyond 2018, when the current consent expires. Council has budgeted \$2.44 million in 2015/16 and 2016/17 for treatment upgrades. See the 'Key Issues' section for further information on sewage treatment upgrades.

### Parks and Reserves

An upgrade to the Glasgow Street playground and skatepark is planned for 2012/13 and 2013/14. This will involve upgrading play equipment and installing new skatepark facilities including a new half bowl and grinding bars. A budget of \$100,000 has been included for these upgrades, with external grants and/or community fundraising expected to fund at least \$35,000 of the skatepark upgrade costs.

Construction of wheelchair and pram access to the Blair Athol Walkway near the War Memorial Hall and Naish Park is planned for 2012/13. A budget of \$25,000 has been included for this project. This improvement will enable members of the community with mobility issues and young parents with children in prams to access to the riverbank area.



## Public Toilet Upgrades

Council has budgeted \$105,000 for replacement of the public toilets next to the War Memorial Hall in 2012/13. This complete rebuild will replace the existing toilets which have been subject to vandalism and has been programmed in conjunction with the Balclutha Main Street Upgrade. The public toilets next to The Warehouse are also due for a minor upgrade, with \$16,000 budgeted for this in 2014/15.

## Cemetery Road Extension

The road within the Balclutha Lawn Cemetery will be extended in 2012/13 to enable access to new beams. The remainder of the roads within the cemetery will also be resealed in 2013/14.

## Library Renewals

A number of renewals are planned for the Balclutha library in 2012/13 and 2013/14. These are primarily internal projects such as painting, ceiling repairs, carpet and furniture replacement, and heating upgrades.

## Stormwater Investigations

Council is planning to investigate options for the future of the stormwater system in the Balclutha flat area, where ponding during wet weather and high river levels has been an issue in the past. A budget for potential implementation of reticulation and outfall upgrades has been included in 2017/18 and is subject to the outcome of the investigations, currently planned for 2016/17.

## Water Quality Improvements

Issues have been identified with the 'taste and odour' of Balclutha's water supply. Council has budgeted \$98,000 in 2016/17 to improve the general aesthetic water quality if these issues continue.

## Potential Dog Exercise Park

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 is expected to be minimal and would be met by dog registration fees.

## Cross Recreation Centre

The continued success of the Cross Recreation Centre is important for both Balclutha and the wider district in helping to attract and retain people in the area and in improving physical activity and recreation opportunities for residents.

To help ensure this success, Council has agreed to support the centre by funding the operation of a night-gate on the access road to the Riverside Reserve, to maintain the carpark and to mow the floodbank around the facility. Council has also agreed to part-fund carpark lighting and a sign at the entrance to the Riverside Reserve.



### **Councillor Comment**

*Chris Hargest  
Balclutha Ward*

*“Recently Balclutha has seen investment in some major projects which have been aimed at enhancing the District as a whole. The town is looking smarter with the footpath upgrades, which have resulted in some very positive comments. Recreation facilities have also received a boost with the upgrade to swimming pool and the creation of a new sports centre. To further enhance Balclutha the proposed main street upgrade will add the finishing touches and give energy back to the main street and enhance the pride that the retailers already have in Balclutha. Long term planning is essential and yes, any significant investment has an impact on our rates, however we need to be forward thinking and look at ways to enhance Balclutha and the District as a whole to make it an attractive place to live and work.”*

## How are rates expected to change in Balclutha?

Balclutha ratepayers will contribute approximately \$3.4 million in 2012/13, around 16.1% of total rates.

Rates for a median value property in Balclutha are expected to increase on average by 4.1% a year over the next ten years, with a larger increase (7.6%) in 2012/13 as a result of the Balclutha Swimming Pool upgrade and an increase in the town's share of the water supply contract costs.

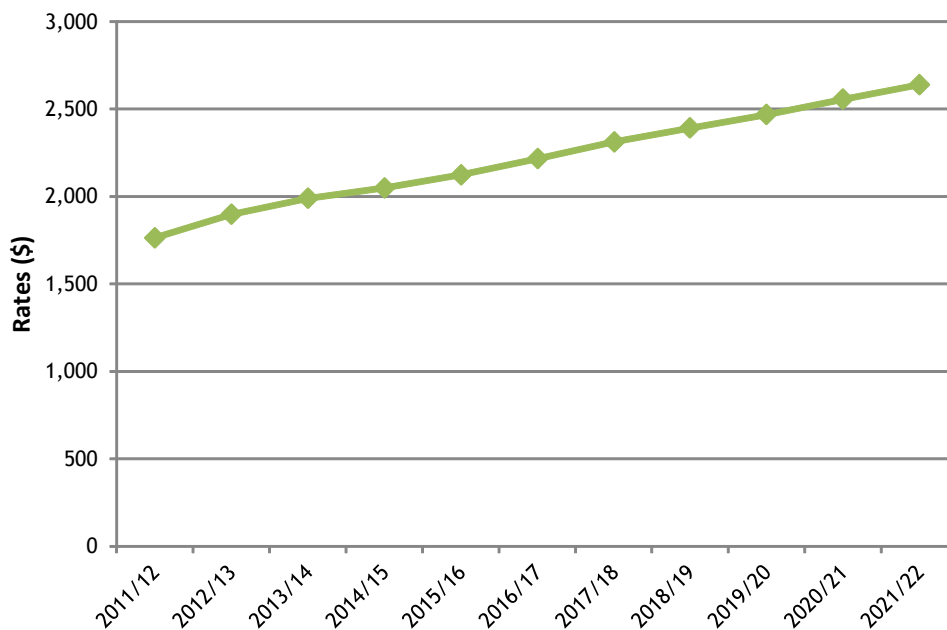
The table below shows a breakdown of the expected rates for a median value property in Balclutha (LV = \$46,000, CV = 165,000) over the next three years. The graph at the bottom of the page shows the expected trend for overall rates during the next ten years. Please note that the exact amount and rate of change for individual properties will vary depending on capital and land values.

	Actual	Projected		
	( $\$$ )	( $\$$ )	( $\$$ )	( $\$$ )
	2011/12	2012/13	2013/14	2014/15
Uniform Annual General Charge	392*	399	415	427
District Roading	63	73	75	77
Local Roading	142	145	159	164
Footpaths	19	19	20	20
Water Supply	201	275	289	301
Sewerage	195	201	210	221
Stormwater	104	104	108	117
Sewerage Upgrade Support	<1	1	1	1
Community Services	204	247	254	248
Waste Management	171^	149	162	167
Planning & Regulatory	7	6	6	6
Cross Recreation Centre	34	34	32	32
GST	230	247	259	267
<b>TOTAL</b>	<b>1,763</b>	<b>1,897</b>	<b>1,989</b>	<b>2,048</b>
% Change		7.6%	4.8%	3.0%
\$ Change		135	91	59

Increased operation and maintenance costs (see the 'Key Issues' section).

Upgrade of the Balclutha Swimming Pool.

\* Includes waste minimisation rate, ^ Includes recycling collection rate



# CLINTON

Clinton is a small, rural servicing centre located on State Highway 1 between Balclutha and Gore. The surrounding lowland area is intensively farmed with sheep, deer and dairying and the tussock covered hill country is ideal for sheep and cattle. The township's population has been slowly declining and is currently around 270.

Clinton is serviced by a council water supply, sewerage and stormwater schemes and has 5.5km of roads (3.2km sealed and 2.3km unsealed) and 5.7km of footpaths. Council provides a park, public toilets, and 6 community housing units in Clinton. Council funding is also provided to the Clinton Community Centre, community swimming pool and cemetery.



## Councillor Comment

John Cochrane  
Clinton Ward

*“Clinton and Waipahi districts are both now benefiting from capital works on their water schemes and by the continued request for more water units from consumers, which helps to hold costs and improves efficiency. These improvements can surely be seen as a success story.*

*The new Cross Recreation Centre in Balclutha is proving to be a hit with all those involved in using this multi purpose facility. This kind of high capital facility could not be built without support from the whole Clutha District.*

*Council has not long begun its new, long anticipated, kerbside recycling service which saw a new wheelie bin rolled out especially for recyclables. Along with improvements at the transfer stations this will help bring the district in line with the rest of the country. This has all been able to be achieved without any added cost to ratepayers.”*

## Progress made during the past 3 years

Over the past three years Council has begun a modernisation programme for its community housing units in Clinton. There has also been a significant investment made in improving the town's footpaths. Along with other towns in the district, Clinton began receiving a new kerbside recyclables collection service in April 2012.

## What's planned over the next 10 years?

### Sewage Treatment Upgrade

Clinton's treated sewage is discharged into Kuriwao Creek. Increased consent standards mean that the treatment of the town's sewage will need to be upgraded to ensure that this discharge can continue beyond 2017, when the current consent expires. Council is planning to install additional treatment to the Clinton system during 2015/16 and 2016/17. See the 'Key Issues' section for further information on sewage treatment upgrades.

### Public Toilet Refurbishment

Council's public toilets in Clinton are due for a complete refurbishment in 2016/17. This will involve the complete replacement and upgrade of all fittings within the building. Council has budgeted \$57,000 for this upgrade.

## Proposed projects of note in Clinton





## How are rates expected to change in Clinton?

Clinton ratepayers will contribute approximately \$340,000 in 2012/13, around 1.6% of total rates.

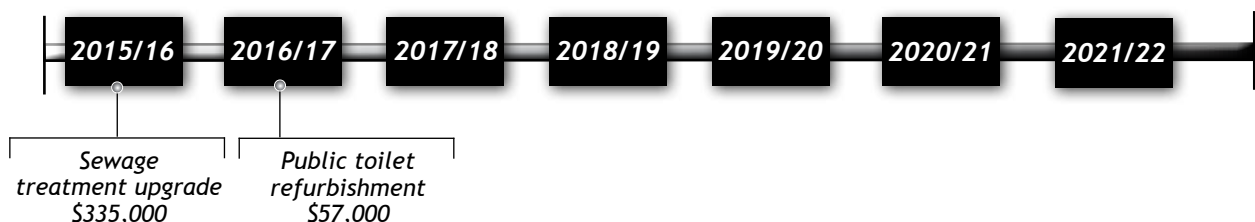
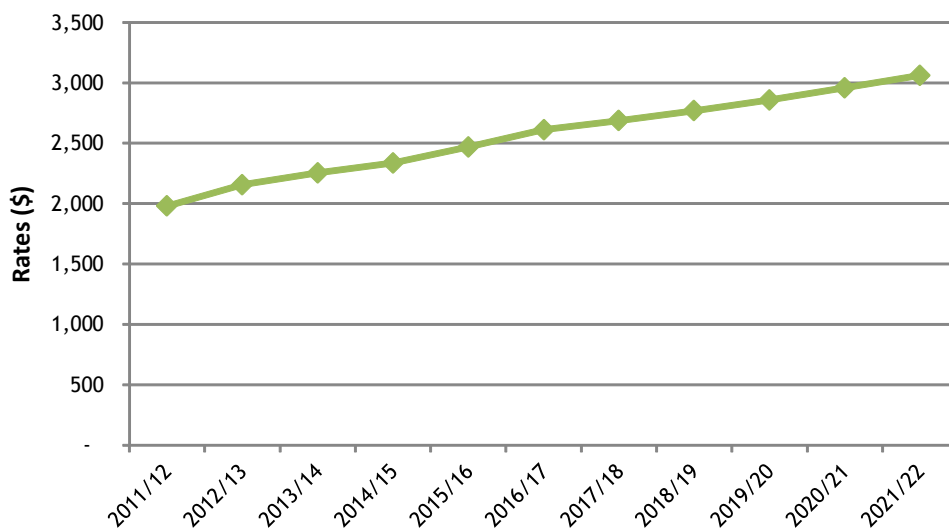
Rates for a median value property in Clinton are expected to increase on average by 4.5% a year over the next ten years, with a larger increase in 2012/13 as a result of increased costs for water and sewerage.

The table below shows a breakdown of the expected rates for a median value property in Clinton (LV = 14,000, CV = 60,000) over the next three years. The graph at the bottom of the page shows the expected trend for overall rates during the next ten years. Please note that the exact amount and rate of change for individual properties will vary depending on capital and land values.

	Actual (\$)	Projected (\$)		
	2011/12	2012/13	2013/14	2014/15
Uniform Annual General Charge	392*	399	415	427
District Rooding	26	26	27	28
Local Rooding	115	131	135	139
Footpaths	19	19	20	20
Water Supply	457	516	533	556
Sewerage	327	428	455	471
Stormwater	108	108	112	120
Sewerage Upgrade Support	<1	<1	<1	<1
Community Services	88	81	83	86
Waste Management	171^	149	162	167
Planning & Regulatory	3	2	2	2
Cross Recreation Centre	17	17	16	16
GST	258	281	294	305
<b>TOTAL</b>	<b>1,980</b>	<b>2,157</b>	<b>2,254</b>	<b>2,336</b>
% Change		8.9%	4.5%	3.7%
\$ Change		176	97	82

Increased costs for water services (see 'Key Issues' section).

\* Includes waste minimisation rate, ^ Includes recycling collection rate



# KAITANGATA

Kaitangata is a small township situated 10km east of Balclutha, on the bank of the Matau branch of the Clutha River. Coal has been mined in the area since the 1850s, and the coal mine remains a significant part of the township. The current estimated population of Kaitangata is 840 and current projections expect this to decline slightly.

Kaitangata is serviced by a council water supply, sewerage and stormwater schemes and has 16.2 km of roads (11.7km sealed, 4.5km unsealed) and 14km of footpaths. Council provides 3 parks and reserves, 2 public toilets, cemeteries, a swimming pool, town hall and 3 community housing units in Kaitangata.



## Councillor Comment

Bruce Graham

Kaitangata-Matau Ward

*"I think things are looking quite positive for Kaitangata. Over the past few years we have had a water treatment upgrade and footpath improvements. These upgrades, coupled with various community group projects have the town looking good and sending out positive messages. I am very interested in how the community will move on with the hall and swimming pool as both need major investment in the near future. Future upgrades for our sewage discharge and swimming pool maintenance will necessitate rates increases going forward. But, you pay for what you get and hopefully you get what you pay for."*

## Progress made during the past 3 years

Over the past three years Council has made a significant investment in upgrading Kaitangata's water supply to meet new drinking water standards and has begun fluoridating the water. There have also been stormwater upgrades and modernisation of community housing units has begun. Council has also made a substantial investment in improving the town's footpaths.

## What's planned over the next 10 years?

### Future of the War Memorial Hall and Swimming Pool

Kaitangata's War Memorial Hall and Swimming Pool are facing substantial maintenance and renewal work to keep them open. Under current arrangements this would require additional funding from ratepayers. As the facilities currently have low usage, the community needs to decide whether this work is worth the cost.

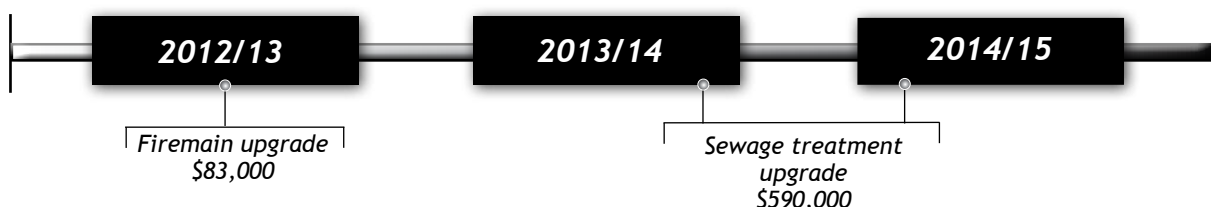
Preliminary discussions with the community have indicated that divestment of the hall to a incorporated society is a possibility and a grant of \$100,000 to this group has been budgeted. While the day to day operation of the hall will be the responsibility of the new community group, rates will be used to make an annual grant to the hall owners. At this stage, Council is not planning to undertake any costly work until the future of the hall is confirmed through further consultation with the community.

Council will also consult with the Kaitangata community over the coming years to establish their preference for the ownership and operation of the town's swimming pool. This will occur before any of the major budgeted renewals for the pool are committed to.

### Sewage Treatment Upgrade

Increased consent standards mean that the treatment of Kaitangata's sewage will need to be upgraded to ensure that consent for its disposal can be renewed. Council is planning to install additional treatment on the Kaitangata scheme by 2014/15. See the 'Key Issues' section for further information on sewage treatment upgrades.

## Proposed projects of note in Kaitangata



## How are rates expected to change in Kaitangata?

Kaitangata ratepayers will contribute approximately \$724,000 in 2012/13, around 3.4% of total rates.

Rates for a median value property in Kaitangata are expected to increase on average by 3.4% a year over the next ten years, with a larger increase (5.3%) in 2014/15 as a result of a sewerage treatment upgrade.

The table below shows a breakdown of the expected rates for a median value property in Kaitangata (LV = \$16,000, CV = \$59,000) over the next three years. The graph at the bottom of the page shows the expected trend for overall rates during the next ten years. Please note that the exact amount and rate of change for individual properties will vary depending on capital and land values.

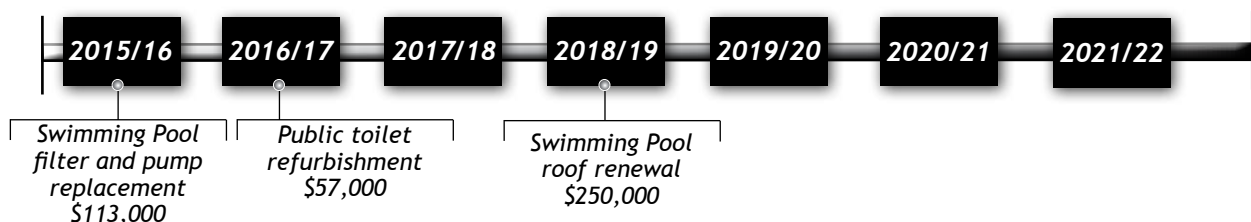
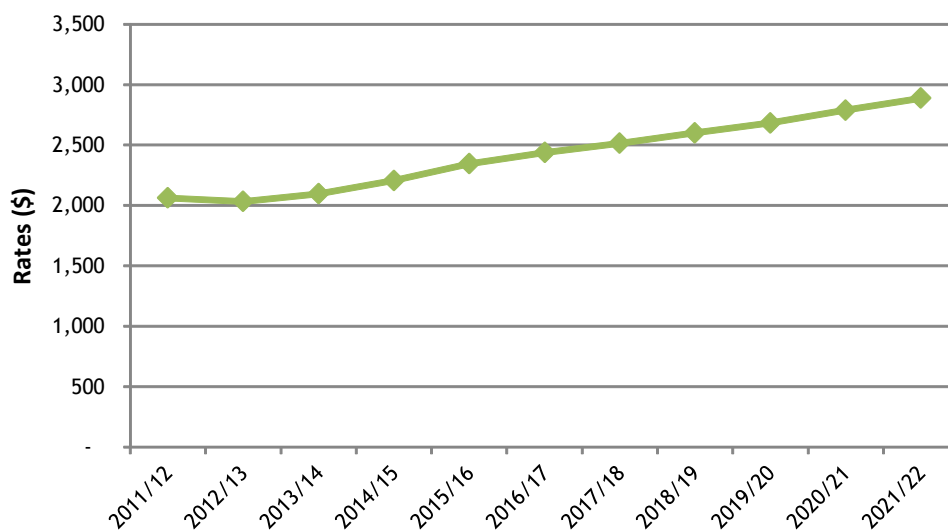
	Actual (\$)	Projected (\$)		
	2011/12	2012/13	2013/14	2014/15
Uniform Annual General Charge	392*	399	415	427
District Roading	21	26	27	28
Local Roading	186	192	198	204
Footpaths	8	9	9	9
Water Supply	419	447	452	463
Sewerage	249	284	284	326
Stormwater	119	63	73	85
Sewerage Upgrade Support	<1	<1	<1	<1
Community Services	200	173	179	184
Waste Management	171^	149	162	167
Planning & Regulatory	2	2	2	2
Cross Recreation Centre	26	25	24	24
GST	269	265	274	288
<b>TOTAL</b>	<b>2,062</b>	<b>2,033</b>	<b>2,097</b>	<b>2,206</b>
% Change		-1.4%	3.1%	5.2%
\$ Change		-29	64	109

Changing costs for water services (see 'Key Issues' section).

Sewerage treatment upgrade.

Reduction in parks and reserves and swimming pool costs

\* Includes waste minimisation rate, ^ Includes recycling collection rate



# KAKA POINT

Kaka Point is a popular seaside township south of Balclutha and has served as a holiday resort for the District for many years. The area is a popular tourist stop-over point, with many tourists visiting the nearby iconic Nugget Point Lighthouse. The current population of the town is around 200, and this is expected to remain relatively constant across the life of this plan.

Kaka Point is serviced by a council water supply, sewerage and stormwater schemes and has 5.6km of roads (5.3km sealed, 0.3km unsealed) and 4.3km of footpaths. Council provides 3 parks and reserves and 2 public toilets in Kaka Point and provides funding to the Kaka Point Community Centre.

Kaka Point is closely linked with Balclutha and benefits from community services that Council provides there, such as the Centennial Swimming Pool and the War Memorial Hall as well as the Cross Recreation Centre, for which Council helped fund construction.

## Progress made during the past 3 years

Three years ago Kaka Point was facing a rates rise in order to bring its sewage treatment and disposal up to new consent standards. Council has since installed a new 'Biofiltro' treatment plant, securing a 35-year consent and resulting in a much lower cost than would have been the case using conventional treatment systems.

## What's planned over the next 10 years?

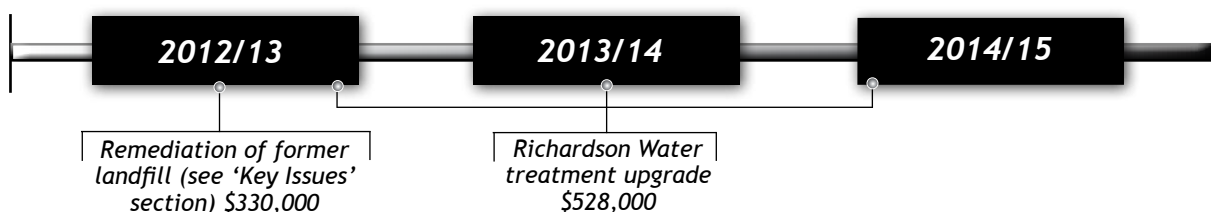
### Community Services

After reviewing how community services (parks, reserves, halls and swimming pools) are rated for, Council has decided that Kaka Point should be incorporated into a larger rating area that also encompasses Balclutha and Stirling. This recognises that ratepayers in Kaka Point and Stirling are users of community facilities in Balclutha, and should contribute to these. This will mean an increase in the community services rate for those in Kaka Point and will be phased in over a three year period beginning 2012/13.

### Water Treatment Upgrade

Treatment upgrades on the Richardson rural water scheme (which supplies the Kaka Point township) are planned for the next three years. The upgrades will improve water quality and improve compliance with drinking water standards. It is expected that these upgrades will also address 'taste and odour' issues. However, Council has budgeted for further improvements in case these issues continue. Kaka Point will contribute towards the cost of these upgrades (\$528,000) on the Richardson scheme.

## Proposed projects of note in Kaka Point



### Councillor Comment

Mary Johnstone  
Balclutha Ward

*Kaka Point's new Biofiltro sewage treatment plant has been a success, ensuring that our environmental obligations are met whilst keeping costs to ratepayers to a minimum. The completion of the "Cross Recreation Centre" in Balclutha provides top class, all-weather sporting facilities, and shows the benefit of sharing infrastructure with wider communities. Within the coming months we will see the completion of the Balclutha Pool - or should it be the Matau-Waikou Pool as it services the communities near the river? Looking forward, Kaka Point residents will also be enjoying improved drinking water, with a planned upgrade to the Richardson Water Scheme over the next 3 years. While Kaka Point will see a spike in rates increases over the next three years, after this they plateau at a similar rate to the rest of the district.*

## How are rates expected to change in Kaka Point?

Kaka Point ratepayers will contribute approximately \$426,000 in 2012/13, around 2.0% of total rates.

Rates for a median value property in Kaka Point are expected to increase on average by 4.8% a year over the next ten years, with larger increases over the first three years of the plan as a result of cost increases for water services and as Kaka Point begins contributing to Balclutha's community services.

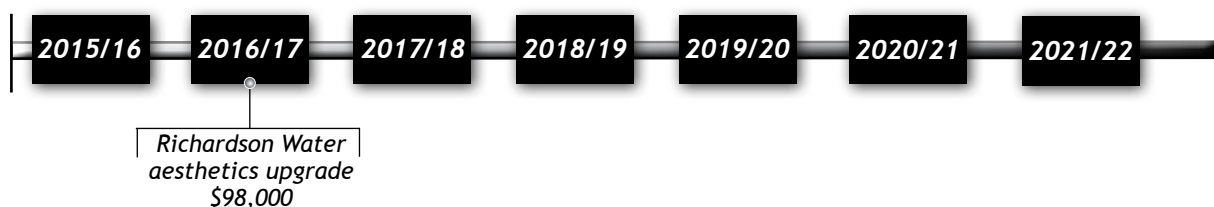
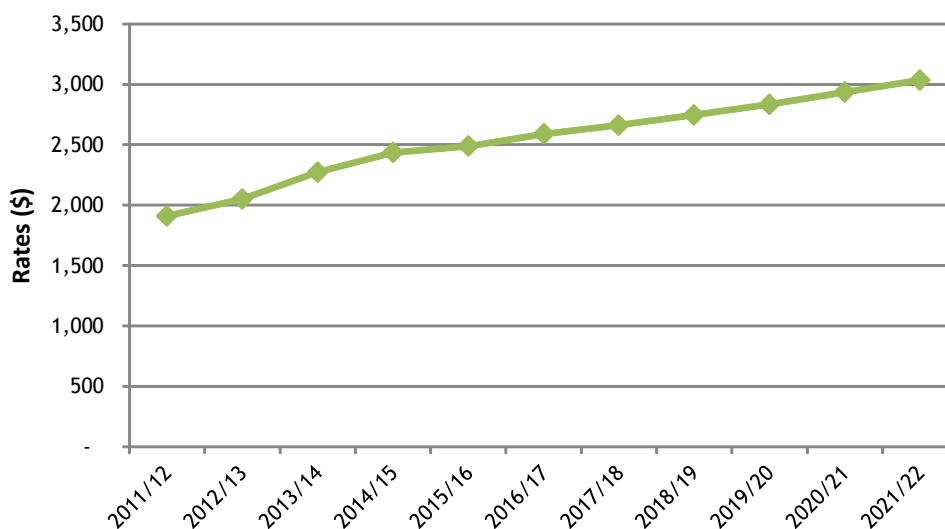
The table below shows a breakdown of the expected rates for a median value property in Kaka Point (LV = \$99,000, CV = \$195,000) over the next three years. The graph at the bottom of the page shows the expected trend for overall rates during the next ten years. Please note that the exact amount and rate of change for individual properties will vary depending on capital and land values.

	Actual	Projected		
	(\$)	(\$)	(\$)	(\$)
	2011/12	2012/13	2013/14	2014/15
Uniform Annual General Charge	392*	399	415	427
District Roading	88	86	88	91
Local Roading	114	123	127	131
Footpaths	17	18	18	19
Water Supply	353	425	460	482
Sewerage	356	380	427	442
Stormwater	103	77	79	82
Sewerage Upgrade Support	1	1	1	1
Community Services	23	85	162	238
Waste Management	171^	149	162	167
Planning & Regulatory	9	7	7	7
Cross Recreation Centre	34	34	32	32
GST	249	267	296	318
<b>TOTAL</b>	<b>1,910</b>	<b>2,050</b>	<b>2,273</b>	<b>2,435</b>
% Change		7.3%	10.9%	7.1%
\$ Change		140	223	162

Increased costs for water services (see 'Key Issues' section).

Kaka Point begins contributing to Community Services in Balclutha.

\* Includes waste minimisation rate, ^ Includes recycling collection rate



# LAWRENCE

The historic gold mining town of Lawrence is an agricultural servicing town for the Tuapeka area and is also a destination and stopover point for visitors interested in the town's history and heritage architecture. Following the discovery of gold at the nearby Gabriel's Gully in 1861 the area's population swelled to over 11,000. These days the township has a population of about 420. The Clutha Gold Trail, which is currently under construction, along with events such as the Century Farm Awards and Summer Arts Festival are expected to provide an economic boost to the town and slow the projected population decline.

Lawrence is serviced by a council water supply, sewerage and stormwater schemes and has 12.1km of roads (10.7km sealed, 1.4km unsealed) and 7.7km of footpaths. Council provides 4 parks and reserves, public toilets, a cemetery, library and service centre, swimming pool, and 11 community housing units in Lawrence. Council funding is also provided to four community owned community centres/halls in the area.

## Progress made during the past 3 years

Recently, Lawrence ratepayers were facing a rates rise in order to bring their sewage treatment up to new consent standards. Council has since installed a new 'Biofiltro' treatment plant, securing a 35 year consent and resulting in a much lower cost to households than would have been the case using conventional treatment systems.

Over the past three years Council helped fund Lawrence's 150th celebrations of the discovery of gold at Gabriels Gully. A significant upgrade of the town's main street area was completed in time for these celebrations. An upgrade programme for the town's community housing units also begun in the last three years.

## What's planned over the next 10 years?

### Tuapeka Aquatic Centre

A new Lawrence/Tuapeka community swimming pool and gym, owned and operated by an incorporated society, is planned for the Lawrence township. Council will continue to operate its pool in Lawrence until the new facility is opened, currently expected to be in 2013. After this, the existing pool will close.

After consultation with the community and the Lawrence/Tuapeka Community Board, Council has committed to providing a loan-funded grant of up to \$1.1 million towards the new facility (capped at 55% of the total project cost). Council will also provide an annual grant of approximately \$20,000 to help with operating costs.

Beginning in the year after the grant is made, the loan will be repaid from Lawrence/Tuapeka Community Board rates (60%) and Lawrence Community Services rates (40%). This will add approximately \$50 +GST to the Lawrence/Tuapeka Community Board rate when it is rated (currently expected to be in 2013/14).

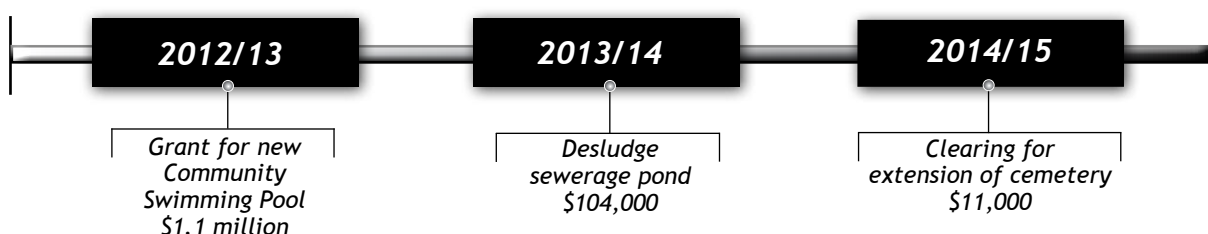


### Councillor Comment

Geoff Blackmore  
Lawrence-Tuapeka Ward

*"With the Ross Place upgrade completed, the drinking water supply upgrade and the building of the Biofiltro Plant to meet sewage discharge consent conditions, Lawrence infrastructure is as good as any in the District. This plan includes funding to cover 55% of the cost of the proposed swimming pool by way of a loan financed through rates. The community along with external funders (like Otago Community Trust and Lotteries) need to raise the balance of the cost for this project to proceed. Investing in a new swimming pool will add to the well being of our community now and into the future."*

## Proposed projects of note in Lawrence



## How are rates expected to change in Lawrence?

Lawrence ratepayers will contribute approximately \$660,000 in 2012/13, around 3.1% of total rates.

Rates for a median value property in Lawrence are expected to increase on average by 3.9% a year over the next ten years, with a larger increase in 2013/14 as repayment of the loan-funded grant for the new Lawrence-Tuapeka community swimming pool begins.

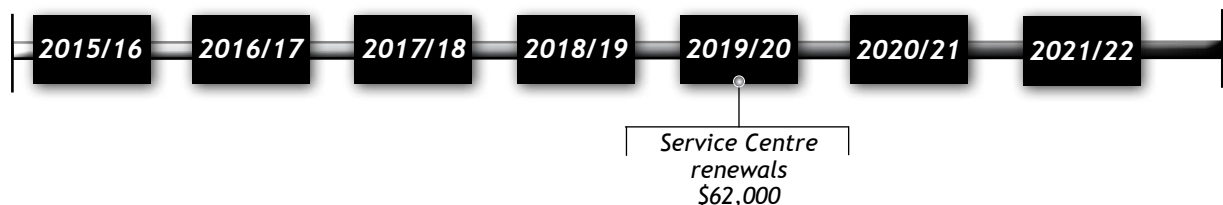
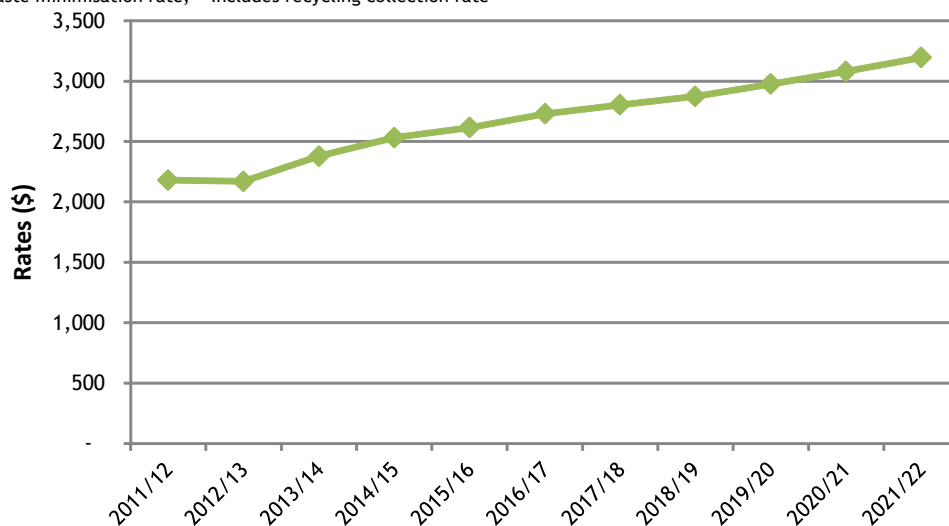
The table below shows a breakdown of the expected rates for a median value property in Lawrence (LV = \$34,000, CV = \$113,000) over the next three years. The graph at the bottom of the page shows the expected trend for overall rates during the next ten years. Please note that the exact amount and rate of change for individual properties will vary depending on capital and land values.

	Actual (\$)	Projected (\$)		
	2011/12	2012/13	2013/14	2014/15
Uniform Annual General Charge	392*	399	415	427
District Roading	53	50	51	53
Local Roading	121	133	137	141
Footpaths	6	6	6	6
Water Supply	458	485	532	570
Sewerage	351	377	415	463
Stormwater	140	81	100	104
Sewerage Upgrade Support	<1	1	1	1
Community Services	122	125	114	132
Waste Management	171^	149	162	167
Planning & Regulatory	6	4	4	4
Cross Recreation Centre	10	10	9	9
Community Board	67	69	123	126
GST	284	283	310	330
<b>TOTAL</b>	<b>2,181</b>	<b>2,169</b>	<b>2,379</b>	<b>2,532</b>
% Change		-0.5%	9.7%	6.4%
\$ Change		-11	210	153

Changing costs for water services (see 'Key Issues' section).

Community Swimming Pool grant begins being rated for.

\* Includes waste minimisation rate, ^ Includes recycling collection rate



# MILTON

As the second largest town in the Clutha District, Milton is the main provider of services for the north-eastern part of the district. Recently the area has been a hotbed of activity and further development is almost inevitable given the combination of affordable flat land, good transport infrastructure and proximity to Dunedin and Port Otago. Despite the projected development in the surrounding area, the population of the township itself is expected to remain relatively stable at just under 2,000.

Milton is serviced by a council water supply, sewerage and stormwater schemes and has 17.2km of roads (16.2km sealed, 1km unsealed) and 28.5km of footpaths. Council provides 5 parks and reserves, 2 public toilets, a cemetery, library and service centre, swimming pool and 16 community housing units in Milton. Council also provides funding to the community owned and managed Coronation Hall.

## Progress made during the past 3 years

Over the past three years Council has undertaken a significant upgrade of Milton's sewage treatment plant to bring it up to new consent standards. An upgrade of the town's stormwater system has been completed and fluoridation of the water supply has begun. Council has also upgraded the changing rooms at the Milton swimming pool and refurbished the library and service centre.

## What's planned over the next 10 years?

### Water Treatment Upgrade

Since opening in 2008, the new Milton treatment plant has had some difficulty in producing enough treated water when the river is dirty (especially during floods). Additional treatment may be required to enable the plant to produce sufficient volumes of water during these events. A budget of \$260,000 has been included in 2013/14 for potential pre-treatment.

### Sewage Overflow Discharge Upgrade

During periods of high rainfall the inflow to Milton's sewage treatment plant is greater than the plant can handle, meaning that untreated sewage, mixed with stormwater is discharged to the Tokomairiro River. It is expected that new conditions will be imposed on Council as part of the consent renewal in 2017. Council has budgeted \$839,000 to ensure that new conditions can be met. However, work is underway to reduce inflow and this will hopefully reduce the cost of the upgrade.

### Moore Park Toilet

Council has agreed to provide \$30,000 for a public toilet at Moore Park if the community can raise the rest of the cost. Council would take responsibility for maintaining (cleaning) the facility once created.

## Proposed projects of note in Milton



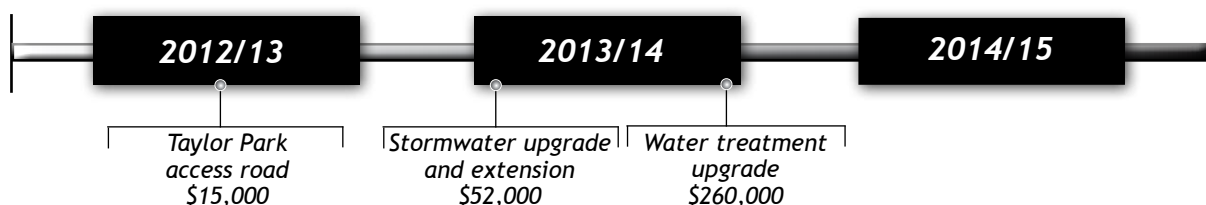
**Councillor Comment**  
Gaynor Finch

*"Milton is the Town Of Opportunities. In the last few years we have seen a number of new developments, with the potential to attract more. We have upgraded our pool changing rooms which has been a huge improvement for all pool users. We have a lot of great volunteer groups that have helped to achieve a lot of positive things in our town with more planned for the future, so we should acknowledge that community spirit. Thought needs to be given to how we can attract and retain new and existing residents but also in how to lift our profile with the touring public so they will stop and look around our town."*



**Councillor Comment**  
Jo Lowery

*"We live in a great part of New Zealand. We all love the fact that it is not over populated, that we have Dunedin City close by and rolling green hills around us - and let's not forget that rural community spirit which makes our district the place 'where everyone says hello.' For me, this plan is about getting the best value for your dollar. Over the next few years our focus is on maintaining our core assets. You will see that there is an increase in rates in 2012/13 - this is to pay for the pool upgrade and cost increases for water services."*





## How are rates expected to change in Milton?

Milton ratepayers will contribute approximately \$1.87 million in 2012/13, around 8.9% of total rates.

Rates for a median value property in Milton are expected to increase on average by 4.9% a year over the next ten years, with larger increases in the first three years because of the swimming pool upgrade and cost increases for water services.

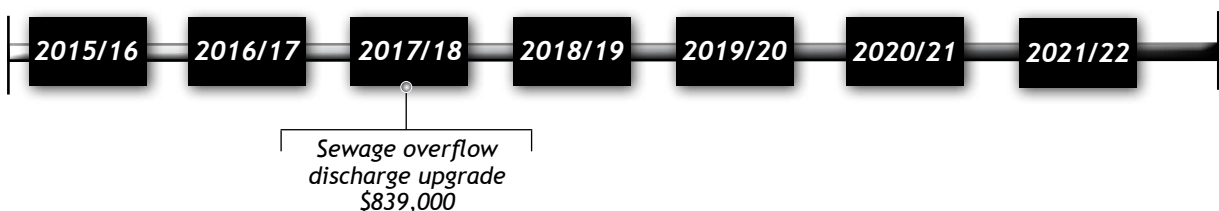
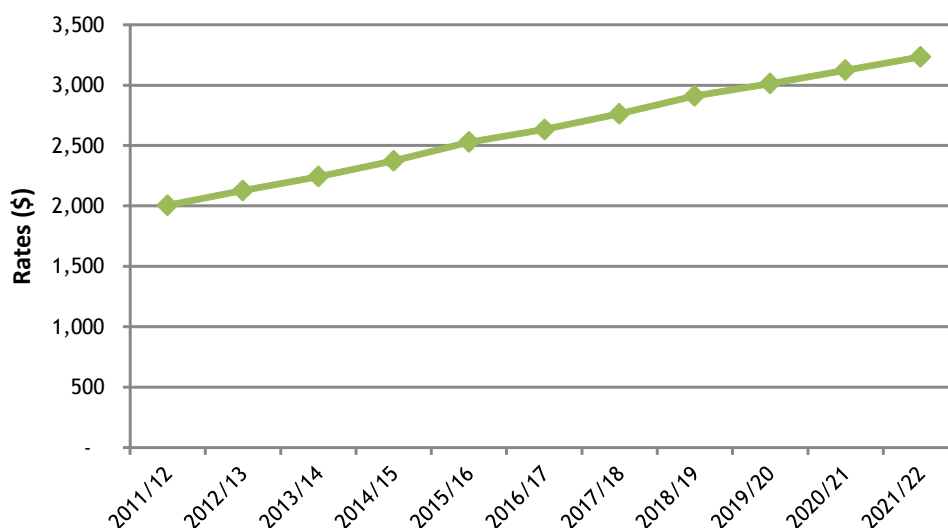
The table below shows a breakdown of the expected rates for a median value property in Milton (LV = 45,000, CV = \$140,000) over the next three years. The graph at the bottom of the page shows the expected trend for overall rates during the next ten years. Please note that the exact amount and rate of change for individual properties will vary depending on capital and land values.

	Actual	Projected		
	( $\$$ )	( $\$$ )	( $\$$ )	( $\$$ )
	2011/12	2012/13	2013/14	2014/15
Uniform Annual General Charge	392*	399	415	427
District Roading	58	62	63	65
Local Roading	139	124	128	132
Footpaths	31	32	33	34
Water Supply	440	516	535	561
Sewerage	215	240	254	291
Stormwater	139	155	178	199
Sewerage Upgrade Support	<1	1	1	1
Community Services	141	159	168	172
Waste Management	171^	149	162	167
Planning & Regulatory	6	5	5	5
Cross Recreation Centre	10	10	9	9
GST	262	278	293	310
<b>TOTAL</b>	<b>2,005</b>	<b>2,128</b>	<b>2,243</b>	<b>2,373</b>
% Change		6.1%	5.4%	5.8%
\$ Change		123	115	130

Increased costs for water services (see 'Key Issues' section).

Swimming Pool upgrade

\* Includes waste minimisation rate, ^ Includes recycling collection rate



# OWAKA

Owaka is the largest township in the rugged, forested Catlins area, and is some 35 km south of Balclutha. 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.

The township has benefited in recent years from being the “Gateway to the Catlins” with tourism growth creating some new jobs and firming up the servicing and retail sectors. However, the population has remained relatively static at around 340. Indications based on current developments are that there will be little expansion of the township, but there is likely to be lifestyle property development in surrounding rural land especially in coastal and bush areas.

Owaka is serviced by a council water supply, sewerage and stormwater schemes and has 6.4km of roads (5.3km sealed, 1.1km unsealed) and 6.7km of footpaths. Council provides a park, public toilets, library and information centre, community centre and 6 community housing units in Owaka. Funding is also provided to a community owned and managed swimming pool and cemetery.

## Progress made during the past 3 years

Recently ratepayers in Owaka were facing a rates rise in order to bring their sewage treatment up to new consent standards. Council has since installed a new ‘Biofiltro’ treatment plant, which has achieved a 35 year consent and has resulted in a much lower cost to households than would have been the case using conventional treatment systems. An upgrade programme for the town’s community housing units has also begun in the past three years.

## What’s planned over the next 10 years?

### New Public Toilet

Council has previously budgeted for a new public toilet to be constructed in Owaka. This project has been deferred while the best location for the toilet is decided in consultation with the community. A budget of \$130,000 has been included in the plan for 2012/13, subject to confirmation over the community’s desired location.



### Councillor Comment

Hilary McNab  
Catlins Ward

*“The Catlins is the jewel in the crown that is the Clutha District and Owaka is the heart of the Catlins. We are fortunate to have a tremendous community pulled together by a core of volunteers. Our swimming pool, built by the Owaka Lions Club many years ago, has now been heated thanks to many hours of fundraising by a strong committee. We are now enjoying temperatures in the mid-20s or better, a longer season and an ever increasing number of swimmers. The new biofiltro sewage treatment system is up and running and we have several new businesses open in the town. We look forward now to the community pulling together to develop our main street, which will include the positioning and construction of new public toilets. This is all very positive for our town.*”

## Proposed projects of note in Owaka



## How are rates expected to change in Owaka?

Owaka ratepayers will contribute approximately \$310,000 in 2012/13, around 1.5% of total rates.

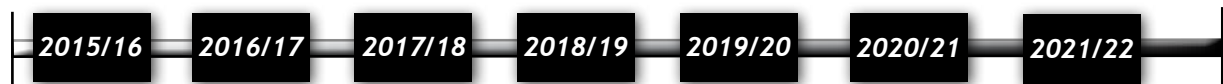
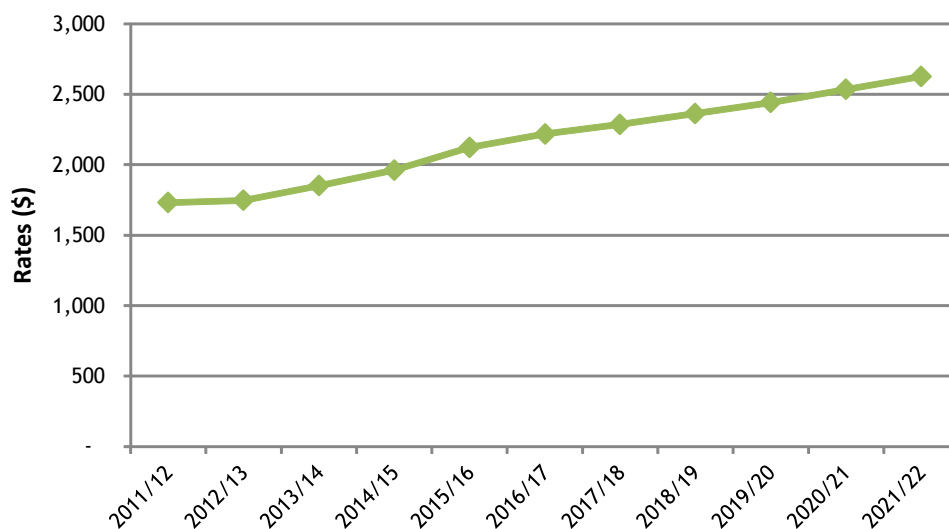
Rates for a median value property in Owaka are expected to increase on average by 4.3% a year over the next ten years.

The table below shows a breakdown of the expected rates for a median value property in Owaka (LV = \$25,000, CV = \$103,000) over the next three years. The graph at the bottom of the page shows the expected trend for overall rates during the next ten years. Please note that the exact amount and rate of change for individual properties will vary depending on capital and land values.

	Actual (\$)	Projected (\$)		
	2011/12	2012/13	2013/14	2014/15
Uniform Annual General Charge	392*	399	415	427
District Roading	42	45	47	48
Local Roading	121	136	140	144
Footpaths	19	19	20	21
Water Supply	214	203	210	212
Sewerage	380	401	446	510
Stormwater	68	68	71	74
Sewerage Upgrade Support	<1	<1	1	1
Community Services	76	78	81	83
Waste Management	171^	149	162	167
Planning & Regulatory	5	4	3	4
Cross Recreation Centre	17	17	16	16
GST	226	228	242	256
<b>TOTAL</b>	<b>1,731</b>	<b>1,747</b>	<b>1,852</b>	<b>1,962</b>
% Change		0.9%	6.0%	6.0%
\$ Change		16	105	110

Increased costs for water services (see 'Key Issues' section).

\* Includes waste minimisation rate, ^ Includes recycling collection rate



# STIRLING

Stirling is a small residential township located five kilometres east of Balclutha. The town is closely linked with Balclutha with many of its residents working there and Balclutha being the centre for Stirling's commercial and recreational services. The town's population is estimated to be around 340 and current projections expect this to remain relatively stable.

Stirling is serviced by a council water supply and a sewerage system. It has 5.4km of roads (3.9km sealed, 1.5km unsealed) and 3.1km of footpaths. Council also owns and maintains a playground in Stirling.

As part of the wider Balclutha area, Stirling benefits from community services in Balclutha, such as the Centennial Swimming Pool, the War Memorial Hall and the Cross Recreation Centre.



## **Councillor Comment**

*Hamish Anderson  
Balclutha Ward*

*“Stirling’s proximity to Balclutha means that the services we use for sport and recreation are found in Balclutha. This is the reason that over the next three years the community services rate will rise to the level of Balclutha. The biofiltro plant built in 2011 gives the Stirling sewerage scheme a high standard of treatment and a 35 year consent. The township remains a lovely place to live with a friendly community and a high standard of improvements.*”

## **Progress made during the past 3 years**

In recent years, ratepayers in Stirling were facing a rates rise in order to bring their sewage treatment up to new consent standards. Council has since installed a new ‘Biofiltro’ treatment plant, which has resulted in a much lower cost than would have been the case using conventional treatment systems. Council has also upgraded a number of footpaths in Stirling over the past three years and as of April 2012, has begun providing a kerbside recycling service.

## **What’s planned over the next 10 years?**

### **Community Services**

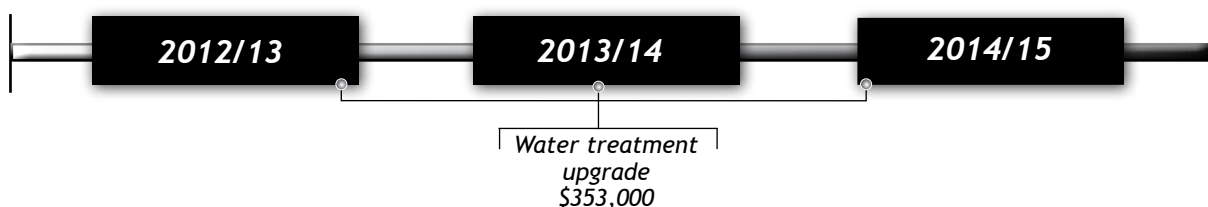
After reviewing how community services (parks, reserves, halls and swimming pools) are rated for, Council has decided that Stirling should be incorporated into a larger rating area that also encompasses Balclutha and Kaka Point. This recognises that ratepayers in Stirling and Kaka Point are users of community facilities in Balclutha, and should contribute to these. This will mean an increase in the community services rate for those in Stirling and will be phased in over a three year period beginning 2012/13.

### **Water Treatment Upgrade**

Council is planning to upgrade the water supply at the Stirling Water Treatment Plant. This upgrade will improve water quality for Stirling residents and improve compliance with drinking water standards. The treatment plant also supplies the South Bruce rural water scheme and Benhar and Cherry Lane so the expected upgrade costs (\$353,000) will be spread across consumers of all of these schemes.

## **Proposed projects of note in Stirling**

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## How are rates expected to change in Stirling?

Stirling ratepayers will contribute approximately \$210,000 in 2012/13, around 1.0% of total rates.

Rates for a median value property in Stirling are expected to increase on average by 5.9% a year over the next ten years, with larger increases over the first three years of the plan as a result of cost increases for water services (including the new Biofiltro wastewater treatment plant) and as Stirling begins contributing to community services in Balclutha.

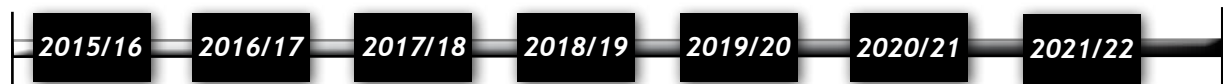
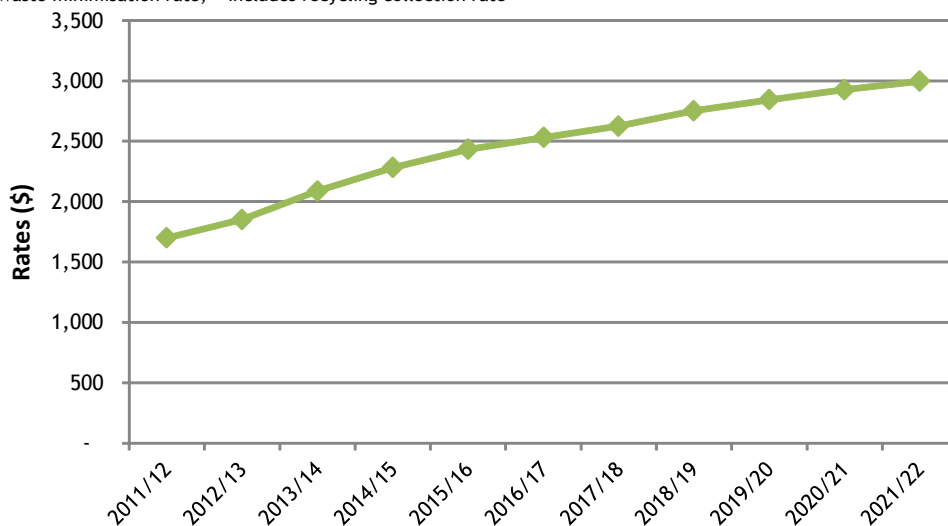
The table below shows a breakdown of the expected rates for a median value property in Stirling (LV = \$31,000, CV = \$140,000) over the next three years. The graph at the bottom of the page shows the expected trend for overall rates during the next ten years. Please note that the exact amount and rate of change for individual properties will vary depending on capital and land values.

	Actual	Projected		
	(\$)	(\$)	(\$)	(\$)
	2011/12	2012/13	2013/14	2014/15
Uniform Annual General Charge	392 *	399	415	427
District Roading	60	62	63	65
Local Roading	137	146	151	155
Footpaths	9	9	10	10
Water Supply	274	301	318	345
Sewerage	382	423	497	537
Stormwater	-	-	-	-
Sewerage Upgrade Support	<1	1	1	1
Community Services	13	84	163	240
Waste Management	171 ^	149	162	167
Planning & Regulatory	6	5	5	5
Cross Recreation Centre	34	34	32	32
GST	222	242	272	298
<b>TOTAL</b>	<b>1,700</b>	<b>1,852</b>	<b>2,087</b>	<b>2,282</b>
% Change		9.0%	12.7%	9.3%
\$ Change		152	235	195

Increased costs for water services (see 'Key Issues' section).

Stirling begins contributing to Community Services in Balclutha

\* Includes waste minimisation rate, ^ Includes recycling collection rate



# 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 sawmilling town in the mid 1860s and today its main role is servicing the productive farming and forestry activities of the West Otago area.

The population of Tapanui is currently just under 700. As with other areas of the district, indications are that Tapanui will continue experience slow population decline.

Tapanui is serviced by a council water supply, wastewater and stormwater schemes and has 10.2km of roads (9.3km sealed, 0.9km unsealed) and 9.6km of footpaths. Council provides a number of parks and reserves, 3 public toilets, a cemetery, library and service centre and 10 community housing units in Tapanui. Council also provides funding for Tapanui's community owned and managed swimming pool and community centre.



## Councillor Comment

Michelle Kennedy  
West Otago Ward

*“As a striving community moves forward, sadly so do costs. The upgrade to the Tapanui water treatment plant and the new biofiltro unit for sewage treatment have increased our rates. With our main street upgrade behind us, we have the new West Otago Medical Centre and rest home facility coming up in the near future. The new recycling service has just begun and will uphold our clean, green image.”*

## Progress made during the past 3 years

In recent years, ratepayers in Tapanui were facing a rates rise in order to bring the sewage treatment up to new consent standards. Council has since installed a new 'Biofiltro' treatment plant, which has resulted in a much lower cost to households than would have been the case using conventional treatment systems.

Over the last three years Council has also upgraded Tapanui's water supply to meet new drinking water standards and has begun flouridating the water supply. A modernisation programme for Council's community housing units in Tapanui has also begun.

## What's planned over the next 10 years?

### West Otago Health Centre

After consultation with affected ratepayers in 2010/11, Council agreed to a ratepayer-funded grant of \$1 million for the proposed new West Otago Health facility in Tapanui. The grant was subject to conditions, in particular that all other funding to meet the full construction costs was to be contractually confirmed, and that other sources of funding would be either interest free loans or grants. Although the conditions have not yet been met, Council has re-confirmed its intention to make the grant and this has been budgeted for 2013/14. Council may decide to make this grant earlier if construction begins in 2012/13. This means that an annual uniform charge to households within the West Otago Health area of around \$70+GST will be rated from 2013/14 onwards. See the 'Key Issues' section for further information.

## Proposed projects of note in Tapanui



## How are rates expected to change in Tapanui?

Tapanui ratepayers will contribute approximately \$780,000 in 2012/13, around 3.7% of total rates.

Rates for a median value property in Tapanui are expected to increase on average by 4.0% a year over the next ten years, with a larger increase in 2013/14 as the West Otago Health Centre grant begins being rated for.

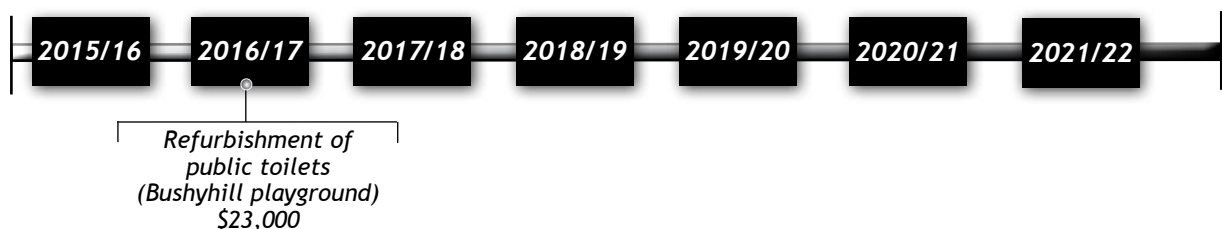
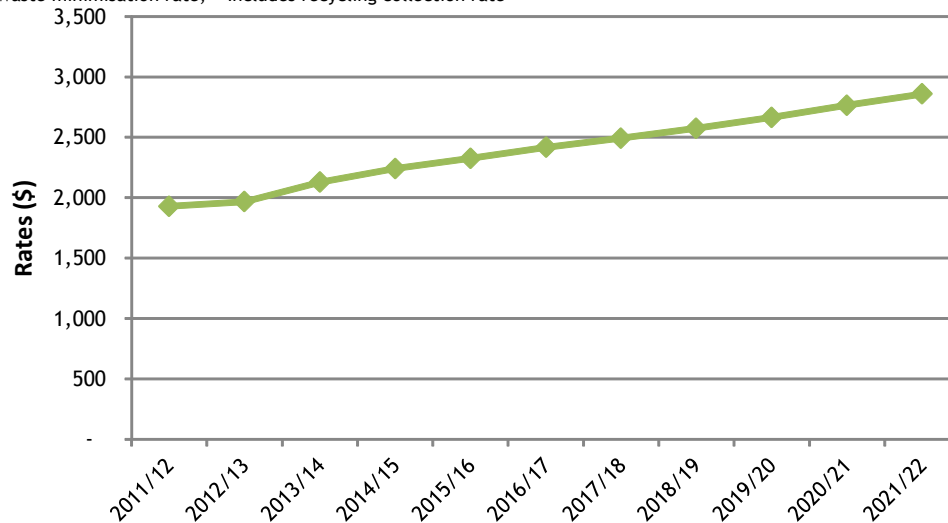
The table below shows a breakdown of the expected rates for a median value property in Tapanui (LV = \$13,000, CV = \$105,000) over the next three years. The graph at the bottom of the page shows the expected trend for overall rates during the next ten years. Please note that the exact amount and rate of change for individual properties will

	Actual	Projected		
	(\$)	2012/13	2013/14	2014/15
Uniform Annual General Charge	392*	399	415	427
District Roading	45	46	48	49
Local Roading	94	102	105	108
Footpaths	9	10	10	10
Water Supply	458	516	538	565
Sewerage	257	288	301	326
Stormwater	138	97	97	115
Sewerage Upgrade Support	<1	1	1	1
Community Services	52	43	44	46
Waste Management	171^	149	162	167
Planning & Regulatory	5	4	4	4
Cross Recreation Centre	3	3	3	3
Community Board	53	54	55	57
West Otago Health Centre	-	-	69	72
GST	252	257	278	292
<b>TOTAL</b>	<b>1,929</b>	<b>1,967</b>	<b>2,128</b>	<b>2,241</b>
% Change		2.0%	8.2%	5.3%
\$ Change		38	162	112

Increased costs for water services (see 'Key Issues' section).

Council begins rating to repay West Otago Health Centre grant

\* Includes waste minimisation rate, ^ Includes recycling collection rate



# WAIHOLA

Waihola is located 40 km north of Balclutha on the shore of Lake Waihola. The town serves as a holiday settlement, and servicing centre for the surrounding rural area and travellers passing through. 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 current permanent population of the township is estimated to be around 300. The growth seen in recent years is expected to continue, a result of the desirable location and proximity to Dunedin.

Waihola is serviced by a council water supply, sewerage and stormwater schemes and has 6.2km of roads (2.8km sealed, 3.4km unsealed) and 1.1km of footpaths. Council provides the Waihola Domain, public toilets, a cemetery and 5 community housing units in Waihola as well as providing funding to the Waihola community centre.

## Progress made during the past 3 years

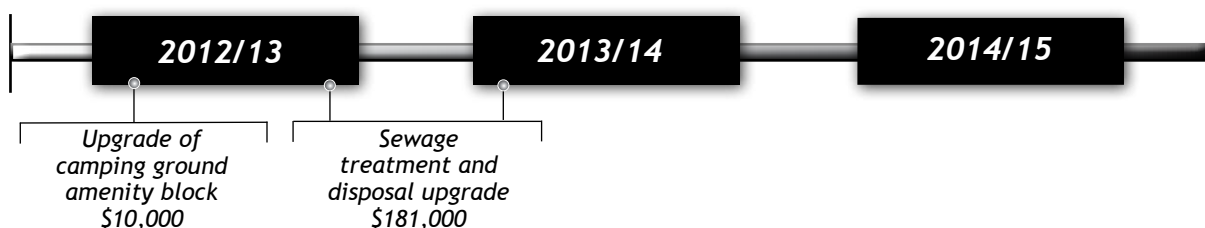
Improvements and extensions to Council's water supply in recent years have provided capacity for further growth in the town. Council has budgeted for an upgrade of the road within the Waihola domain to occur in early 2012. An upgrade programme for Council's community housing units in Waihola has also begun over the past three years, with units being upgraded to modern standards as they become vacant and as budgets allow.

## What's planned over the next 10 years?

### Sewage Treatment Upgrade

Waihola's treated sewage is discharged to the Waipori River. However, this discharge has at times been struggling to meet consent conditions, and treatment upgrades will be required over the first two years of the plan to ensure these conditions can be met. Council has budgeted \$181,000 for this work. The current discharge consent expires in 2017 and it is highly likely that further work will be required at this stage for further treatment upgrades, as more additional consent conditions are very likely. A further \$777,000 has been budgeted for this upgrade. If investigations show that it is more affordable to complete a major upgrade within the next two years, this will be considered. See the 'Key Issues' section for further information on sewage upgrades.

## Proposed projects of note in Waihola



### Councillor Comment

Bruce Vollweiler  
Bruce Ward

*“With its desirable outlook and convenient location, Waihola and its surrounding area has experienced steady development and population growth in recent times, and this is expected to continue in the foreseeable future. The main projects that will impact on rates in Waihola are the planned upgrade of the sewage treatment plant over the next two years, and capital works on the North Bruce Rural Water Scheme, which supplies Waihola with its reticulated water supply. Waihola has a number of community groups, such as Waihola Looking Forward and the Waihola Waipori Wetlands Society, active in enhancing the facilities and amenities of the town and its wider environs. The Clutha District Council acknowledges and appreciates the contribution these voluntary organisations make to the well-being of the community.”*



## How are rates expected to change in Waihola?

Waihola ratepayers will contribute approximately \$310,000 in 2012/13, around 1.5% of total rates.

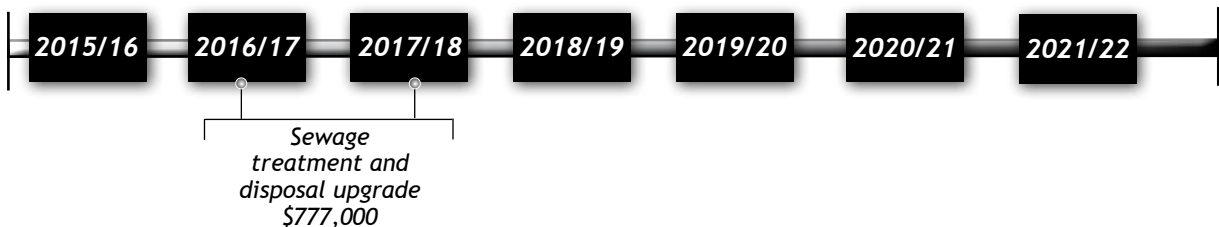
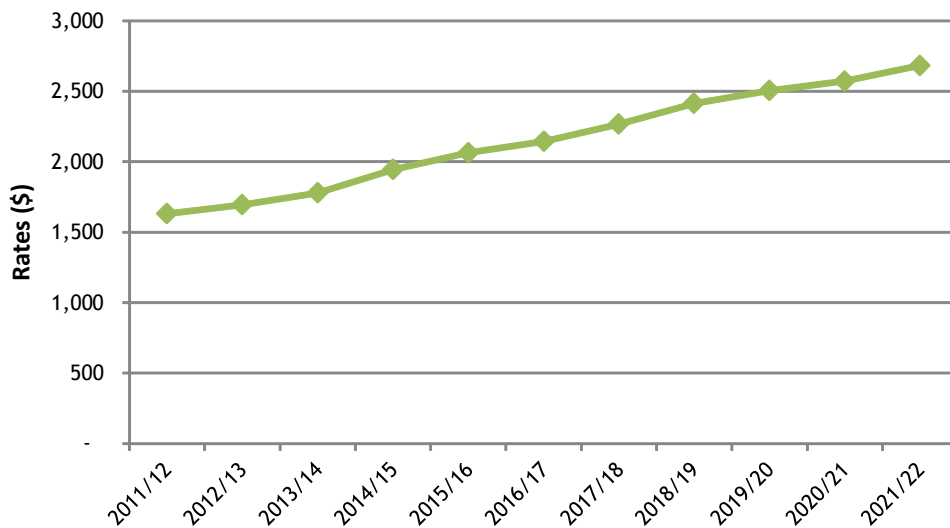
Rates for a median value property in Waihola are expected to increase on average by 5.1% a year over the next ten years, with a larger increase (9.3%) in 2014/15 as the cost of the sewage treatment upgrade is reflected in rates.

The table below shows a breakdown of the expected rates for a median value property in Waihola (LV = \$80,000, CV = \$150,000) over the next three years. The graph at the bottom of the page shows the expected trend for overall rates during the next ten years. Please note that the exact amount and rate of change for individual properties will vary depending on capital and land values.

	Actual (\$)	Projected (\$)		
	2011/12	2012/13	2013/14	2014/15
Uniform Annual General Charge	392*	399	415	427
District Roading	61	66	68	70
Local Roading	84	94	97	100
Footpaths	15	15	16	16
Water Supply	324	348	351	400
Sewerage	297	325	359	429
Stormwater	-	-	-	-
Sewerage Upgrade Support	<1	1	1	1
Community Services	57	63	66	67
Waste Management	171^	149	162	167
Planning & Regulatory	7	5	5	6
Cross Recreation Centre	10	10	9	9
GST	213	221	232	254
<b>TOTAL</b>	<b>1,631</b>	<b>1,696</b>	<b>1,780</b>	<b>1,945</b>
% Change		4.0%	5.0%	9.3%
\$ Change		64	84	165

Increased costs for water services (see 'Key Issues' section).

\* Includes waste minimisation rate, ^ Includes recycling collection rate



# RURAL CLUTHA DISTRICT

The rural rating area is by far our largest geographically and illustrates the rural nature of the district. Over 44% of our population lives in this rating area, and it generates a approximately 57.1% of Council's rates income (around \$12 million in 2012/13).

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, Taieri Mouth, Tokoiti, Toko Mouth, Papatowai and Pounaweia.

A significant share of Council's infrastructure is located in the rural area, including 2,800 km's of the roading network (688 km sealed and 2,112 km unsealed) and 11 rural water schemes. Council also either operates or provides grants to rural halls and community centres, swimming pools, cemeteries and public toilets. Footpaths, parks and some minor stormwater drainage are also provided in some of the smaller rural townships. Heriot has its own sewerage scheme and treatment plant, while Benhar and Tokoiti have sewerage reticulation and are part of the Balclutha and Milton schemes respectively.

The rural rating area's relationship with urban communities and the facilities located in our towns is recognised as an important one. Rural ratepayers contribute (through the UAGC) towards the costs of some community facilities such as parks, swimming pools, libraries, public toilets and cemeteries.



**Councillor Comment**  
Stewart Cowie  
Clutha Valley Ward

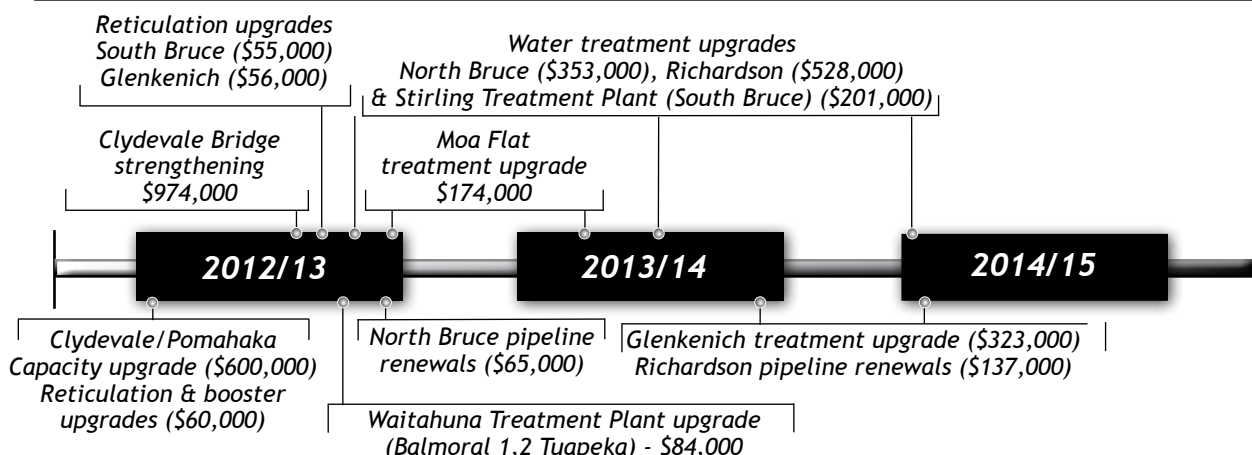
*"Although most rural land valuations dropped with the recent revaluations the farming sector is enjoying a relatively prosperous period. Despite this, the district faces a number of challenges, including the required remediation of the old Kaka Point landfill and dealing with reducing government funding for our roads and increasing costs which are beyond our control (e.g. bitumen). Persistent theft from rural water schemes is another challenge faced in our rural areas. On the other hand, positive projects include the upcoming strengthening of the Clydevale bridge and the proposed additional hours of operation for the Tuapeka Punt. I am also particularly impressed by the many good country people who so ably manage our rural water schemes, halls and community centres."*

## Progress made during the past 3 years

The district's dairy industry has experienced growth over the last decade, leading to a large increase in demand for water in rural areas. Council has responded by increasing capacity on a number of rural water schemes and constructing a new scheme (Waipahi) to enable land use intensification and dairy expansion south of Clinton.

Another major project in the rural area during the past three years was the replacement of the Tawanui bridge, south of Owaka. Whilst the population in most rural areas has remained relatively stable in recent years, there has been growth in the rural population in the north-east of the district. This is a result of an increase in lifestyle blocks and growth in popular rural townships such as Taieri Mouth. This trend is expected to continue over the coming years.

## Projects of note in the Rural Rating Area



# What's planned over the next 10 years?

## Rural Water Schemes

Eleven rural water schemes throughout the district service our agricultural industry. Most were established during the 1970s and early 1980s and provide important key infrastructure for our sheep and growing dairy sectors.

The schemes are managed and administrated by Council, with a contractor carrying out the day-to-day operations and maintenance. Rural Water Scheme Committees, made up of consumers, play an important part in the direction and governance of each scheme.

The information below briefly outlines where each rural water scheme is at, and what is planned for each during the life of this plan. The proposed projects are those that Council's asset engineers believe are necessary to maintain levels of service and improve water quality, however they are subject to approval from the relevant Rural Water Scheme Committee.

### Balmoral 1 and Balmoral 2

The Balmoral 1 and 2 schemes are nearly at capacity with only a small amount of new supply having been available. There are currently no plans for capacity growth in the near future. The most significant work planned for these schemes is the renewal of the Balmoral 1 rising main, which is scheduled for 2016/17. This renewal will reduce mainline bursts and restore supply reliability. These schemes will also benefit from proposed treatment upgrades for the Waitahuna Treatment Plant.

### Clydevale-Pomahaka

Demand for additional supply on this scheme has increased in recent years as a result of conversions to dairying and intensification of existing farming operations. A major upgrade of capacity on the Pomahaka side of the scheme is proposed for 2012/13. This will enable additional supply to support further land use intensification and dairy expansion. At this stage \$600,000 has been provisionally budgeted for this work but completion will be subject to confirmation by the rural water scheme committee and potential changes to the Otago Regional Plan: Water, which may restrict dairy conversions and intensification. Reticulation and booster upgrades have been completed on this scheme over the past two years, with further upgrades planned for 2012/13 to improve reliability of supply and fault response.

### Glenkenich

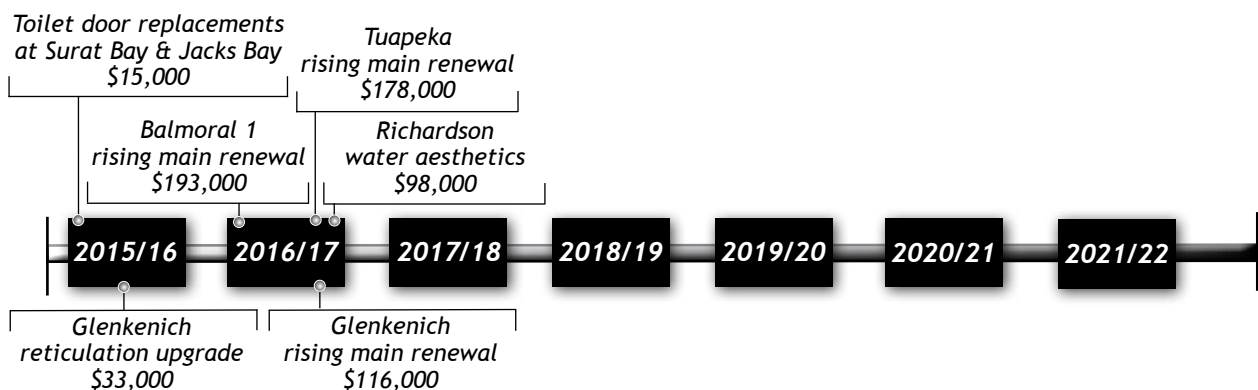
A treatment upgrade is scheduled to occur on the Glenkenich scheme over 2013/14 through 2015/16. This will improve water quality during dirty raw water episodes and improve compliance with drinking water standards. Reticulation upgrades are planned for 2012/13 and 2016/17 and reticulation metering is planned for 2012/13 to improve supply monitoring and fault finding. Partial renewal of the rising main is scheduled in 2016/17 and will reduce mainline bursts and improve supply reliability.

### Moa Flat

Over the past three years telemetry has been installed at booster pump stations to help with fault detection and response. Further minor telemetry work is planned for 2012/13, along with reticulation upgrades which should improve reliability of supply. A water treatment upgrade is scheduled to be completed in 2012/13. This will improve water quality and compliance with drinking water standards.

### North Bruce

A water treatment upgrade is scheduled for the North Bruce scheme over 2012/13 through to 2014/15. This will improve water quality and compliance with drinking water standards. A budget of \$65,000 has been included for pipeline renewals and a further \$20,000 of reticulation upgrades are also scheduled for 2012/13, and should improve reliability of supply.



### Richardson

Upgrades at the Puerua and Whitelea Road treatment plants are scheduled to occur over 2012/13 to 2014/15. These will improve water quality and compliance with drinking water standards. Booster reservoir pump control is also planned for 2015/16 to improve reliability of supply. Council is also investigating the options for improving the taste and odour of water, with a preliminary budget included for the this work in the 2016/17 year.

### South Bruce

A reticulation upgrade for South Bruce is scheduled for 2012/13 to provide for increased demand in the Kaitangata area. A treatment upgrade is planned for the Stirling Treatment Plant over the first three years of the plan, and will improve water quality and compliance with drinking water standards.

### Tuapeka

No major works are planned for the Tuapeka scheme in the next three years. Beyond this, booster pump controls are planned for 2015/16 and partial renewal of the rising main in 2016/17. The east side of this scheme will also benefit from a treatment upgrade at the Waitahuna Treatment Plant.

### Waipahi

Commissioned in 2009, the Waipahi scheme is Council's newest, and was constructed to meet demand for water for dairy expansion south of Clinton. The scheme is for stock water only and so does not have to comply with Drinking Water Standards. As a result of the schemes age no significant capital works are planned during the next ten years.

### Wangaloa

Recent treatment upgrades at the Kaitangata Treatment Plant have resulted in higher quality water being provided to the Wangaloa scheme. This has also helped improved the scheme's compliance with drinking water standards. Other than routine renewals, there are no major projects are planned for Wangaloa during the next ten years.

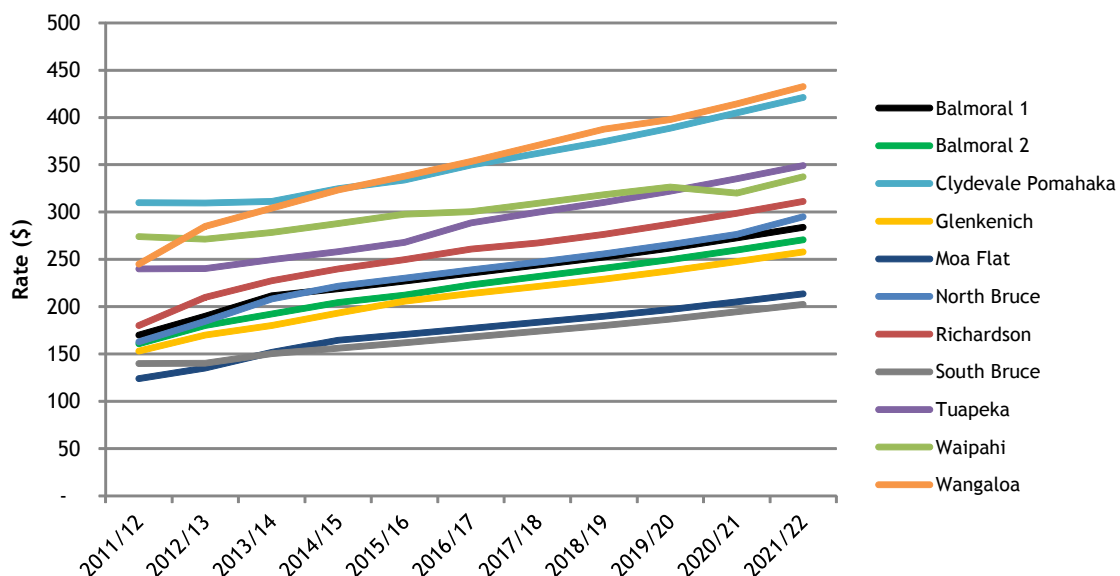


### Councillor Comment

Jeff McKenzie  
West Otago Ward

*“A key challenge that Council faces is to maintain our large rural roading network with the percentage of funding from NZTA being reduced. At present there is a hold on unsubsidised seal extensions which cost \$200,000 a kilometre and just isn't an affordable option for ratepayers. Work is continuing on our rural water schemes to ensure they are reliable and deliver good quality water. There has been much work done on our rural town's sewerage systems with bio filtro systems being introduced with schemes now qualifying for 35 years discharge consents. Town supply water schemes have also been upgraded to bring them into line with drinking water quality standards but we must ensure the rural ratepayers do not carry to much of this burden with a user pays philosophy applying as much as possible.”*

Graph - Projected Rural Water Rates



## Rural Rooding

Our district has the third largest local rooding network in the country, meaning that Council has a major asset to maintain and renew. The majority of our roads are in the rural area, and our rural economy relies on them to obtain supplies and get their products to market.

Council receives a significant amount of funding from the New Zealand Transport Agency (NZTA) to maintain and renew our roads. Indications from the NZTA are that our funding will be frozen for the next three years at the same levels as for 2009-2012. This means that we won't be able to undertake all the projects that are necessary to maintain and improve our roads. Instead of reducing our rate-funded budget for rooding, to match the NZTA's reduction, Council has decided to spend around \$200,000 a year on unsubsidised rooding projects such as Eco Star dust suppression and traction seals. Council hopes that will help reduce the impact of NZTA's funding cuts on our levels of service, particularly for rural ratepayers, who pay the greatest share of rooding rates.

## Rooding Safety Improvements

Council has been proactive in undertaking minor safety improvement in recent years, carrying out these projects to improve the safety of our rural roads. Minor safety projects include intersection realignments, traffic calming, fish tail extensions (where gravel and sealed roads meet) and traction seals. These projects are directed at areas where council can get the best safety improvements for our rural roads. Projects must cost less than \$250,000 in order to attract NZTA funding assistance.

## Clydevale Bridge

Being one of the three bridges in the district to cross the Clutha River (the other two being at Balclutha and Beaumont), the Clydevale bridge on Allangrange Road is one of the region's key rooding assets. Besides being a key crossing point over the Clutha, the Clydevale Bridge is also the only one of the three that can take large over dimensional (or wide) loads and also serves as an alternate route when the Beaumont Bridge is closed. The bridge has been subject to severe speed and weight restrictions since November 2009 while Council has been investigating longer term options. Ultimately, the most appropriate option has been found to be to strengthen the bridge to Class 1 standards, extending its life for another 20 years. At that stage a new bridge will be required, at a cost in excess of \$6 million. The required strengthening is scheduled for 2012/13 and is estimated to cost \$974,000, of which Council's share will be \$302,000.

## Tuapeka Aquatic Centre

A new Lawrence/Tuapeka community swimming pool and gym, owned and operated by an incorporated society, is planned for the Lawrence township. Council will continue to operate its pool in Lawrence until the new facility is opened, currently expected to be in 2013. After this, the existing pool will close.

After consultation with the community and the Lawrence/Tuapeka Community Board, Council has committed to providing a loan-funded grant of up to \$1.1 million towards the new facility (capped at 55% of the total project cost). Council will also provide an annual grant of approximately \$20,000 to help with operating costs.

Beginning in the year after the grant is made, the loan will be repaid from Lawrence/Tuapeka Community Board rates (60%) and Lawrence Community Services rates (40%). This will add approximately \$50 +GST to the Lawrence/Tuapeka Community Board rate when it is rated (currently expected to be in 2013/14).

## West Otago Health Centre

After consultation with affected ratepayers in 2010/11, Council agreed to a ratepayer-funded grant of \$1 million for the proposed new West Otago Health facility in Tapanui. The grant was subject to conditions, in particular that all other funding to meet the full construction costs was to be contractually confirmed, and that other sources of funding would be either interest free loans or grants. Although the conditions have not yet been met, Council has re-confirmed its intention to make the grant and this has been budgeted for 2013/14. Council may decide to make this grant earlier if construction begins in 2012/13. This means that an annual uniform charge to households within the West Otago Health area of around \$70+GST will be rated from 2013/14 onwards. See the 'Key Issues' section for further information.

## Heriot Sewage Treatment Upgrade

Increased consent standards mean that the treatment of Heriot's sewage will need to be upgraded to ensure that consent for its disposal can be renewed. Council has budgeted to install additional treatment on the scheme during 2014/15. Unlike Council's other sewerage schemes, consumers on the Heriot scheme have not been funding depreciation. This is because Council has made the decision not to replace the scheme once it reaches the end of its useful life. The result of this is that there are no reserves to cover the cost of the treatment upgrade and consumers on the scheme will have to pay for the treatment upgrade via rates over 25 years.

See the 'Key Issues' section for further information on sewerage upgrades.

## How are rates expected to change in the Rural Rating Area?

The following examples have been provided to help demonstrate the expected trends for rates in the rural rating area over the next ten years. It should be noted that the examples given include one UAGC and do not include other charges such as water unit rates, wheelie bin charges and community board, recreation centre and health centre rates. This is because there is so much variation within the rural area regarding these rates. When using these examples, please remember that the exact amounts and rate of change for individual properties will vary depending on how many of these rates are to be paid, and what their capital and land values are.

### Rural Water Rates (per unit of water)

Scheme	Actual (\$)	Projected (\$)		
	2011/12	2012/13	2013/14	2014/15
Balmoral 1	170	190	212	219
Balmoral 2	161	180	192	205
Clydevale/Pomahaka	310	310	311	325
Glenkenich	153	170	180	193
Moa Flat	124	135	152	164
North Bruce	163	185	208	222
Richardson	180	210	227	240
South Bruce	140	140	150	156
Tuapeka	240	240	250	258
Waipahi	274	271	279	288
Wangaloa	245	285	304	323

### Cross Recreation Centre Rate (per SUIP by electoral ward)

Electoral Ward	Actual (\$)	Projected (\$)		
	2011/12	2012/13	2013/14	2014/15
Balclutha	34	34	32	32
Clutha Valley & Kaitangata Matau	26	25	24	24
Clinton & Catlins	17	17	16	16
Lawrence-Tuapeka & Bruce	10	10	9	9
West Otago	3	3	3	3

### Other rates

Rate		Actual (\$)	Projected (\$)		
		2011/12	2012/13	2013/14	2014/15
Solid Waste Collection	Per pair of waste/recycling wheelie bins	171 <sup>^</sup>	149	162	167
Lawrence-Tuapeka Community Board	Per SUIP in Lawrence-Tuapeka Community Board area	67	69	123	126
West Otago Community Board	Per SUIP in West Otago Community Board area	53	54	55	57
West Otago Health Centre	Per SUIP in West Otago Health rating area	-	-	69	72

<sup>^</sup> Includes recycling collection rate

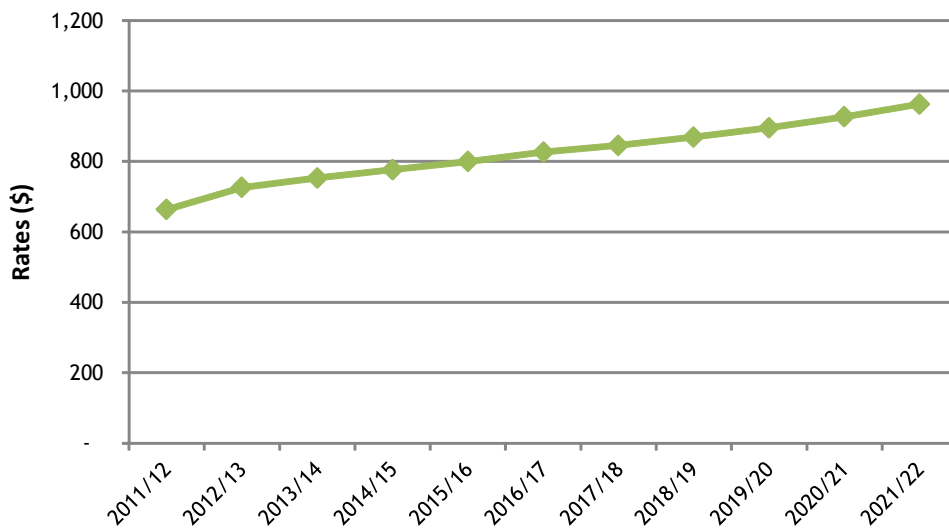
## Rural Example A (rural property with a \$210,000 capital value)

The table below shows a breakdown of the expected rates over the next three years for a rural property with a land value of \$80,000 and capital value of \$210,000. The graph at the bottom of the page shows the expected trend for overall rates during the next ten years. Please note that the exact amount and rate of change for individual properties will vary depending on capital and land values and depending on any additional charges for water units, waste collection etc.

	Actual	Projected		
	(\$)	2011/12	2012/13	2013/14
Uniform Annual General Charge	392*	399	415	427
District Roading	92	92	95	98
Local Roading	78	127	131	135
Footpaths	-	-	-	-
Water Supply	see page 70			
Sewerage	-	-	-	-
Stormwater	-	-	-	-
Sewerage Upgrade Support	1	1	1	1
Community Services	5	6	6	6
Waste Management	see page 70			
Planning & Regulatory	10	7	7	8
Cross Recreation Centre	see page 70			
GST	87	95	98	101
<b>TOTAL</b>	<b>664</b>	<b>726</b>	<b>753</b>	<b>776</b>
% Change		9.5%	3.7%	3.1%
\$ Change		63	27	24

Minimum roading charge introduced (see "Key Issues" section).

\* Includes waste minimisation rate, ^ Includes recycling collection rate

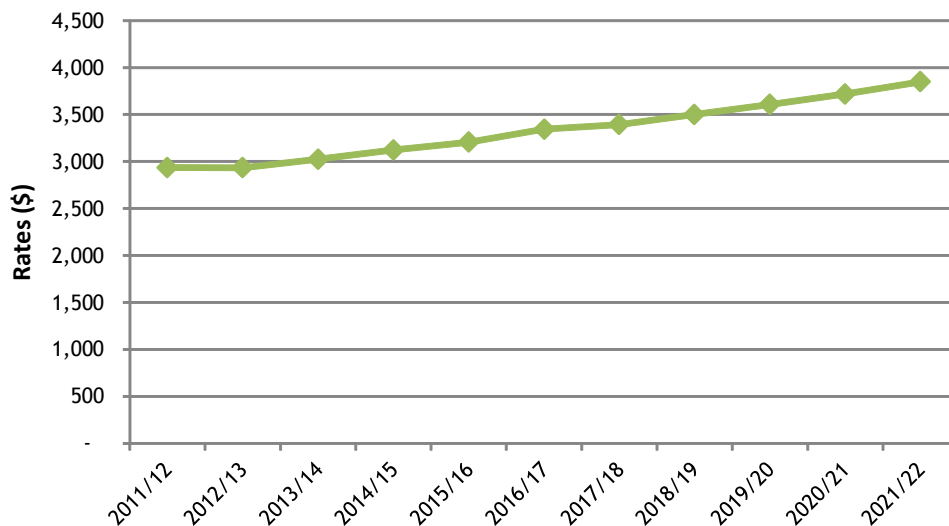


## Rural Example B (rural property with a \$1,600,000 capital value)

The table below shows a breakdown of the expected rates over the next three years for a rural property with a land value of \$1,300,000 and capital value of \$1,600,000. The graph at the bottom of the page shows the expected trend for overall rates during the next ten years. Please note that the exact amount and rate of change for individual properties will vary depending on capital and land values and depending on any additional charges for water units, waste collection etc.

	Actual (\$)	Projected (\$)		
	2011/12	2012/13	2013/14	2014/15
Uniform Annual General Charge	392*	399	415	427
District Rooding	717	704	725	748
Local Rooding	1,284	1,295	1,334	1,375
Footpaths	-	-	-	-
Water Supply	see page 70			
Sewerage	-	-	-	-
Stormwater	-	-	-	-
Sewerage Upgrade Support	4	7	9	9
Community Services	79	91	95	98
Waste Management	see page 70			
Planning & Regulatory	77	56	53	58
Cross Recreation Centre	see page 70			
GST	383	383	395	407
<b>TOTAL</b>	<b>2,935</b>	<b>2,935</b>	<b>3,025</b>	<b>3,123</b>
% Change		0.0%	3.1%	3.2%
\$ Change		-1	90	98

\* Includes waste minimisation rate, ^ Includes recycling collection rate





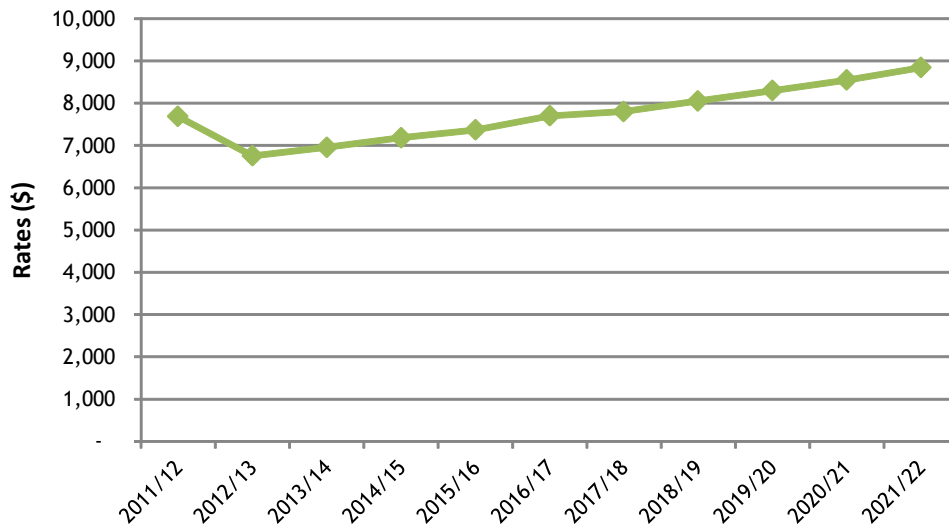
## Rural Example C (rural property with a \$4,025,000 capital value)

The table below shows a breakdown of the expected rates over the next three years for a rural property with a land value of \$3,400,000 and capital value of \$4,025,000. The graph at the bottom of the page shows the expected trend for overall rates during the next ten years. Please note that the exact amount and rate of change for individual properties will vary depending on capital and land values and depending on any additional charges for water units, waste collection etc.

	Actual (\$)	Projected (\$)		
	2011/12	2012/13	2013/14	2014/15
Uniform Annual General Charge	392*	399	415	427
District Rooding	2,021	1,771	1,824	1,881
Local Rooding	3,807	3,307	3,405	3,510
Footpaths	-	-	-	-
Water Supply	see page 70			
Sewerage	-	-	-	-
Stormwater	-	-	-	-
Sewerage Upgrade Support	12	18	22	22
Community Services	233	237	248	256
Waste Management	see page 70			
Planning & Regulatory	217	142	134	147
Cross Recreation Centre	see page 70			
GST	1,002	881	907	937
<b>TOTAL</b>	<b>7,686</b>	<b>6,754</b>	<b>6,953</b>	<b>7,180</b>
% Change		-12.1%	2.9%	3.3%
\$ Change		-931	199	227

Minimum rooding charge introduced (see "Key Issues" section).

\* Includes waste minimisation rate, ^ Includes recycling collection rate

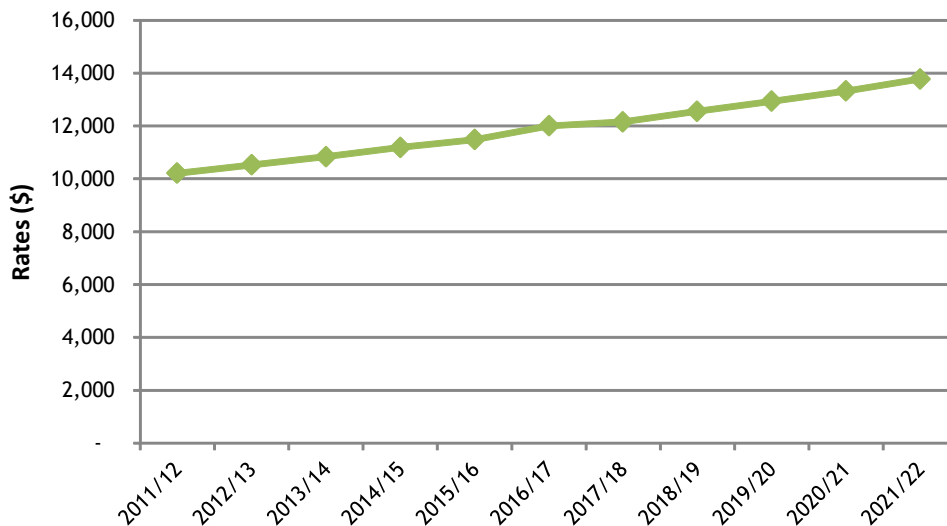


## Rural Example D (rural property with a \$6,800,000 capital value)

The table below shows a breakdown of the expected rates over the next three years for a rural property with a land value of \$5,300,000 and capital value of \$6,800,000. The graph at the bottom of the page shows the expected trend for overall rates during the next ten years. Please note that the exact amount and rate of change for individual properties will vary depending on capital and land values and depending on any additional charges for water units, waste collection etc.

	Actual (\$)	Projected (\$)		
	2011/12	2012/13	2013/14	2014/15
Uniform Annual General Charge	392*	399	415	427
District Roading	2,899	2,992	3,081	3,177
Local Roading	4,958	5,127	5,278	5,442
Footpaths	-	-	-	-
Water Supply	see page 70			
Sewerage	-	-	-	-
Stormwater	-	-	-	-
Sewerage Upgrade Support	18	30	37	38
Community Services	304	370	386	400
Waste Management	see page 70			
Planning & Regulatory	312	240	226	248
Cross Recreation Centre	see page 70			
GST	1,332	1,374	1,413	1,460
<b>TOTAL</b>	<b>10,215</b>	<b>10,530</b>	<b>10,837</b>	<b>11,191</b>
% Change		3.1%	2.9%	3.3%
\$ Change		316	306	355

\* Includes waste minimisation rate, ^ Includes recycling collection rate



## Rural Example E (property in Heriot with a \$74,000 capital value)

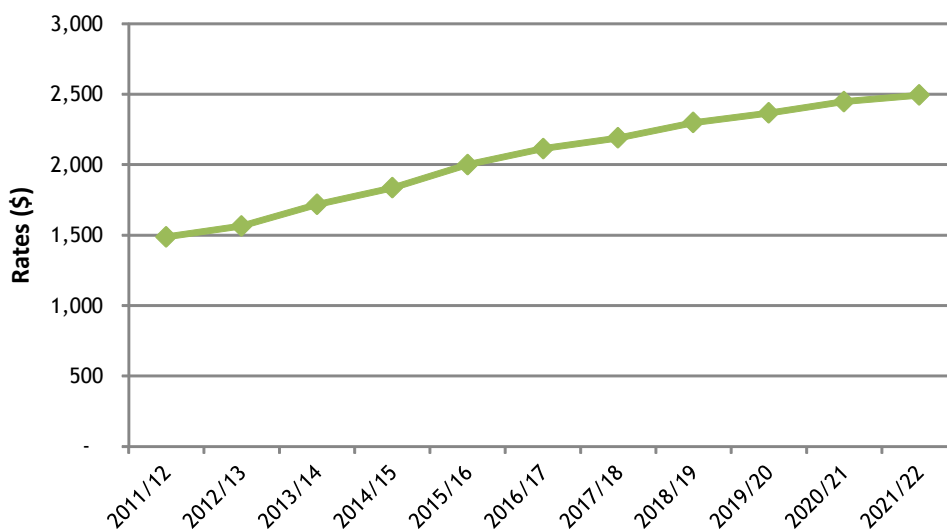
The table below shows a breakdown of the expected rates over the next three years for a property in Heriot with a land value of \$8,500 and capital value of \$74,000. The graph at the bottom of the page shows the expected trend for overall rates during the next ten years. Please note that the exact amount and rate of change for individual properties will vary depending on capital and land values.

	Actual	Projected		
	(\$)	2012/13	2013/14	2014/15
Uniform Annual General Charge	392*	399	415	427
District Roding	32	33	34	35
Local Roding	7	58	60	62
Footpaths	-	-	-	-
Water Supply	248	270	304	329
Sewerage	383	392	389	441
Stormwater	-	-	-	-
Sewerage Upgrade Support	<1	<1	<1	<1
Community Services	<1	1	1	1
Waste Management	171^	149	162	167
Planning & Regulatory	3	3	3	3
West Otago Community Board	53	54	55	57
West Otago Health Centre	-	-	69	72
Cross Recreation Centre	3	3	3	3
GST	194	204	224	239
<b>TOTAL</b>	<b>1,487</b>	<b>1,565</b>	<b>1,718</b>	<b>1,836</b>
% Change		5.2%	9.8%	6.9%
\$ Change		78	153	118

Minimum roding charge introduced (see 'Key Issues' section).

Increased costs for water services including sewage treatment upgrade in 14/15 (see 'Key Issues' section).

\* Includes waste minimisation rate, ^ Includes recycling collection rate

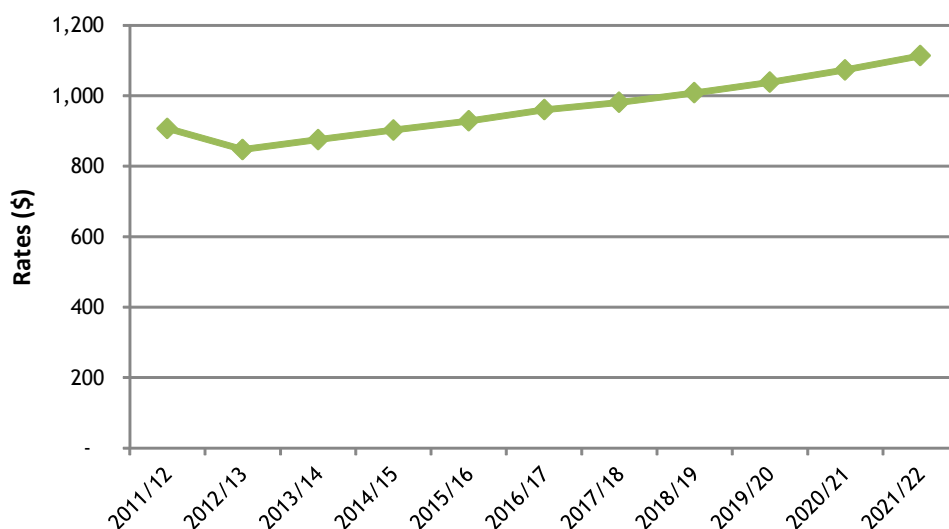


## Rural Example F (property in Papatowai with a \$255,000 capital value)

The table below shows a breakdown of the expected rates over the next three years for a property in Papatowai with a land value of \$145,000 and capital value of \$255,000. The graph at the bottom of the page shows the expected trend for overall rates during the next ten years. Please note that the exact amount and rate of change for individual properties will vary depending on capital and land values.

	Actual	Projected		
	(\$)	(\$)	(\$)	(\$)
	2011/12	2012/13	2013/14	2014/15
Uniform Annual General Charge	392*	399	415	427
District Roading	143	112	116	119
Local Roading	208	189	195	201
Footpaths	-	-	-	-
Water Supply	-	-	-	-
Sewerage	-	-	-	-
Stormwater	-	-	-	-
Sewerage Upgrade Support	1	1	1	1
Community Services	13	10	11	11
Waste Management	-	-	-	-
Planning & Regulatory	15	9	9	9
Cross Recreation Centre	17	17	16	16
GST	118	110	114	118
<b>TOTAL</b>	<b>907</b>	<b>847</b>	<b>876</b>	<b>903</b>
% Change		-6.6%	3.4%	3.1%
\$ Change		-60	28	27

\* Includes waste minimisation rate, ^ Includes recycling collection rate

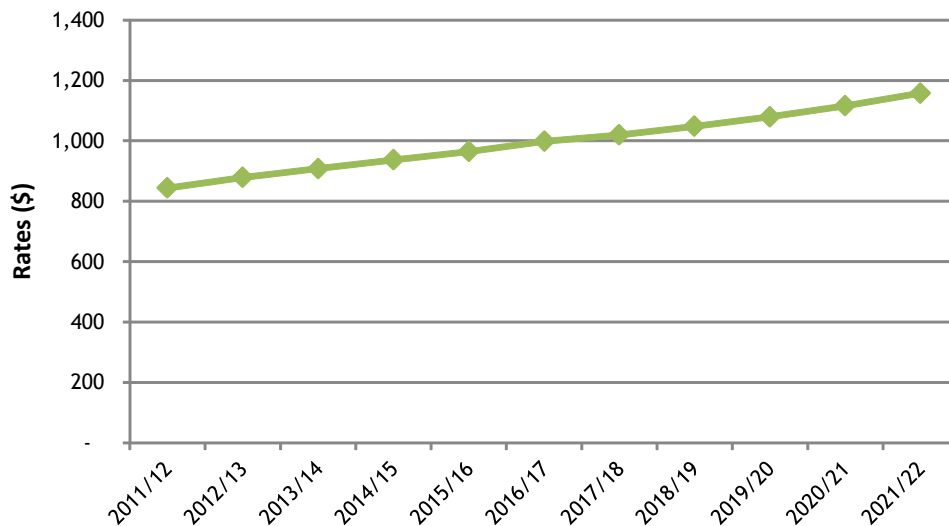


## Rural Example G (property in Taieri Mouth with a \$380,000 capital value)

The table below shows a breakdown of the expected rates over the next three years for a property in Taieri Mouth with a land value of \$120,000 and capital value of \$380,000. The graph at the bottom of the page shows the expected trend for overall rates during the next ten years. Please note that the exact amount and rate of change for individual properties will vary depending on capital and land values.

	Actual	Projected		
	(\$)	2012/13	2013/14	2014/15
Uniform Annual General Charge	392*	399	415	427
District Roading	172	167	172	178
Local Roading	133	165	170	176
Footpaths	-	-	-	-
Water Supply	-	-	-	-
Sewerage	-	-	-	-
Stormwater	-	-	-	-
Sewerage Upgrade Support	1	2	2	2
Community Services	8	8	9	9
Waste Management	-	-	-	-
Planning & Regulatory	18	13	13	14
Cross Recreation Centre	10	10	9	9
GST	110	115	118	122
<b>TOTAL</b>	<b>844</b>	<b>879</b>	<b>908</b>	<b>937</b>
% Change		4.1%	3.3%	3.2%
\$ Change		35	29	29

\* Includes waste minimisation rate, ^ Includes recycling collection rate



# BENHAR & TOKOITI

Benhar and Tokoiti are small residential townships located east of Balclutha and Milton respectively. Both are closely linked with their larger neighbours for employment and commercial and recreational services.

Benhar and Tokoiti both currently have significant problems with disposal of septic tank effluent which has been posing public and environmental health risks and restricting development and land use options for property owners. Council is constructing new community sewerage systems during 2012 which, once implemented, will likely make the townships a more desirable place to live.

In the past rates in Benhar and Tokoiti have been much lower than other towns in the district. The introduction of reticulated sewerage will impact rates from 2012/13 onwards. However, assistance from other ratepayers in the district with 50% of the capital cost of the new schemes and merging the new reticulation into their neighbouring communities scheme significantly reduces the costs to Benhar and Tokoiti residents. This along with a rates postponement policy makes the sewerage scheme more achievable.

## How are rates expected to change in Benhar & Tokoiti?

The table below and to the right provide a breakdown of the expected rates for a typical property in Benhar (LV = \$28,000, CV = \$100,000) and Tokoiti (LV = \$25,000, CV = \$99,000) over the next three years. The graph at the bottom of the page shows the expected trend for overall rates during the next ten years.

Please note, however, that the exact amount and rate of change for individual properties will vary depending on capital and land values and whether or not a ratepayer chooses to pay their sewerage capital contribution by lump sum or through rates.

BENHAR	Actual (\$)	Projected (\$)		
	2011/12	2012/13	2013/14	2014/15
Uniform Annual General Charge	392*	399	415	427
District Roading	43	44	45	47
Local Roading	26	77	79	82
Footpaths	-	-	-	-
Water Supply	402	272	297	324
Sewerage	-	100	210	221
Stormwater	-	-	-	-
Sewerage Upgrade Support	<1	<1	1	1
Community Services	2	2	2	2
Waste Management	171^	149	162	167
Planning & Regulatory	5	4	3	4
Cross Recreation Centre	26	25	24	24
GST	160	161	186	195
<b>TOTAL</b>	<b>1,225</b>	<b>1,232</b>	<b>1,423</b>	<b>1,492</b>
% Change		0.6%	15.5%	4.8%
\$ Change		7	191	69
Sewerage Loan Rate (Benhar Area A)	-	431	867	898
Sewerage Loan Rate (Benhar Area B)	-	385	776	804

Minimum roading charge introduced (see 'Key Issues' section).

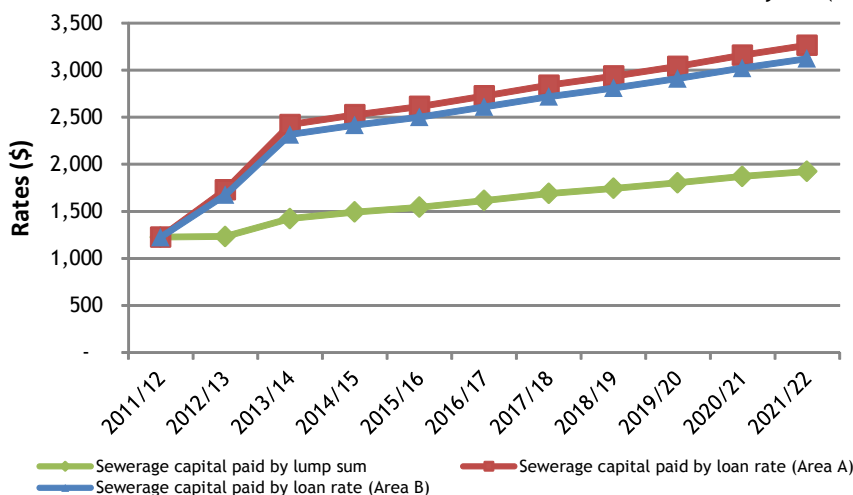
Reduction in operation and maintenance costs. (see 'Key Issues' section).

Balclutha sewer rate introduced to fund ongoing operation and maintenance of sewerage scheme. Charged a half rate for 2012/13 as scheme will only be operating for half the year. Full rate from 2013/14 onwards.

Benhar ratepayers had the choice to pay their sewer capital costs by lump sum or by rate-funded loan.

Those who chose the loan will be rated from 2012/13 onwards. This will begin with a half rate in the first year to reflect that the scheme will only be operating for half of the year. (Figures excl. GST).

\* Includes waste minimisation rate, ^ Includes recycling collection rate



## Mayor's Comment

Bryan Cadogan



The Benhar and Tokoiti sewerage schemes have been an unresolved issue for this Council and the communities for a long time, and it has been very difficult to find a way forward when a solution that suits everyone didn't exist. It became apparent early on that under existing Council policies that costs imposed on affected Benhar and Tokoiti ratepayers would be in the vicinity of \$25,000 (or around \$40,000 in rates over 25 years) - a figure that many expressed would bring about financial ruin. With no response from central government to our pleas for assistance, the only other avenue available was from within, but this would mean breaking a long-held principle of user pays.

After lengthy consultation and lively debate around the Council table a pragmatic approach was adopted which Council felt balanced the fact Benhar and Tokoiti ratepayers had a personal responsibility to dispose of their waste while acknowledging that bearing the costs by themselves would impose costs beyond the means of many.

On a personal note I am proud of Council's determination to resolve this long running issue and thank the spirit shown by many in our wider district who recognise we had an unavoidable situation and limited options to resolve it.

TOKOITI	Actual (\$)	Projected (\$)		
	2011/12	2012/13	2013/14	2014/15
Uniform Annual General Charge	392*	399	415	427
District Roading	40	44	45	46
Local Roading	24	74	76	79
Footpaths	-	-	-	-
Water Supply	327	185	208	222
Sewerage	-	240	254	291
Stormwater	-	-	-	-
Sewerage Upgrade Support	<1	<1	1	1
Community Services	80	89	93	96
Waste Management	171^	149	162	167
Planning & Regulatory	4	4	3	4
Cross Recreation Centre	10	10	9	9
GST	157	179	190	201
<b>TOTAL</b>	<b>1,206</b>	<b>1,371</b>	<b>1,457</b>	<b>1,542</b>
% Change		13.7%	6.3%	5.9%
\$ Change		165	86	85
Sewerage Loan Rate (Tokoiti Area A)	-	674	704	728
Sewerage Loan Rate (Tokoiti Area B)	-	518	541	560

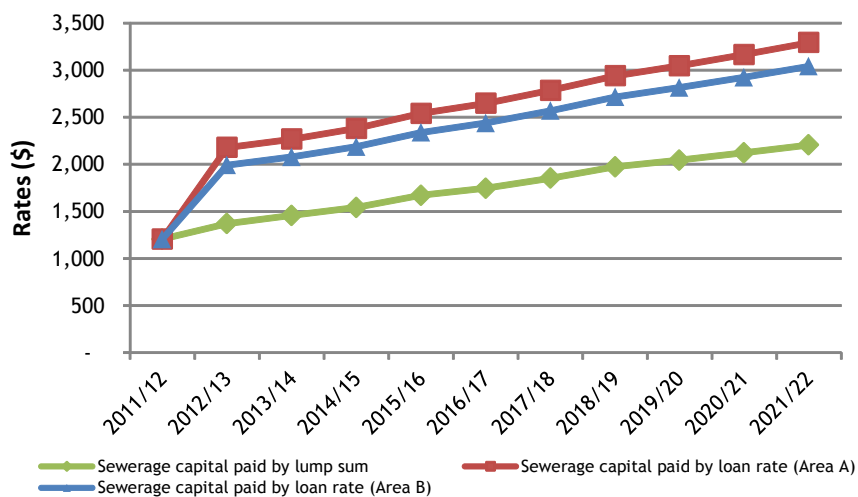
Minimum roading charge introduced (see 'Key Issues' section).

Reduction in operation and maintenance costs. (see 'Key Issues' section).

Milton sewer rate introduced to fund ongoing operation and maintenance of sewerage scheme.

Tokoiti ratepayers had the choice to pay their sewer capital costs by lump sum or by rate-funded loan. Those who chose the loan will be rated from 2012/13 onwards. (Figures excl. GST).

\* Includes waste minimisation rate, ^ Includes recycling collection rate







# council activities

# 5





# Guide to Activities

*The services Council provides have been categorised into eight 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.*

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**

The significant effects of the activity on community wellbeing, including positive effects and any potential negative effects.

## **Progress made during the past three years**

The key projects that Council has undertaken within the activity group since the last Long Term Plan was adopted in 2009.

## **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.

## **What needs to happen to maintain 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.

## **What improvements or changes are planned?**

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 it costs**

Funding Impact Statements provide financial information about each group of activities and how they will be funded for each of the next ten years. Graphs provide further information for each activity group, including total projected rates and where the money will be spent (capital and operating costs). The activity group's share of total projected rates for the next ten years is shown, as well as how the activity group's costs will be funded over the life of the plan.

# Community Leadership

## What we do

Council provides leadership for the district, including governing Council's operations and budgets and supporting our economy and communities through economic and community development functions.

**GOVERNANCE** involves:

- Providing representation of residents and ratepayers through an elected Mayor, and 14 councillors from the district's 8 wards - Balclutha, Bruce, Catlins, Clinton, Clutha Valley, Kaitangata-Matau, Lawrence-Tuapeka and West Otago. There are also community boards for Lawrence-Tuapeka and West Otago, each consisting of 6 directly elected members and the local councillor(s).
- Providing leadership by setting priorities and making decisions on the scope and levels of service for Council services and activities.
- Overseeing the performance of Council activities and assets to ensure the best operation, maintenance and use of community resources.
- Representing the views and needs of the district by way of submissions and lobbying to Central Government and other agencies on issues affecting residents of the Clutha District.

**ECONOMIC DEVELOPMENT** involves:

- Enabling and strengthening our business, agricultural and forestry sectors.
- Attracting and supporting new businesses and enterprise developments.
- Destination marketing and tourism development, including funding information centres in Milton, Lawrence and Owaka.

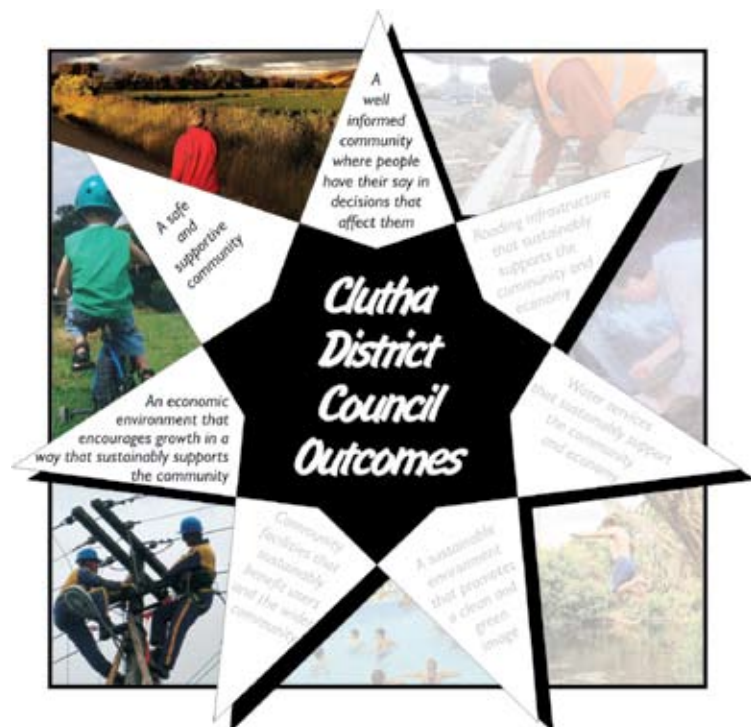
**COMMUNITY DEVELOPMENT** involves:

- Providing financial and non-financial assistance to a range of community groups and organisations.
- Promoting youth development.
- Recreation promotion and coordination.
- Arts and Cultural Development, including providing funding to the six museums in the district.

## Why we do it

Council is involved in these activities 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 group makes a primary contribution to the community outcomes "a well informed community where people have their say in decisions that affect them", "an economic environment that encourages growth in a way which sustainably supports the community" and "a safe and supportive community".



## Significant effects

The significant effects Council’s Community Leadership activities have on our district’s wellbeing.

Wellbeing	Positive effects	Potential Negative effects
Social	<ul style="list-style-type: none"> <li>• Promotes participation in democratic processes</li> <li>• Ratepayers are consulted on issues that affect them</li> <li>• The district’s views are represented at central and regional government</li> <li>• Builds pride in our district</li> <li>• Communities, groups and organisations are encouraged to work together</li> </ul>	<ul style="list-style-type: none"> <li>• Many people don’t get involved in democratic processes</li> <li>• Decisions on some matters may not lead to total agreement</li> </ul>
Economic	<ul style="list-style-type: none"> <li>• Promotes and supports our industries to encourage economic growth</li> <li>• Promotes and builds pride in our district for both locals and tourists</li> <li>• Supports economic growth</li> </ul>	<ul style="list-style-type: none"> <li>• Costs associated with requirements of legislation and promoting and supporting the district</li> <li>• Some community groups may not be able to access funding and therefore become unsustainable</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>• Environmental sustainability is more likely to be considered in development and decision-making</li> </ul>	<ul style="list-style-type: none"> <li>• No significant negative effects have been identified</li> </ul>
Cultural	<ul style="list-style-type: none"> <li>• Cultural issues are considered and provided for</li> <li>• Provision of recreation facilities</li> </ul>	<ul style="list-style-type: none"> <li>• No significant negative effects have been identified</li> </ul>

## Progress made during the past three years

Over the past three years Council has continued to support the district’s businesses, agriculture sector, youth, community groups and volunteers through its district development functions. A particular highlight was the successful celebrations of the 150th anniversary of Gabriel Read’s discovery of gold near Lawrence, which was supported by Council.

On the governance front, triennial elections were held in 2010, which saw the election of a new Mayor and five new councillors. Council has also continued to represent the district’s interests at central and regional government on issues ranging from national environmental standards to proposals to centralise the processing of building consents.

# What we're aiming for

Key measures that Council uses to gauge its performance for community leadership.

## Governance

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
A well informed community where people have their say in decisions that affect them	By elected members representing the district and their community	For elected members to provide a high level of participation in the decision-making process	Satisfaction with decision-making, leadership and planning of elected members	50%	≥50%	≥50%	≥50%	≥50%
			Satisfaction with overall performance of the Clutha District Council	61%	≥60%	≥60%	≥60%	≥60%
			Residents who see or read the 'Council News' newsletter	93%	≥90%	≥90%	≥90%	≥90%

## Economic Development

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
An economic environment that encourages growth in a way which sustainably supports the community	To support businesses in the District	Provide business support and mentoring	Satisfaction rating of businesses provided support and mentoring service.	NEW	80%	81%	82%	85%
				Levels of Service Under Review*				

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
An economic environment that encourages growth in a way which sustainably supports the community	To support economic growth within the district	Facilitate programs to support and encourage economic diversification	Satisfaction rating of participants in agri-business programmes.	NEW	80%	81%	82%	85%
				Levels of Service Under Review*				

## Community Development

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
A safe and supportive community	To support community development including the youth and voluntary sectors	Develop a community development strategy for the Clutha district	Progress reported annually	NEW	YES	YES	YES	YES
				Levels of Service Under Review*				

\* The structure of Council's Economic and Social Development functions is currently under review. Levels of service from 2013/14 will be confirmed following this review.

## What needs to happen to maintain current levels of service?

### Maintenance and operations

The Council's governance responsibilities are carried out 'in house' and are facilitated by all Council departments (Corporate Services, Regulatory Services and District Assets). The Clutha District Council Governance Statement - 'Guide to the Clutha District Council' defines the structure in which Council provides governance for the district. It includes the definition of Council's functions, responsibilities, committee structures and membership and meeting processes. It also outlines representation arrangements and electoral systems. Copies of this statement are available at all Council offices including libraries and service centres.

Community support is an activity within Community Leadership which involves providing various grants to community groups and organisations. A summary of budgeted grants are provided below.

**Table: Summary of budgeted Community Support Grants 2012-22**

Grant (\$)	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Otago Museum <sup>1</sup>	184,000	189,800	195,900	202,500	209,600	216,700	223,900	231,300	239,600	248,000
District Museums <sup>2</sup>	75,000	77,400	78,900	82,600	85,500	88,400	91,300	94,300	97,700	101,100
Fees Reimbursement Scheme <sup>3</sup>	16,100	16,400	16,900	17,500	18,100	18,700	19,400	20,000	20,700	21,400
Property Rent Assistance <sup>4</sup>	8,100	8,200	8,300	6,400	6,600	6,800	7,000	7,300	7,600	7,800
Womens Refuge	8,200	8,400	8,600	8,900	9,200	9,500	9,900	10,200	10,600	10,900
Community Committees	500	500	500	600	600	600	600	600	700	700
Event Support	10,000	10,300	10,700	11,000	11,400	11,800	12,200	12,600	13,000	13,500
Clean Air Warm Homes	10,000	10,300	10,700	11,000	11,400	11,800	12,200	12,600	13,000	13,500
Swimming Pool Support <sup>5</sup>	26,900	27,200	28,100	29,100	30,100	31,100	32,100	33,200	34,400	35,600
Youth Council	11,400	11,500	11,800	12,200	12,700	13,100	13,500	14,000	14,500	15,000
Making a Difference	43,300	43,700	45,000	46,600	48,200	49,900	51,500	53,200	55,100	57,000
Mayors Taskforce for Jobs	12,600	12,400	12,800	13,200	13,700	14,100	14,600	15,100	15,600	16,200
Heartland Life Education Trust	4,700	4,800	5,000	5,100	5,300	5,500	5,700	5,800	6,100	6,300
Kaitangata Black Gold Kai Club	1,700	1,800	1,800	1,900	1,900	2,000	2,100	2,100	2,200	2,300
Attracting Overseas Students	3,500	3,600	3,700	3,900	4,000	4,100	4,300	4,400	4,600	4,700
Sport Clutha	43,000	43,600	45,000	46,600	48,200	49,800	51,500	53,200	55,100	57,000
Kaka Point Lifesaving	18,100	18,400	19,000	19,600	20,300	21,000	21,700	22,400	23,200	24,000
Clutha Sport Masters games	500	500	500	600	600	600	600	600	700	700

<sup>1</sup> Compulsory levy for Otago Museum

<sup>2</sup> Grants towards operating costs for Museums throughout the district

<sup>3</sup> Council scheme which reimburses fees and charges to community groups and volunteers for their community activities

<sup>4</sup> Council scheme which reimburses community groups for renting/leasing Council land and buildings

<sup>5</sup> Grants towards various community pools throughout the district

### Renewals and replacements

These activities do not include any significant assets and therefore there are no asset management, maintenance, renewal and replacement issues.

## What improvements or changes are planned?

### Review of the structure of economic and community development functions

Council's economic and community development functions are currently governed by the District Development Board, which has a membership including council and non-council representatives, and reports directly to Council. The Board contracts its day-to-day functions out. While this structure has proved useful in the past, Council recognises that it does not lead to the most efficient use of the limited governance and staff resources that are available in the district.

Council agrees that its economic development functions can be best provided by a non-Council organisation that has the knowledge, experience, skills and focus to provide economic development outcomes for the district.

It is proposed that the District Development Board be wound up and its functions split, with community development moving 'in-house' and economic development functions being contracted to a new, direct reporting non-Council organisation. This would require the establishment of new governance and management structures for the new organisation and the development of arrangements/contracts with Council.

This proposed change in governance structures is not expected to increase the current budgets allowed for economic development, but will provide for more efficient delivery of Council's economic and community development activities and ensure that Council gets better value for its investment.

### West Otago Health Centre

After consultation with affected ratepayers in 2010/11, Council agreed to a ratepayer-funded grant of \$1 million for the proposed new West Otago Health facility in Tapanui. The grant was subject to conditions, in particular that all other funding to meet the full construction costs was to be contractually confirmed, and that other sources of funding would be either interest free loans or grants. Council has re-confirmed its intention to make the grant and this has been budgeted for 2013/14. Council may decide to make this grant earlier if construction begins in 2012/13. This will mean that a new annual rate of around \$70+GST per households within the West Otago Health area will be rated from 2014/15 onwards.

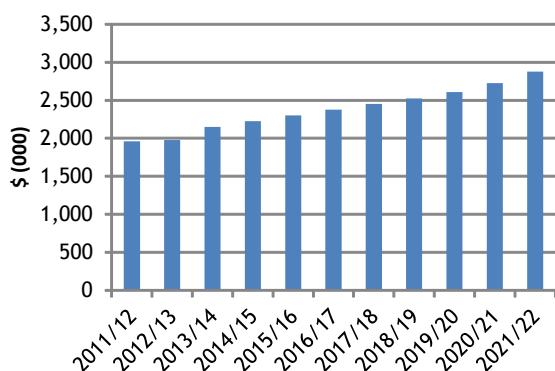




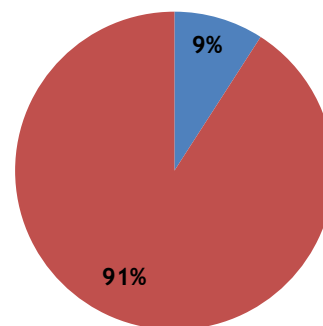
# What it costs for Community Leadership

(All in \$000's)	ANNUAL PLAN	FORECAST Years 1 -3		
	2011/12	2012/13	2013/14	2014/15
<b>Sources of Operating Funding</b>				
General rates, UAGC's, rates penalties	1,983	1,906	2,058	2,126
Targeted rates (other than a targeted rate for water supply)	0	59	106	108
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	26	26	27	28
Internal charges and overheads recovered	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>2,008</b>	<b>1,991</b>	<b>2,191</b>	<b>2,263</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	(3,248)	(2,268)	(2,748)	(1,717)
Finance costs	0	(6)	(42)	(98)
Internal charges and overheads applied	(374)	(345)	(352)	(368)
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>(3,622)</b>	<b>(2,619)</b>	<b>(3,142)</b>	<b>(2,182)</b>
<b>Surplus (deficit) of operating funding</b>	<b>(1,614)</b>	<b>(628)</b>	<b>(951)</b>	<b>80</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt <small>(internal debt)</small>	1,618	639	1,000	(53)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>1,618</b>	<b>639</b>	<b>1,000</b>	<b>(53)</b>
<b>Applications of capital funding</b>				
Capital expenditure to meet additional demand	0	0	0	0
Capital expenditure to improve the level of service	0	0	0	0
Capital expenditure to replace existing assets	0	0	0	0
(Increase) decrease in reserves	(3)	(1)	(83)	(9)
(Increase) decrease of investments	(1)	(9)	35	(18)
<b>Total applications of capital funding</b>	<b>(4)</b>	<b>(11)</b>	<b>(48)</b>	<b>(27)</b>
<b>Surplus (deficit) of capital funding</b>	<b>1,614</b>	<b>628</b>	<b>951</b>	<b>(80)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Rates for Community Leadership**



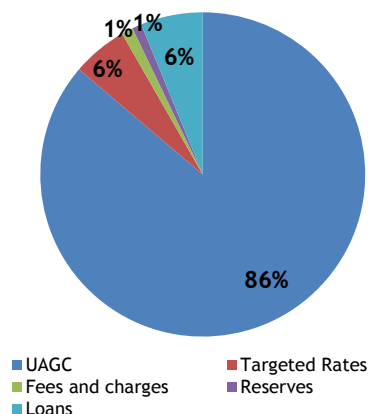
**% of rates spent on Community Leadership**



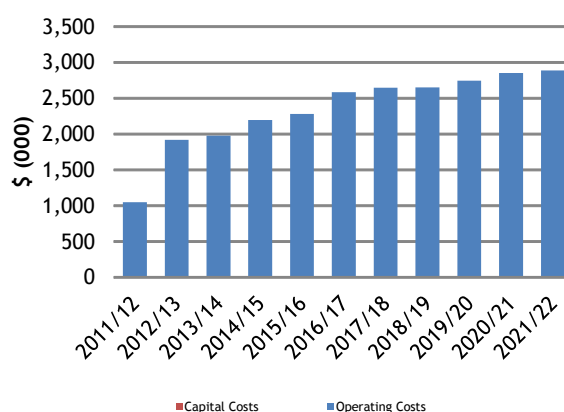
■ Community Leadership ■ Other Activities

FORECAST Years 4 -10							
15/16	16/17	17/18	18/19	19/20	20/21	21/22	(All in \$000's)
							<b>Sources of Operating Funding</b>
2,200	2,272	2,343	2,411	2,493	2,603	2,751	General rates, UAGCs, rates penalties
110	113	115	117	119	122	124	Targeted rates (other than a targeted rate for water supply)
0	0	0	0	0	0	0	Subsidies and grants for operating purposes
29	30	31	32	33	34	35	Fees, charges and targeted rates for water supply
0	0	0	0	0	0	0	Internal charges and overheads recovered
0	0	0	0	0	0	0	Fuel tax, fines, infringement fees and other receipts
<b>2,339</b>	<b>2,415</b>	<b>2,489</b>	<b>2,559</b>	<b>2,644</b>	<b>2,759</b>	<b>2,911</b>	<b>Total operating funding</b>
							<b>Applications of operating funding</b>
(1,791)	(1,891)	(1,895)	(1,965)	(2,084)	(2,112)	(2,249)	Payments to staff and suppliers
(98)	(98)	(98)	(99)	(99)	(99)	(96)	Finance costs
(374)	(395)	(402)	(406)	(422)	(440)	(457)	Internal charges and overheads applied
0	0	0	0	0	0	0	Other operating funding applications
<b>(2,262)</b>	<b>(2,383)</b>	<b>(2,396)</b>	<b>(2,470)</b>	<b>(2,605)</b>	<b>(2,651)</b>	<b>(2,802)</b>	<b>Total applications of operating funding</b>
<b>77</b>	<b>32</b>	<b>93</b>	<b>89</b>	<b>40</b>	<b>108</b>	<b>109</b>	<b>Surplus (deficit) of operating funding</b>
							<b>Sources of capital funding</b>
0	0	0	0	0	0	0	Subsidies and grants for capital expenditure
0	0	0	0	0	0	0	Development and financial contributions
(53)	(53)	(53)	(53)	(52)	(52)	(57)	Increase (decrease) in debt (internal debt)
0	0	0	0	0	0	0	Gross proceeds from sale of assets
0	0	0	0	0	0	0	Lump sum contributions
<b>(53)</b>	<b>(53)</b>	<b>(53)</b>	<b>(53)</b>	<b>(52)</b>	<b>(52)</b>	<b>(57)</b>	<b>Total sources of capital funding</b>
							<b>Applications of capital funding</b>
0	0	0	0	0	0	0	Capital expenditure to meet additional demand
0	0	0	0	0	0	0	Capital expenditure to improve the level of service
0	0	0	0	0	0	0	Capital expenditure to replace existing assets
(13)	(17)	(21)	(25)	(29)	(34)	(39)	(Increase) decrease in reserves
(10)	38	(19)	(12)	42	(21)	(13)	(Increase) decrease of investments
<b>(24)</b>	<b>21</b>	<b>(41)</b>	<b>(37)</b>	<b>13</b>	<b>(56)</b>	<b>(52)</b>	<b>Total applications of capital funding</b>
<b>(77)</b>	<b>(32)</b>	<b>(93)</b>	<b>(89)</b>	<b>(40)</b>	<b>(108)</b>	<b>(109)</b>	<b>Surplus (deficit) 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>Funding balance</b>

### How Community Leadership is funded



### Where the money is spent



## What it costs for Central Administration

(All in \$000's)	ANNUAL PLAN	FORECAST Years 1 -3		
	2011/12	2012/13	2013/14	2014/15
<b>Sources of Operating Funding</b>				
General rates, UAGC's, rates penalties	402	409	419	430
Targeted rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	260	351	363	374
Internal charges and overheads recovered	3,835	3,607	3,686	3,820
Fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>4,497</b>	<b>4,367</b>	<b>4,467</b>	<b>4,624</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	(4,326)	(3,982)	(4,098)	(4,244)
Finance costs	(51)	(54)	(52)	(51)
Internal charges and overheads applied	0	0	0	0
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>(4,377)</b>	<b>(4,036)</b>	<b>(4,150)</b>	<b>(4,294)</b>
<b>Surplus (deficit) of operating funding</b>	<b>120</b>	<b>331</b>	<b>317</b>	<b>330</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt <small>(internal debt)</small>	49	(30)	(32)	(34)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>49</b>	<b>(30)</b>	<b>(32)</b>	<b>(34)</b>
<b>Applications of capital funding</b>				
Capital expenditure to meet additional demand	0	0	0	0
Capital expenditure to improve the level of service	0	0	0	0
Capital expenditure to replace existing assets	(270)	(80)	(71)	(175)
(Increase) decrease in reserves	(58)	(92)	(108)	(148)
(Increase) decrease of investments	158	(129)	(106)	26
<b>Total applications of capital funding</b>	<b>(169)</b>	<b>(300)</b>	<b>(285)</b>	<b>(297)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(120)</b>	<b>(331)</b>	<b>(317)</b>	<b>(330)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FORECAST Years 4 -10							
15/16	16/17	17/18	18/19	19/20	20/21	21/22	(All in \$000's)
							<b>Sources of Operating Funding</b>
441	453	465	476	489	503	517	General rates, UAGCs, rates penalties
0	0	0	0	0	0	0	Targeted rates (other than a targeted rate for water supply)
0	0	0	0	0	0	0	Subsidies and grants for operating purposes
387	400	414	428	442	458	474	Fees, charges and targeted rates for water supply
3,898	4,076	4,161	4,227	4,375	4,539	4,695	Internal charges and overheads recovered
0	0	0	0	0	0	0	Fuel tax, fines, infringement fees and other receipts
<b>4,726</b>	<b>4,930</b>	<b>5,040</b>	<b>5,131</b>	<b>5,306</b>	<b>5,499</b>	<b>5,686</b>	<b>Total operating funding</b>
							<b>Applications of operating funding</b>
(4,332)	(4,523)	(4,620)	(4,696)	(4,858)	(5,035)	(5,205)	Payments to staff and suppliers
(49)	(47)	(45)	(43)	(41)	(39)	(36)	Finance costs
0	0	0	0	0	0	0	Internal charges and overheads applied
0	0	0	0	0	0	0	Other operating funding applications
<b>(4,381)</b>	<b>(4,570)</b>	<b>(4,665)</b>	<b>(4,740)</b>	<b>(4,899)</b>	<b>(5,074)</b>	<b>(5,241)</b>	<b>Total applications of operating funding</b>
<b>345</b>	<b>360</b>	<b>376</b>	<b>391</b>	<b>408</b>	<b>426</b>	<b>444</b>	<b>Surplus (deficit) of operating funding</b>
							<b>Sources of capital funding</b>
0	0	0	0	0	0	0	Subsidies and grants for capital expenditure
0	0	0	0	0	0	0	Development and financial contributions
(35)	(37)	(39)	(41)	(43)	(45)	(48)	Increase (decrease) in debt <small>(internal debt)</small>
0	0	0	0	0	0	0	Gross proceeds from sale of assets
0	0	0	0	0	0	0	Lump sum contributions
<b>(35)</b>	<b>(37)</b>	<b>(39)</b>	<b>(41)</b>	<b>(43)</b>	<b>(45)</b>	<b>(48)</b>	<b>Total sources of capital funding</b>
							<b>Applications of capital funding</b>
0	0	0	0	0	0	0	Capital expenditure to meet additional demand
0	0	0	0	0	0	0	Capital expenditure to improve the level of service
(224)	(67)	(311)	(68)	(91)	(80)	(105)	Capital expenditure to replace existing assets
(109)	(184)	(172)	(129)	(148)	(198)	(218)	(Increase) decrease in reserves
23	(72)	146	(154)	(125)	(103)	(73)	(Increase) decrease of investments
<b>(309)</b>	<b>(323)</b>	<b>(337)</b>	<b>(350)</b>	<b>(365)</b>	<b>(380)</b>	<b>(396)</b>	<b>Total applications of capital funding</b>
<b>(345)</b>	<b>(360)</b>	<b>(376)</b>	<b>(391)</b>	<b>(408)</b>	<b>(426)</b>	<b>(444)</b>	<b>Surplus (deficit) 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>Funding balance</b>

# Roading

## What we do

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

With a total roading network of 2,911 km, the Clutha District has the third largest local roading network in New Zealand. Of that 2,911 km, 28% (817 km) is sealed and 72% (2,094 km) is unsealed. Rural roads make up 95% of the total network.

The roading assets administered by the Council include more than just roads. There are also footpaths, bridges, streetlights and other assets that are associated with roads. The total replacement cost for Council's roading assets is \$902 million. The table below illustrates the main features of the roading network:

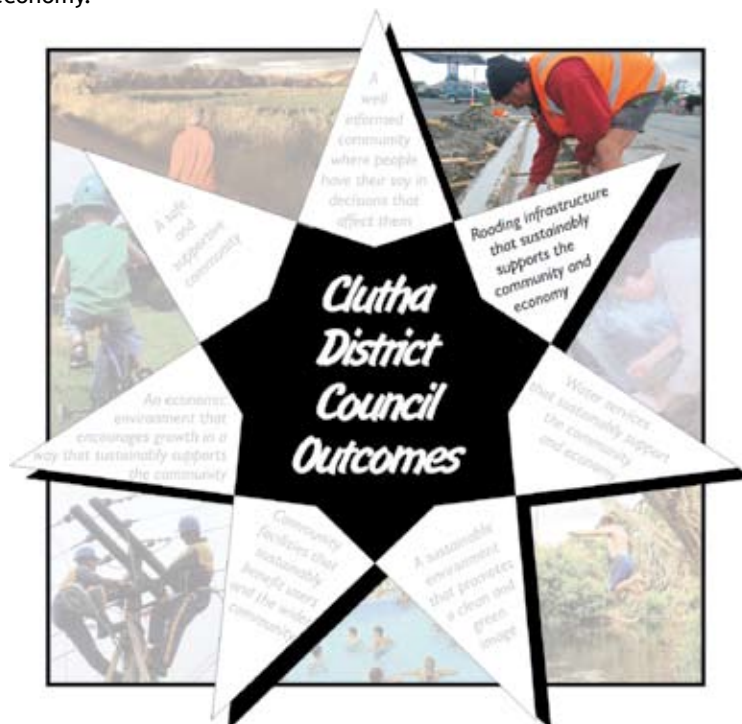
Overview of Council's Roding Network	
Sealed roads	817 km
Unsealed roads	2,094 km
Surface water channels (includes kerb and channel)	153 km
Footpaths	139 km
Street lights	1,654
Bridges and bridge culverts	361

Main roading tasks include road, bridge and culvert maintenance and replacement; resealing and reconstruction of sealed roads; grading and metalling of unsealed roads; footpath maintenance and construction; car park maintenance, street lighting and road safety improvement projects.

## Why we do it

Council considers the provision of land transport services to be a core function of local government. The roading network enables the efficient movement of people and goods throughout the district, contributing to the economic, social, environmental and cultural wellbeing of the district.

The Roding activity group primarily contributes to the outcome: "Roding infrastructure that sustainably supports the community and economy."



*Roading is very much a core service for Council. We have the third longest local roading network in New Zealand (behind Auckland and Southland), and over 40% of our total expenditure is on this activity.*

## Significant effects

The significant effects Council's roading activities have on our district's wellbeing.

Wellbeing	Positive effects	Potential Negative effects
Social	<ul style="list-style-type: none"> <li>• Provides essential links/access within and between communities</li> <li>• Essential for communities to function</li> </ul>	<ul style="list-style-type: none"> <li>• Safety risks and Injury-related crashes</li> </ul>
Economic	<ul style="list-style-type: none"> <li>• Make it possible for work and business to take place</li> <li>• Transport the district's goods to their markets</li> <li>• Allows people to commute to the district for work and business</li> </ul>	<ul style="list-style-type: none"> <li>• Costs associated with accidents</li> <li>• Costs of maintaining and improving the roading network, Clutha has a large network in comparison to our small population</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>• Roading/built environment can minimise impacts on the natural environment</li> </ul>	<ul style="list-style-type: none"> <li>• Carbon emissions from vehicles</li> <li>• Runoff from roads and the impact it can have on the environment</li> <li>• Dust nuisance from unsealed roads</li> <li>• Landscape/visual impacts</li> </ul>
Cultural	<ul style="list-style-type: none"> <li>• Roading assets help form part of our cultural identity e.g. Balclutha bridge, Southern Scenic Route, rural district and our winding country roads, sporting activities such as rallying</li> </ul>	<ul style="list-style-type: none"> <li>• Potential for earthworks/ roadworks damaging cultural sites (i.e. sites not identified until they are disturbed or damaged)</li> </ul>

## Progress made during the past three years

Bridges are a vital part of our roading network, because, while you can still use a road if it is not smooth or has some potholes, if a bridge is damaged then the bridge and the road may not be usable at all. This was apparent when the Tawanui Bridge, 12km west of Owaka was closed in November 2009 due to significant damage thought to have been caused by an overloaded vehicle. While there was a long process to go through to get the bridge replaced, the end result (a new \$730,000 bridge) is an excellent asset for the local community who rely on this crossing of the river. Council has also continued to work through options to deal with the Clydevale Bridge, which is currently subject to severe speed and weight restrictions.

Council has invested significantly in upgrading the footpaths in townships throughout the district, with a \$3.7 million upgrade and extension programme over the past 3 years. This has resulted in improved resident satisfaction with our footpaths and a reduction in the number of safety-related service requests.

Council worked alongside the Lawrence-Tuapeka Community Board and local community groups on a major enhancement of the Lawrence main street area. This included an upgrade to Ross Place, with new streetlights, undergrounding of the power supply, new seats, planters and rubbish bins, more in keeping with the town's heritage values. The upgrades were completed in time for the March 2011 celebrations of the 150th anniversary of the discovery of gold in nearby Gabriel's Gully.

# What we're aiming for

Key measures that Council uses to gauge its performance for roading.

## Roading

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
Roading infrastructure that sustainably supports the community and economy	To provide and maintain the local roading network	To provide an effective and sustainable local roading network	Residents satisfied local roads are an effective means of transport	53%	≥50%	≥50%	≥50%	≥50%
			Average number of times (unsealed) roads are graded	3.5	3.2	3.2	3.2	3.2
			% of kilometres travelled on urban sealed roads that are considered to be smooth*	91%	90%	90%	90%	90%
			% of kilometres travelled on rural sealed roads that are considered to be smooth*	99%	98%	98%	98%	98%
			Residents satisfied with footpaths	42%	≥40%	≥40%	≥40%	≥40%

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
Roading infrastructure that sustainably supports the community and economy	To provide safe roads	To monitor safety and invest in improving the roading network	Average speed residents feel they can safely travel at on local sealed roads (km/hr)	88.7	80-90	80-90	80-90	80-90
			Average speed residents feel they can safely travel at on local unsealed roads (km/hr)	65.4	60-70	60-70	60-70	60-70
			Number of reported injury crashes (fatal, serious, minor) on local roads	40	40	39	38	37

\* Smoothness as calculated by NAASRA roughness counts



# What needs to happen to maintain current levels of service?

## Maintenance and operations

Council has an established ongoing maintenance programme as set out in the Transportation Activity Management Plan. The main maintenance activities for roading include pothole repairs for sealed roads and grading and metalling for unsealed roads. There is also maintenance of bridges and culverts, road shoulders, signs, streetlights, along with street cleaning, vegetation control, snow clearing and ice control.

Most maintenance work is carried out by external contractors 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. Maintenance is relatively uniform throughout the year, although winter does bring an increase in work, particularly during harsh winters.

Unfortunately we have been advised since the draft was prepared that Council will receive less funding from the New Zealand Transport Agency than we believe is necessary to maintain our roads and had budgeted for. Indications are that we will receive the same as we received in the past three years with no allowance for inflationary costs. While our roading team will be doing its best to maintain the roads to current standards, we do expect that levels of service will decline, resulting in lower satisfaction with the roading network. Refer to pages 30-314 for further information.

### *Clydevale Bridge*

The most significant maintenance project scheduled in the next three years is the strengthening of the Clydevale Bridge on Allangrange Road - one of the region's key bridges. This is one of three main bridges over the Clutha River (the other two bridges being located respectively on SH1 and SH8 at Balclutha and Beaumont). Besides being a key crossing point over the river, the Clydevale Bridge is also the only one of the three that can take large over dimensional (or wide) loads and also serves as an alternate route when the Beaumont Bridge is closed. The bridge has been subject to speed and weight restrictions while Council has been investigating longer term options. Ultimately, the most appropriate option has been found to be to strengthen the bridge to class 1 standards, extending its life for another 25 years. The required strengthening is scheduled for 2012/13 and is estimated to cost \$974,000, of which Council's share will be \$302,000.

## Renewals and replacements

Council has an established 20 year forward works programme for reseals, road reconstruction and bridge renewals. Following detailed inspections, these forward works programmes are updated annually and outlined in Council's Annual Plan. The projects scheduled for 2012/13 are listed in the table on the following pages.

### *Papatowai Highway Bridges*

Two main bridges on the Papatowai Highway section of the Southern Scenic Route (at Papatowai and MacLennan) will need significant work in the next ten years. While maintenance work was completed on these bridges in the past to extend their life, components of the bridges require replacement during the life of this long term plan. The first is budgeted for 2015/16 and the second for 2016/17.

The bridges described above are on regional arterial routes (as defined in the Regional Land Transport Programme for Otago). Initial approval will need to be granted by the Regional Transport Committee before application can be made to the NZTA for funding assistance.

When it comes to funding for these bridges, NZTA provide important funding assistance at a rate of 95%. The remainder is funded by Council via depreciation reserve funds and rates (if required).

**Table: Proposed Pavement Reconstruction for 2012/13**

Road	Length (m)	Cost (\$ 000)	Road	Length (m)	Cost (\$ 000)
Ardmore Road	950	243	Kaihuku Church Road	1333	341
Gabriels Gully Road	686	176	Moa Flat Road	647	166
Glenledi Road	1171	300	Papatowai Highway	927	237
Hillend Road	1900	486			

Table: Proposed Reseals for 2012/13

Road	Length (m)	Cost (\$ 000)	Road	Length (m)	Cost (\$ 000)
Alexandra Street	250	10	Leman Street	243	9
Allan Street	191	7	May Street (Waiwera)	204	9
Ardrossan Street South	360	13	Mirren Street	297	13
Ashley Downs Road	38	1	Moa Flat Road	920	34
Back Street	166	7	Mount Mistake Road	38	1
Barrs Falls Road	130	4	Mount Wallace Road	321	12
Baverstock Road	32	1	Newarp Street	284	15
Bell Street	260	22	Noble Street	130	6
Black Bridge Road	755	28	Nore Street	240	9
Black Gully Road (West)	475	18	Ocean Grove	155	6
Boudnary Street East	514	26	Old Port Road	2,013	81
Brown Road (Lawrence)	176	7	Ossian Street	144	9
Bruce Street (Kakapuaka)	45	2	Ovenden Street	239	16
Buhsyhill Street	129	11	Owaka Highway	872	43
Captains Bridge Road	40	2	Owaka Valley Road	2,115	77
Castle Street	144	6	Oxford Street	257	14
Catlins Valley Road	40	2	Paisley Street	111	10
Chaslands Highway	447	21	Pit Road	52	2
Christchurch Street	65	3	Pomahaka Road	1,092	47
Clydevale Road	3,945	161	Poole Road	40	1
Craig Street	55	3	Port Molyneux Road	50	2
Cross Road	57	2	Queens Hill Road	43	2
Dans Peak Road	48	1	Rata Street	82	4
Dunrobin Road	1,785	78	Reserve Road	38	1
Duthie Street	115	9	Revie Road	240	8
Edievale Road	410	17	Roy Road	40	1
Esplanade	1,199	56	Saunders Street	107	8
Falla Burn Road	38	2	Sawmill Road	73	2
Finlayson Road	1,500	65	Seddon Hill Road	200	9
Forsyth Road (Catlins)	54	2	Shanks Road	2,030	76
Forsyth Road (Milton)	57	2	Smiths Track	111	3
Francis Street (Taieri Mouth)	234	9	Spencer Street	571	33
Gibson Road (Kelso)	30	1	St Catherine Street	255	14
Glenkenich Road	318	12	Stamford Street	277	15
Grodons Road	42	2	Station Road (Lovells Flat)	465	20
Greenvale Road	3,241	121	Stewart Road (Popotnuoa)	40	1
High Street (Balclutha)	100	8	Stony Creek Road	51	3
High Street (Kakapuaka)	42	2	Stuart Street (Owaka)	352	15
Hillend Road	989	37	Swamp Road	60	2
Hislop Road	1,471	55	Switzers Road	4,047	156
Hukarere Station Road	630	25	Taumata Road	40	2
Inn Street	112	5	Te Houka Road	1,887	72
James Street	200	17	The Crescent Road	34	1
James Street Service Lane	49	1	Totara Street	228	11
Joseph Street	40	1	Tuapeka West Road	5,178	207
Kaihiku Church Road	776	29	Waitahuna West Road	579	23
Kaitangata Highway	705	33	Waitapeka Road	1,840	79
Kaka Point Road	3,131	134	Warwick Road	161	9
Kakapuaka Road	645	36	West Otago Road	1,190	59
Karoro Creek Road	3,416	148	White Flat Road	65	3
Kent Street North	141	7	Winslade Road	50	2
Koau Road	50	2	Wood Street (Kaka Point)	42	2
Lakeside Road	440	18	Woods Road	42	2

## What improvements or changes are planned?

### Balclutha streetscape improvements

Public consultation during development of the 2009-19 Long Term Plan identified a desire to upgrade Balclutha's main street to improve its appearance. An upgrade would give the area better usability for pedestrians and shoppers and an improved public image, resulting in greater pride in the town and district. A more attractive town centre would also encourage more people to stop and spend time in the area, resulting in economic benefits, not only to main street retailers, but to the wider town and district.

Council planned to undertake a \$2 million upgrade in 2011/12, however, this funding has been deferred until 2012/13. This is because before any upgrade can take place, Council first needs to decide on how heavy traffic and State Highway traffic will flow through Balclutha in future, so that the main street upgrade can be designed accordingly.

Council has been working with the community and the NZTA over the past two years to determine the future of the traffic flow through central Balclutha and will be consulting on options in early 2012. Once this is confirmed, it will then consult on what exactly the main street upgrade will entail.

Potential improvements include new footpath paving, bulbous kerbing, new rubbish bins, tables and chairs and more plantings.

One option Council has recently looked at, which wasn't raised in the last Long Term Plan, is for the undergrounding of the power lines in the main CBD area of Clyde St. The undergrounding of power lines was recently undertaken in Lawrence as part of its main street upgrade, and feedback about the aesthetic impact this has had there has been very favourable.

Council has now increased the budget to \$2.6 million, including an additional \$400,000 to fund the undergrounding of powerlines.

See the 'Key Issues' section for further information.

### Minor improvement projects

Minor improvement projects include safety improvements such as intersection realignments, traffic calming, fish tail seal extensions (where gravel roads join sealed roads) and traction seals. They are projects that must cost less than \$250,000 if they are to attract New Zealand Transport Agency funding assistance from the minor improvement projects budget. Council has been proactive in this area in recent years and intends to continue making these improvements to the district's roads. Over \$1 million per annum has been budgeted towards carrying out these projects and for the majority of these the NZTA funds 69%.

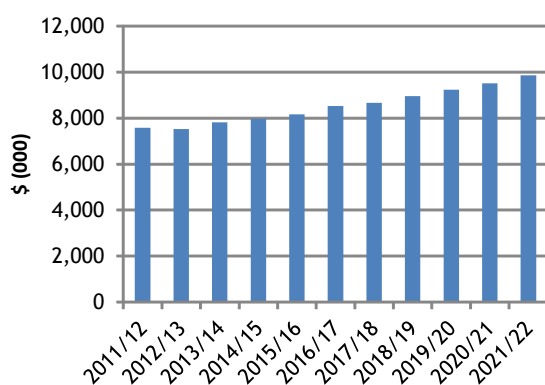
Table: Summary of Planned Capital Expenditure

Outline of Work	Capital Category			Year & Cost (\$000)									
	Renewal	Levels of service	Growth	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Unsealed road metalling	x			1,524	1,575	1,629	1,684	1,742	1,801	1,862	1,925	1,991	2,059
Sealed road resurfacing	x			2,783	2,844	2,869	3,093	3,096	3,086	3,592	3,488	3,639	3,687
Drainage renewals	x			342	354	366	379	392	405	419	433	448	463
Pavement rehabilitation	x			2,171	2,274	2,350	2,357	2,569	2,522	2,669	2,762	2,751	3,006
Structures component replacement	x			653	549	700	1,926	1,523	641	663	685	708	732
Traffic services renewals	x			250	259	268	277	286	296	306	316	327	338
Bridge renewals	x			974	0	0	0	503	0	434	859	0	594
Minor improvement projects		x		1,004	1,040	1,066	1,194	1,205	1,146	1,222	1,246	1,282	1,326
Balclutha main street upgrade		x		2,200	0	0	0	0	0	0	0	0	0
Balclutha main street (undergrounding of powerlines)		x		400	0	0	0	0	0	0	0	0	0
Footpath renewals	x			54	0	0	0	0	0	0	0	0	0

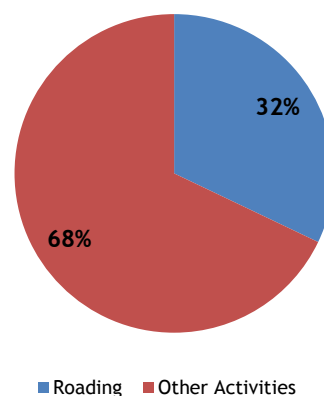
# What it costs for Roothing

(All in \$000's)	ANNUAL PLAN	FORECAST Years 1 -3		
	2011/12	2012/13	2013/14	2014/15
<b>Sources of Operating Funding</b>				
General rates, UAGC's, rates penalties	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	7,549	7,530	7,786	8,029
Subsidies and grants for operating purposes	3,170	2,644	2,804	2,748
Fees, charges and targeted rates for water supply	0	3	3	4
Internal charges and overheads recovered	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>10,720</b>	<b>10,177</b>	<b>10,593</b>	<b>10,780</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	(3,839)	(4,944)	(5,243)	(5,386)
Finance costs	(197)	(201)	(313)	(306)
Internal charges and overheads applied	(1,497)	(1,380)	(1,411)	(1,462)
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>(5,534)</b>	<b>(6,524)</b>	<b>(6,968)</b>	<b>(7,154)</b>
<b>Surplus (deficit) of operating funding</b>	<b>5,186</b>	<b>3,653</b>	<b>3,625</b>	<b>3,626</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	5,398	6,068	5,475	5,691
Development and financial contributions	0	0	0	0
Increase (decrease) in debt <small>(internal debt)</small>	545	2,461	(142)	(147)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>5,943</b>	<b>8,529</b>	<b>5,333</b>	<b>5,544</b>
<b>Applications of capital funding</b>				
Capital expenditure to meet additional demand	0	0	0	0
Capital expenditure to improve the level of service	(10,723)	(3,604)	(1,040)	(1,066)
Capital expenditure to replace existing assets	0	(8,677)	(7,778)	(8,007)
(Increase) decrease in reserves	(174)	(169)	(55)	(63)
(Increase) decrease of investments	(232)	269	(86)	(34)
<b>Total applications of capital funding</b>	<b>(11,129)</b>	<b>(12,182)</b>	<b>(8,958)</b>	<b>(9,170)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(5,186)</b>	<b>(3,653)</b>	<b>(3,625)</b>	<b>(3,626)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Rates for Roothing

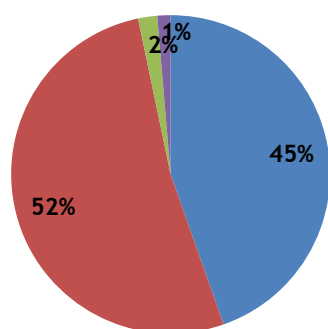


## % of rates spent on Roothing



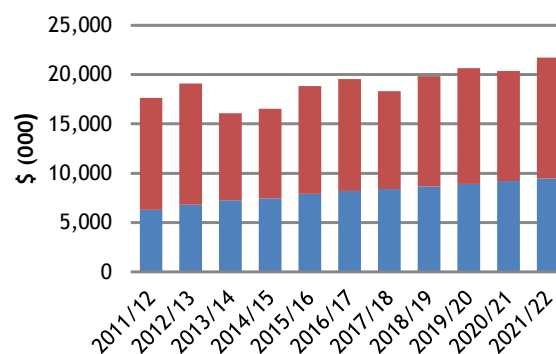
FORECAST Years 4 -10							
15/16	16/17	17/18	18/19	19/20	20/21	21/22	(All in \$000's)
							<b>Sources of Operating Funding</b>
0	0	0	0	0	0	0	General rates, UAGCs, rates penalties
8,247	8,613	8,742	9,018	9,309	9,570	9,912	Targeted rates (other than a targeted rate for water supply)
3,275	3,411	3,471	3,599	3,693	3,843	4,058	Subsidies and grants for operating purposes
4	4	4	4	4	4	5	Fees, charges and targeted rates for water supply
0	0	0	0	0	0	0	Internal charges and overheads recovered
0	0	0	0	0	0	0	Fuel tax, fines, infringement fees and other receipts
11,526	12,028	12,217	12,621	13,006	13,418	13,974	<b>Total operating funding</b>
							<b>Applications of operating funding</b>
0	0	0	0	0	0	0	Payments to staff and suppliers
(5,786)	(6,035)	(6,171)	(6,400)	(6,600)	(6,826)	(7,118)	Finance costs
(297)	(289)	(280)	(270)	(260)	(250)	(158)	Internal charges and overheads applied
(1,492)	(1,559)	(1,590)	(1,618)	(1,674)	(1,736)	(1,795)	Other operating funding applications
0	0	0	0	0	0	0	
(7,576)	(7,883)	(8,041)	(8,288)	(8,534)	(8,811)	(9,071)	<b>Total applications of operating funding</b>
3,950	4,144	4,176	4,333	4,472	4,606	4,903	<b>Surplus (deficit) of operating funding</b>
							<b>Sources of capital funding</b>
7,330	7,344	6,121	7,120	7,422	7,009	7,736	Subsidies and grants for capital expenditure
0	0	0	0	0	0	0	Development and financial contributions
(154)	(160)	(167)	(174)	(182)	(190)	(321)	Increase (decrease) in debt (internal debt)
0	0	0	0	0	0	0	Gross proceeds from sale of assets
0	0	0	0	0	0	0	Lump sum contributions
7,176	7,184	5,954	6,946	7,240	6,819	7,414	<b>Total sources of capital funding</b>
							<b>Applications of capital funding</b>
0	0	0	0	0	0	0	Capital expenditure to meet additional demand
(1,194)	(1,205)	(1,146)	(1,222)	(1,246)	(1,282)	(1,326)	Capital expenditure to improve the level of service
(9,741)	(10,136)	(8,778)	(9,971)	(10,497)	(9,893)	(10,910)	Capital expenditure to replace existing assets
(88)	(98)	(114)	(125)	(135)	(147)	(160)	(Increase) decrease in reserves
(104)	111	(93)	38	166	(102)	78	(Increase) decrease of investments
(11,127)	(11,328)	(10,130)	(11,279)	(11,712)	(11,425)	(12,317)	<b>Total applications of capital funding</b>
(3,950)	(4,144)	(4,176)	(4,333)	(4,472)	(4,606)	(4,903)	<b>Surplus (deficit) of capital funding</b>
0	0	0	0	0	0	0	<b>Funding balance</b>

### How Roothing is funded



■ Targeted Rates ■ NZ Transport Agency ■ Reserves ■ Loans

### Where the money is spent



■ Capital Costs ■ Operating Costs

# Water Supply

## 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:

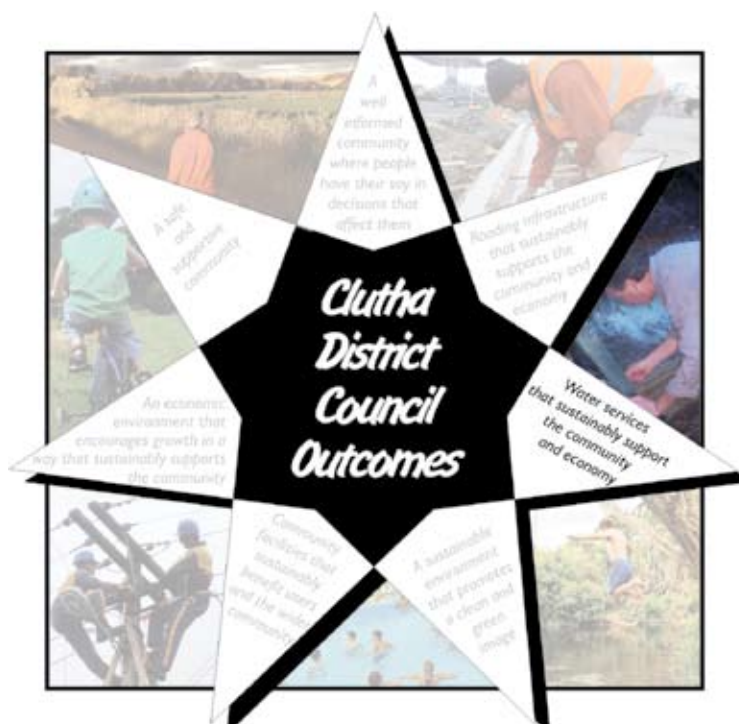
- Six urban water supplies servicing Balclutha, Kaitangata, Lawrence, Milton, Owaka and Tapanui. With the exception of Owaka which is a restricted supply, they provide an unrestricted supply of potable water for domestic, commercial and industrial use within each scheme area.
- 11 rural water schemes 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), Stirling (South Bruce/Stirling Treatment Plant), Cherry Lane (South Bruce), Heriot (Moa Flat), Waikaka and Pukerau (Glenkenich). Most of these communities have restricted supplies to consumers, except Stirling which is metered and Cheery Lane which is unrestricted.

Table - Water Supply Asset Information

Asset Overview	Asset value	Population served	Properties serviced
<ul style="list-style-type: none"> <li>• 22 schemes</li> <li>• 2,202 km of reticulation</li> <li>• 17 treatment plants</li> <li>• 56 pump stations</li> <li>• 17,800 cubic metres produced on an average day</li> </ul>	\$ 60 million	13,705 (81% of the district's population)	7,247

## Why we do 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. Council considers it to be a core function of local government. Water Supply primarily contributes to the outcome “water services that sustainably support the community and economy.”



## Significant effects

The significant effects Council's water supply activities have on our district's wellbeing.

Wellbeing	Positive effects	Potential Negative effects
Social	<ul style="list-style-type: none"> <li>• Promotes public health through the availability of a potable water supply.</li> <li>• Water is available for fire fighting purposes.</li> </ul>	<ul style="list-style-type: none"> <li>• Disease can be transmitted through reticulated networks.</li> <li>• Cost of treating water to comply with higher standards.</li> </ul>
Economic	<ul style="list-style-type: none"> <li>• Water supply can allow for a more intensive use of property.</li> <li>• The availability of safe water supply is essential for industrial, commercial and stock consumption. This could also attract industry into the district and promote economic growth.</li> </ul>	<ul style="list-style-type: none"> <li>• Restricted or low quality water supply can impact on economic activity.</li> <li>• Higher water charges may adversely impact on industries considering expansion/ relocation to the Clutha District.</li> <li>• Wasted water is not available for use by others</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>• Council manages the potential negative environmental effects by adhering to the relevant legislation standards and policies.</li> </ul>	<ul style="list-style-type: none"> <li>• Accidental discharge of water chemicals into local watercourses.</li> <li>• Smell and noise from treatment plants.</li> <li>• Effect of excessive abstractions on aquatic fauna and flora.</li> </ul>
Cultural	<ul style="list-style-type: none"> <li>• Mahika kai (traditional food sources) and the mauri of water are protected by ensuring sufficient water remains at the source to sustain life.</li> </ul>	<ul style="list-style-type: none"> <li>• The mixing of water from different catchments is not favoured.</li> </ul>

## Progress made 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 completed 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 Assistance Programme, minimising the impact on rates. These upgrades have improved water quality and have helped improve compliance with drinking water standards.

Council held non-binding referenda in conjunction with the 2007 local body elections regarding fluoridation of some urban water supplies. Over half of residents in Kaitangata, Milton and Tapanui supported fluoridating their water supply to help improve their oral health. In 2010/11 these towns joined Balclutha in having their water supplies fluoridated. The installation of fluoridation equipment was funded by the Ministry of Health, with the ongoing operational costs being paid for through water rates in the respective communities.

# What we're aiming for

Key measures that Council uses to gauge its performance.

## Urban Water Supply

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
Water services that sustainably support the community and economy	To provide water supplies in 11 urban areas throughout the district	Urban supplies provide a continuous and reliable source of water to consumers	Customer satisfaction - pressure and flow	70%	71%	72%	73%	75%
		Provide a water supply adequate for firefighting	Average number of properties per fire hydrant	5.9	6.2	6.2	6.2	6.2

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
Water services that sustainably support the community and economy	To improve, promote and protect public health	Water from Council-provided schemes is safe to drink	Customer satisfaction with taste and cleanliness	44%	52%	53%	54%	55%
			Urban customers who receive water that meets <sup>#</sup> the NZ Drinking Water Standards 2005.	100%	100%	100%	100%	100%

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
Water services that sustainably support the community and economy	To provide efficient and effective infra-structural services	Urban water schemes are managed efficiently and effectively	% of customer requests for service resolved within specified timeframes*	89%	90%	90%	90%	90%

<sup>#</sup> "Meets" means either full compliance with the standards, or that 'all practicable steps' have been taken (i.e. that an approved Public Health Management Plan is in place). Refer to Section 69V of the Health (Drinking Water) Amendment Act 2007.

\* Specified timeframes vary according to the nature of the request for service. For example the specified time for emergency call-outs is 2 hours, compared with 5 working days for minor leaks that are not likely to affect supply or cause property damage.



# Rural Water Supply

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
Water services that sustainably support the community and economy	To meet levels of service agreed with Rural Water Scheme committees	Rural water schemes provide a continuous and reliable source of water to consumers	Customer satisfaction with pressure and flow	63%	60%	61%	62%	65%

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
Water services that sustainably support the community and economy	To improve, promote and protect public health	Water from Council-provided schemes is safe to drink	Customer satisfaction with taste and cleanliness	43%	50%	51%	52%	55%
			Rural scheme customers who receive water that meets <sup>#</sup> the NZ Drinking Water Standards 2005.	99%	100%	100%	100%	100%
			% of new water demand met units applied	99%	≥80%	≥80%	≥80%	≥80%

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
Water services that sustainably support the community and economy	To provide efficient and effective infra-structural services	Rural water schemes are managed efficiently and effectively	% of customer requests for service resolved within specified timeframes*	93%	≥80%	≥80%	≥80%	≥80%

<sup>#</sup> "Meets" means either full compliance with the standards, or that 'all practicable steps' have been taken (i.e. that an approved Public Health Management Plan is in place). Refer to Section 69V of the Health (Drinking Water) Amendment Act 2007.

\* Specified timeframes vary according to the nature of the request for service. For example the specified time for emergency call-outs is 2 hours, compared with 5 working days for minor leaks that are not likely to affect supply or cause property damage.

## What needs to happen to maintain current levels of service?

### Maintenance and operations

Council has a five-year contract in place for the operation and maintenance of its water services. Council also outsources professional services that are not already available in-house by engaging consultants on a project-by-project basis as required.

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.

All of Council's water supplies 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. From 2012/13 the share that each scheme pays will be updated to reflect changes in the resources that each scheme requires. This will mean that some water schemes will pay a lower share than in the past (Kaka Point, Owaka, Waihola and South Bruce), while others will pay more (Balclutha, Balmoral 1, Glenkenich and North Bruce). This update of cost distribution is in keeping with Council's general objective that the cost of a service is funded by those who benefit from that service.

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 (pipes etc) 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. Council intends to self-insure underground assets at the level of \$50,000 a year from 2013/14 - the earliest we can withdraw from our existing underground insurance policy.

See the 'Key Issues' section for further explanation of these cost changes for water services and how they will impact rates.

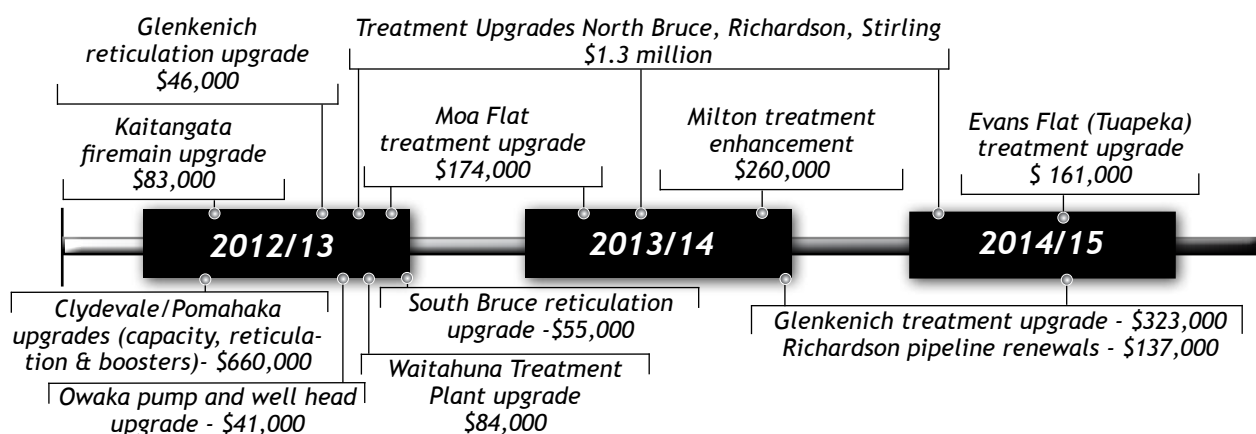
### Renewals and replacements

Generally, most of the water supply assets are in good condition. A schedule of renewals is programmed for all schemes. Non-routine renewals are mentioned in the 'Community Summary' sections under the appropriate rating area. Of these, the more significant renewals required over the next ten years include;

- Rising main renewals for Balmoral 1 (\$193,000), Glenkenich (\$116,000) and Tuapeka (\$178,000) in 2016/17.
- Pipeline renewals on the North Bruce (\$65,000 in 2012/13) and Richardson schemes (\$137,000 in 2013/14 and 2014/15).

## What improvements or changes are planned?

### Projects of note for Water Supply



## Improving Water Quality and Compliance with Drinking Water Standards

The government requires Council to “take all practicable steps” to meet new drinking water standards, introduced in 2005 . This means that Council is undertaking treatment upgrades across all urban and rural water schemes.

Upgrades on the Balclutha, Kaitangata, Lawrence and Tapanui water supplies have been undertaken over the past three years with varying levels of funding assistance from the Ministry of Health’s Capital Assistance Programme. Milton’s new Water Treatment Plant also fully complies 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 are less deprived and because of the high proportion of stock-water use in the case of rural water schemes. A total of \$2.5 million has been budgeted for treatment upgrades.

Since opening in 2008, the new Milton treatment plant has had some difficulty in producing enough treated water when the river is in flood. River conditions during flood events have been worse than was expected when the plant was designed, meaning that additional treatment may be required to enable the plant to produce sufficient volumes of water during these events. Council is considering the options available, including the possibility of utilising the old treatment plant as a pre-treatment facility. A budget of \$260,000 has been included in 2013/14 for potential pre-treatment.

### Capacity Upgrades

A major upgrade of capacity on the Clydevale-Pomahaka rural water scheme is proposed for 2012/13. A budget of \$600,000 has been 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. A smaller reticulation upgrade is scheduled for the South Bruce scheme in 2012/13 to provide for increased demand in the Kaitangata area.

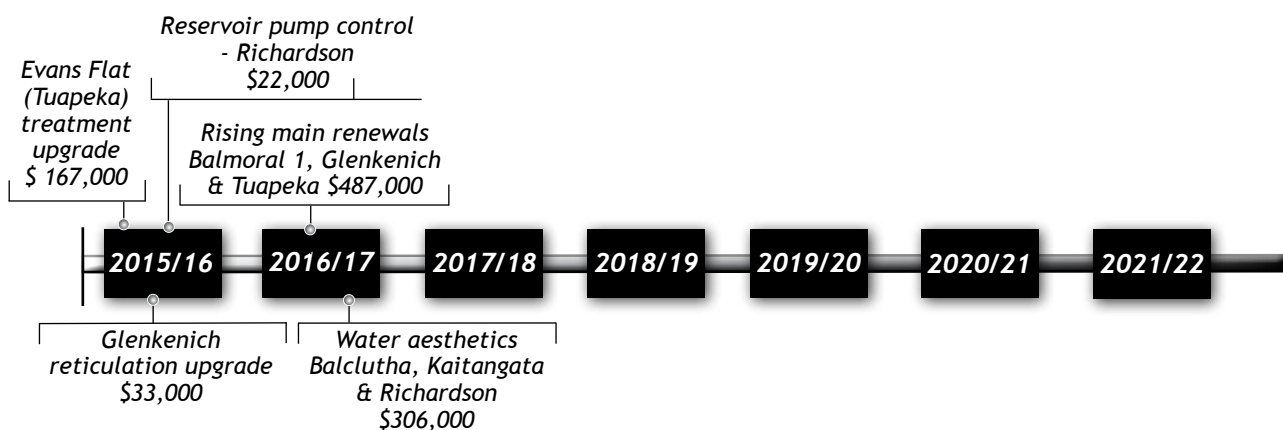
Proposed changes to the Otago Regional Water Plan would impose restrictions on dairy expansion, and the outcome of these changes will be followed closely by Council before either of these capacity upgrades are confirmed.

### 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 \$306,000 in 2016/17 for taste and odour improvements in case these issues continue.

### Kaitangata Firemain

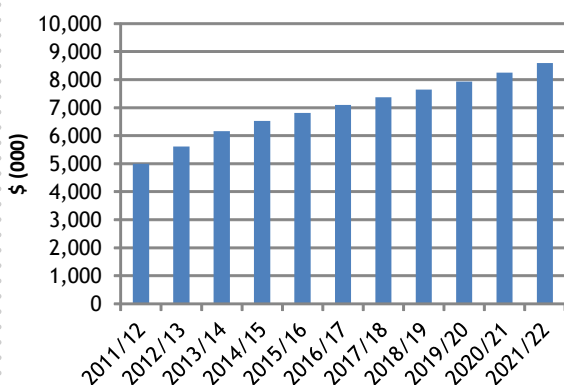
Council will be upgrading the water pressure in some areas of Kaitangata in 2012/13, to ensure that the pressure is suitable for fire-fighting purposes. This project is estimated to cost approximately \$83,000.



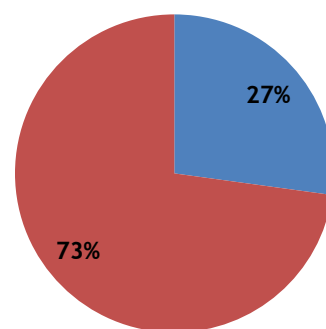
# What it costs for Water Supply

(All in \$000's)	ANNUAL PLAN	FORECAST Years 1 -3		
	2011/12	2012/13	2013/14	2014/15
<b>Sources of Operating Funding</b>				
General rates, UAGC's, rates penalties	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	6,069	5,722	6,038	6,357
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>6,069</b>	<b>5,722</b>	<b>6,038</b>	<b>6,357</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	(3,247)	(3,416)	(3,553)	(3,683)
Finance costs	(250)	(263)	(306)	(316)
Internal charges and overheads applied	(633)	(574)	(588)	(607)
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>(4,130)</b>	<b>(4,254)</b>	<b>(4,448)</b>	<b>(4,605)</b>
<b>Surplus (deficit) of operating funding</b>	<b>1,940</b>	<b>1,469</b>	<b>1,590</b>	<b>1,752</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt <small>(internal debt)</small>	344	770	165	(208)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>344</b>	<b>770</b>	<b>165</b>	<b>(208)</b>
<b>Applications of capital funding</b>				
Capital expenditure to meet additional demand	0	(655)	0	0
Capital expenditure to improve the level of service	(2,539)	(1,119)	(1,040)	(717)
Capital expenditure to replace existing assets	(567)	(520)	(471)	(654)
(Increase) decrease in reserves	8	(95)	(1)	20
(Increase) decrease of investments	815	150	(244)	(193)
<b>Total applications of capital funding</b>	<b>(2,283)</b>	<b>(2,239)</b>	<b>(1,755)</b>	<b>(1,544)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(1,940)</b>	<b>(1,469)</b>	<b>(1,590)</b>	<b>(1,752)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Rates for Water Supply



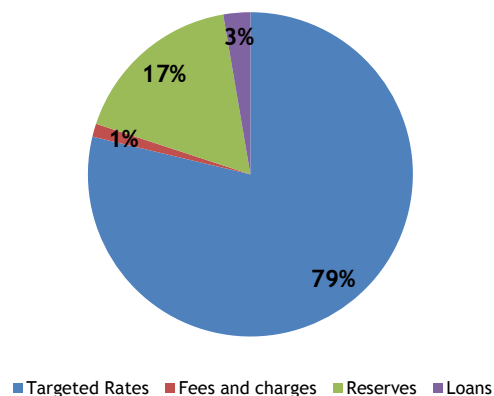
## % of rates spent on Water Supply



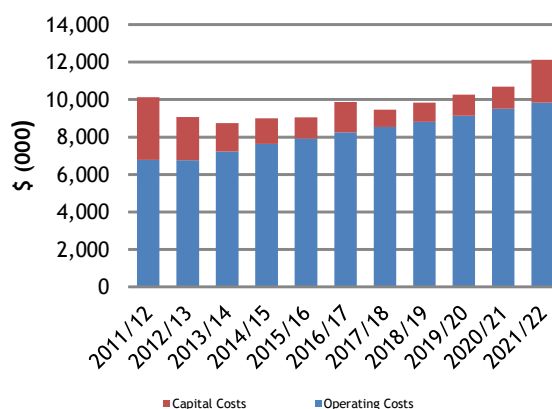
■ Water Supply ■ Other Activities

FORECAST Years 4 -10							
15/16	16/17	17/18	18/19	19/20	20/21	21/22	(All in \$000's)
							<b>Sources of Operating Funding</b>
0	0	0	0	0	0	0	General rates, UAGCs, rates penalties
6,606	6,887	7,132	7,379	7,652	7,949	8,261	Targeted rates (other than a targeted rate for water supply)
0	0	0	0	0	0	0	Subsidies and grants for operating purposes
0	0	0	0	0	0	0	Fees, charges and targeted rates for water supply
0	0	0	0	0	0	0	Internal charges and overheads recovered
0	0	0	0	0	0	0	Fuel tax, fines, infringement fees and other receipts
6,606	6,887	7,132	7,379	7,652	7,949	8,261	<b>Total operating funding</b>
							<b>Applications of operating funding</b>
(3,846)	(4,024)	(4,189)	(4,351)	(4,531)	(4,736)	(4,950)	Payments to staff and suppliers
(305)	(294)	(282)	(271)	(258)	(245)	(174)	Finance costs
(621)	(644)	(659)	(672)	(694)	(717)	(740)	Internal charges and overheads applied
0	0	0	0	0	0	0	Other operating funding applications
(4,771)	(4,962)	(5,131)	(5,294)	(5,483)	(5,698)	(5,864)	<b>Total applications of operating funding</b>
1,834	1,925	2,001	2,084	2,169	2,251	2,396	<b>Surplus (deficit) of operating funding</b>
							<b>Sources of capital funding</b>
0	0	0	0	0	0	0	Subsidies and grants for capital expenditure
0	0	0	0	0	0	0	Development and financial contributions
(218)	(219)	(229)	(242)	(255)	(258)	841	Increase (decrease) in debt <small>(internal debt)</small>
0	0	0	0	0	0	0	Gross proceeds from sale of assets
0	0	0	0	0	0	0	Lump sum contributions
(218)	(219)	(229)	(242)	(255)	(258)	841	<b>Total sources of capital funding</b>
							<b>Applications of capital funding</b>
0	0	0	0	0	0	0	Capital expenditure to meet additional demand
(365)	(365)	(72)	(93)	(77)	(80)	(105)	Capital expenditure to improve the level of service
(757)	(1,263)	(846)	(916)	(1,035)	(1,094)	(2,181)	Capital expenditure to replace existing assets
15	8	5	(5)	(14)	(6)	(78)	(Increase) decrease in reserves
(510)	(86)	(858)	(828)	(789)	(813)	(873)	(Increase) decrease of investments
(1,616)	(1,706)	(1,772)	(1,842)	(1,914)	(1,993)	(3,237)	<b>Total applications of capital funding</b>
(1,834)	(1,925)	(2,001)	(2,084)	(2,169)	(2,251)	(2,396)	<b>Surplus (deficit) of capital funding</b>
0	0	0	0	0	0	0	<b>Funding balance</b>

How Water Supply is funded



Where the money is spent



# Sewerage

## What we do

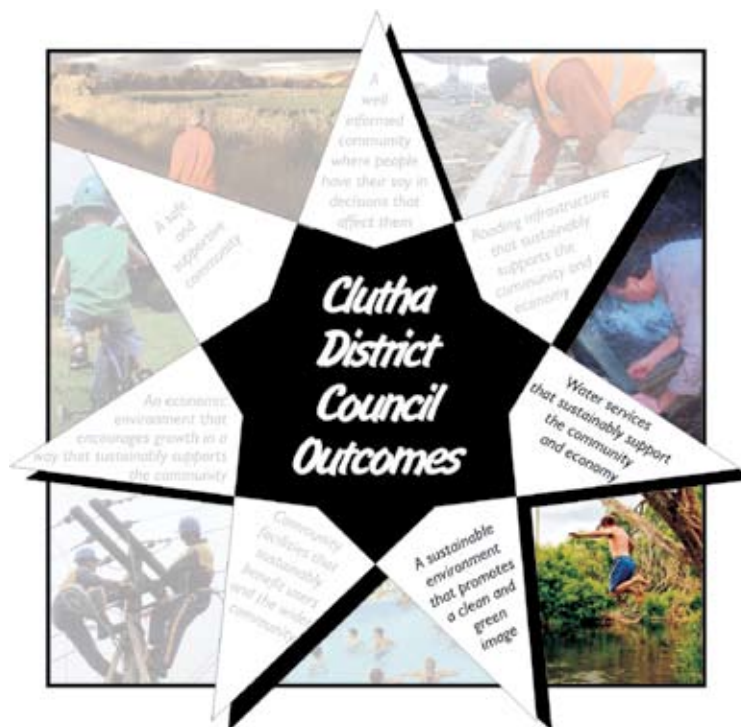
Council collects, treats and disposes of domestic sewage and tradewaste discharges via 11 public sewerage schemes. These schemes service the townships of Balclutha, Clinton, Heriot, Kaitangata, Kaka Point, Lawrence, Milton, Owaka, Stirling, Tapanui and Waihola. Extensions to the Balclutha and Milton schemes are underway to serve the townships of Benhar and Tokoiti respectively.

Table - Sewerage Asset Information

Asset Overview	Asset value	Population served	Properties serviced
<ul style="list-style-type: none"> <li>• 11 schemes</li> <li>• 158 km of sewers</li> <li>• 24 pump stations</li> <li>• 1 treatment plant</li> <li>• 5 oxidation ponds</li> <li>• 5 oxidation ponds plus biofiltro</li> <li>• 2 wetlands</li> </ul>	\$ 36 million	9,423 (56% of the district's population)	4,828

## Why we do it

The safe disposal of sewerage ensures public and environmental health. Council considers this to be a core function of local government. Sewerage primarily contributes to the outcomes “water services that sustainably support the community and economy” and “a sustainable environment that promotes a clean and green image.”



## Significant effects

The significant effects Council's sewerage activities have on our district's wellbeing.

Wellbeing	Positive effects	Potential Negative effects
Social	<ul style="list-style-type: none"> <li>• Appropriate collection and disposal of sewerage protects public health.</li> <li>• Essential for larger communities to function.</li> </ul>	<ul style="list-style-type: none"> <li>• Cost of treating wastewater to comply with higher discharge standards.</li> </ul>
Economic	<ul style="list-style-type: none"> <li>• Sewerage services can allow for a more intensive use of property.</li> <li>• Sewerage disposal is essential for many industrial, and commercial activities.</li> <li>• Affordable and efficient reticulated networks can enable development and promote economic growth.</li> </ul>	<ul style="list-style-type: none"> <li>• Cost of treating sewage to comply with higher discharge standards.</li> <li>• Restricted collection and treatment capacity can impact on residential and economic development.</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>• Sewerage treatment and disposal protects the natural environment.</li> </ul>	<ul style="list-style-type: none"> <li>• Spills and overflows of untreated sewage.</li> <li>• Smell and noise from treatment plants.</li> </ul>
Cultural	<ul style="list-style-type: none"> <li>• Mahika kai (traditional food sources) and the mauri of water are protected.</li> </ul>	<ul style="list-style-type: none"> <li>• Disposal of sewage effluent direct to water is not favoured.</li> </ul>

## Progress made during the past three years

Council has faced additional and tighter conditions when renewing discharge consents for sewerage schemes. This has meant that treatment facilities on five sewerage schemes (Kaka Point, Lawrence, Owaka, Stirling and Tapanui) have been required over the past three years. 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. These upgrades have resulted in Council being granted 35 year consents for each for each of the five schemes meaning that consumers have peace of mind that further (and potentially expensive) treatment upgrades will not be required for many years to come.

In the past neither Benhar (near Balclutha) nor Tokoiti (near Milton) had public sewerage systems. Most properties had onsite septic tanks which in many cases were not working properly and were posing environmental and public health risks. Council has worked with the Benhar and Tokoiti communities to establish new reticulated sewerage schemes to address these serious issues. The new schemes will become extensions to the Balclutha and Milton schemes and will be operational from in 2012/13. While the cost of the new schemes is not insignificant, financial support from other ratepayers and the adoption of a rates postponement policy for those in financial hardship will help mitigate the financial impact.

# What we're aiming for

Key measures that Council uses to gauge its performance for sewerage.

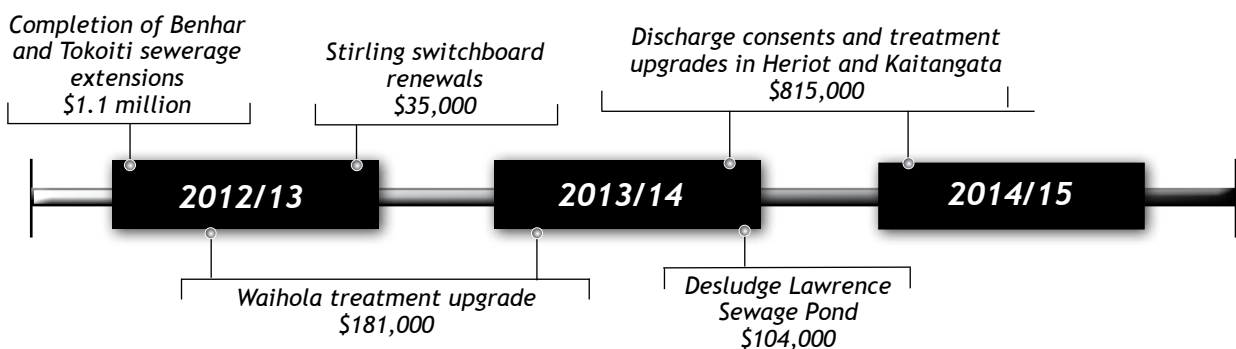
## Sewerage

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
Water services that sustainably support the community and economy	Provide sewerage services	Provide sewerage services that effectively collect and dispose of sewage	Reported blockages/year/100km of sewer*	10.7	≤14.0	≤14.0	≤14.0	≤14.0
			Customer satisfaction	88%	≥85%	≥85%	≥85%	≥85%
Water services that sustainably support the community and economy	By aiming to provide efficient and effective infra-structural services	Sewerage schemes are managed efficient and effectively	Customer requests for service resolved within specified timeframes <sup>#</sup>	84%	≥85%	≥85%	≥85%	≥85%
A sustainable environment that promotes a clean and green image	By aiming to manage sewage in a sustainable manner	Meet sustainability/resource consent requirements	% Resource consent conditions met	84%	100%	100%	100%	100%

\* There can be variation in this result from year to year, depending on the number of blockages. However, Council intends to perform at least or better than the national average of 14.0 blockages per 100km of sewer.

<sup>#</sup> Specified timeframes vary according to the nature of the request for service. For example the specified time for emergency call-outs is 2 hours, compared with 5 working days for minor leaks that are not likely to affect supply or cause property damage.

## Projects of note for Sewerage





# What needs to happen to maintain current levels of service?

## Maintenance and operations

Council has a five-year contract in place for the operation and maintenance of its water services. Council also outsources professional services that are not already available in-house by engaging consultants on a project-by-project basis as required.

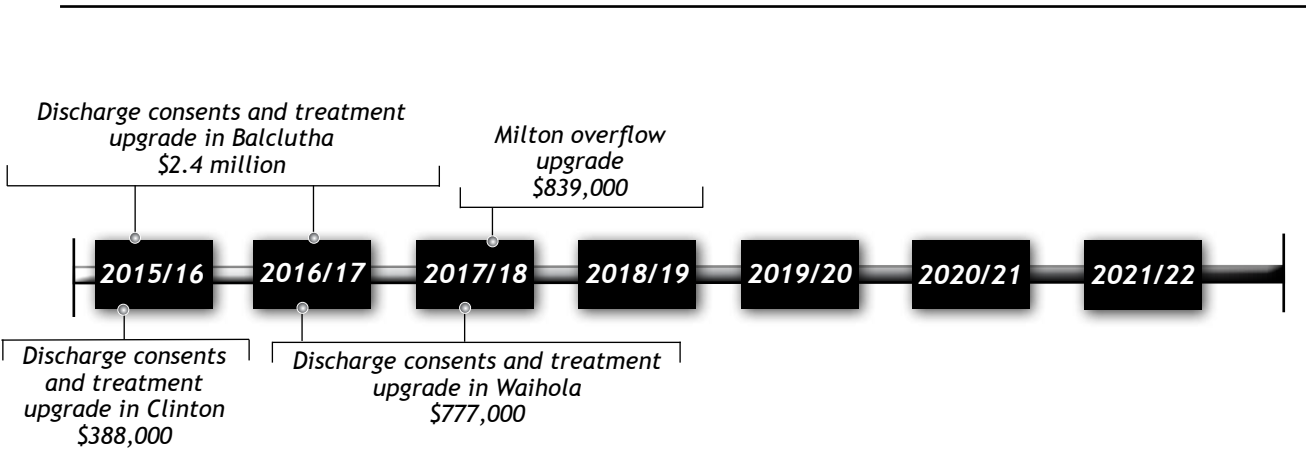
All of Council’s sewerage schemes are operated under the Water Services operations and maintenance contract. The cost of the contract is split across all schemes based on the time and resources the contractor spends on each scheme. From 2012/13 the share that each scheme pays will be updated to reflect changes in the resources that each scheme requires. This will mean that some sewerage schemes will pay a lower share than in the past (Balclutha, Kaka Point and Owaka), while others will pay more (Clinton, Milton and Waihola). This update of cost distribution is in keeping with Council’s general objective that the cost of a service is funded by those who benefit from that service.

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 (pipes etc) 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. Council intends to self-insure underground assets at the level of \$50,000 a year from 2013/14 - the earliest we can withdraw from our existing underground insurance policy.

## Renewals and replacements

Generally, most of Council’s sewerage assets are in good condition. This has been confirmed by CCTV assessment of a proportion of the pipelines and will be repeated periodically. A schedule of renewals is programmed for all schemes. Renewals are different from improvements or upgrades which are discussed on in the following section.



## What improvements or changes are planned?

### 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 this will mean Council will need to consider costly upgrade options to meet increasingly stringent conditions.

Treatment upgrades are planned for the Heriot, Kaitangata (\$225,000 and \$590,000 budgeted respectively across 2013/14 and 2014/15), Clinton (\$388,000 budgeted across 2014/15 and 2015/16) and Balclutha (\$2.44 million budgeted across 2015/16 and 2016/17) schemes, in order for new discharge consents 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 \$839,000 to ensure that 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. However, this discharge has at times been struggling to meet conditions of the existing consent and treatment upgrades will be required over the first two years of the plan to ensure these conditions can be met. Council has budgeted \$181,000 for this work. The current discharge consent expires in 2017 and it is highly likely that further work will be required at this stage for further treatment upgrades, as more additional consent conditions are very likely. A further \$777,000 has been budgeted for this upgrade over 2016/17 and 2017/18. If investigations show that it is more affordable to complete a major upgrade within the next two years, this will be considered.

### Tradewaste Bylaw

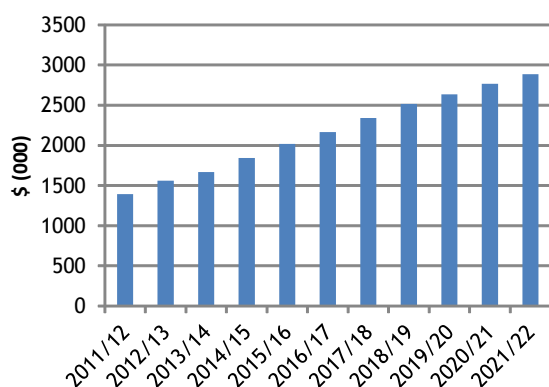
Council will continue development of a tradewaste bylaw to protect our effluent treatment systems and make sure that large users are paying their fair share of costs for running these schemes. Consultation with affected parties will occur over the next year and Council currently intends to include a draft bylaw in the next Draft Annual Plan (2013/14) for public consultation.



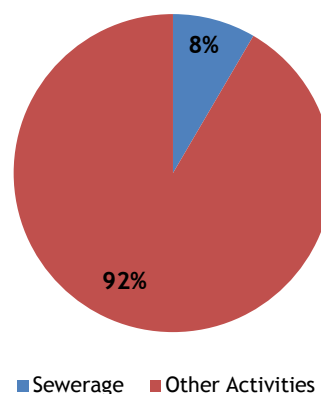
# What it costs for Sewerage

(All in \$000's)	ANNUAL PLAN	FORECAST Years 1 -3		
	2011/12	2012/13	2013/14	2014/15
<b>Sources of Operating Funding</b>				
General rates, UAGC's, rates penalties	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	1,393	1,561	1,691	1,844
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	97	444	120	120
Internal charges and overheads recovered	0	200	88	162
Fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>1,490</b>	<b>2,206</b>	<b>1,899</b>	<b>2,127</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	(562)	(754)	(707)	(819)
Finance costs	(129)	(188)	(186)	(189)
Internal charges and overheads applied	(288)	(297)	(305)	(314)
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>(979)</b>	<b>(1,240)</b>	<b>(1,198)</b>	<b>(1,323)</b>
<b>Surplus (deficit) of operating funding</b>	<b>512</b>	<b>966</b>	<b>701</b>	<b>804</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt <sup>(Internal debt)</sup>	1,814	735	17	172
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>1,814</b>	<b>735</b>	<b>17</b>	<b>172</b>
<b>Applications of capital funding</b>				
Capital expenditure to meet additional demand	0	0	0	0
Capital expenditure to improve the level of service	(2,113)	(1,271)	(94)	(753)
Capital expenditure to replace existing assets	(54)	(72)	(146)	(101)
(Increase) decrease in reserves	64	68	132	112
(Increase) decrease of investments	(222)	(426)	(612)	(235)
<b>Total applications of capital funding</b>	<b>(2,326)</b>	<b>(1,701)</b>	<b>(719)</b>	<b>(976)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(512)</b>	<b>(966)</b>	<b>(701)</b>	<b>(804)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Rates for Sewerage

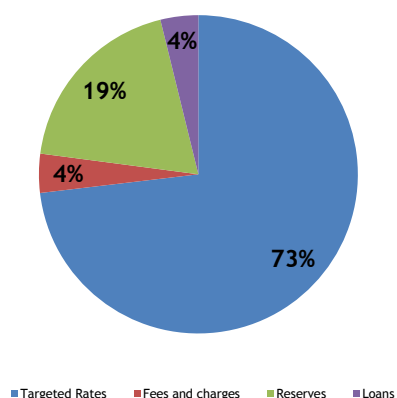


## % of rates spent on Sewerage

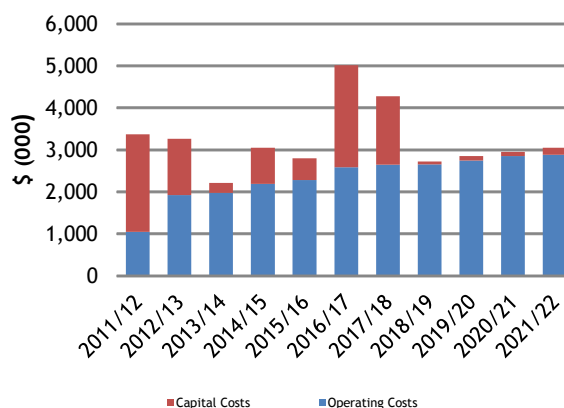


FORECAST Years 4 -10							
15/16	16/17	17/18	18/19	19/20	20/21	21/22	(All in \$000's)
							<b>Sources of Operating Funding</b>
0	0	0	0	0	0	0	General rates, UAGCs, rates penalties
2,082	2,204	2,390	2,575	2,679	2,779	2,862	Targeted rates (other than a targeted rate for water supply)
0	0	0	0	0	0	0	Subsidies and grants for operating purposes
121	121	83	53	54	55	56	Fees, charges and targeted rates for water supply
137	332	251	115	122	129	111	Internal charges and overheads recovered
0	0	0	0	0	0	0	Fuel tax, fines, infringement fees and other receipts
2,340	2,657	2,724	2,743	2,855	2,962	3,029	<b>Total operating funding</b>
							<b>Applications of operating funding</b>
(844)	(1,098)	(1,092)	(1,008)	(1,051)	(1,100)	(1,078)	Payments to staff and suppliers
(197)	(194)	(190)	(211)	(209)	(207)	(204)	Finance costs
(322)	(334)	(342)	(348)	(359)	(371)	(383)	Internal charges and overheads applied
0	0	0	0	0	0	0	Other operating funding applications
(1,363)	(1,626)	(1,624)	(1,567)	(1,620)	(1,678)	(1,665)	<b>Total applications of operating funding</b>
976	1,031	1,100	1,176	1,236	1,284	1,364	<b>Surplus (deficit) of operating funding</b>
							<b>Sources of capital funding</b>
0	0	0	0	0	0	0	Subsidies and grants for capital expenditure
0	0	0	0	0	0	0	Development and financial contributions
(113)	120	473	(110)	(113)	(114)	(145)	Increase (decrease) in debt <sup>(internal debt)</sup>
0	0	0	0	0	0	0	Gross proceeds from sale of assets
0	0	0	0	0	0	0	Lump sum contributions
(113)	120	473	(110)	(113)	(114)	(145)	<b>Total sources of capital funding</b>
							<b>Applications of capital funding</b>
0	0	0	0	0	0	0	Capital expenditure to meet additional demand
(134)	(2,373)	(1,557)	0	0	0	0	Capital expenditure to improve the level of service
(387)	(57)	(70)	(75)	(105)	(104)	(168)	Capital expenditure to replace existing assets
29	(27)	(63)	(69)	(90)	(98)	(132)	(Increase) decrease in reserves
(372)	1,306	117	(922)	(927)	(968)	(919)	(Increase) decrease of investments
(864)	(1,151)	(1,574)	(1,066)	(1,122)	(1,170)	(1,219)	<b>Total applications of capital funding</b>
(976)	(1,031)	(1,100)	(1,176)	(1,236)	(1,284)	(1,364)	<b>Surplus (deficit) of capital funding</b>
0	0	0	0	0	0	0	<b>Funding balance</b>

How Sewerage is funded



Where the money is spent



# Stormwater

## What we do

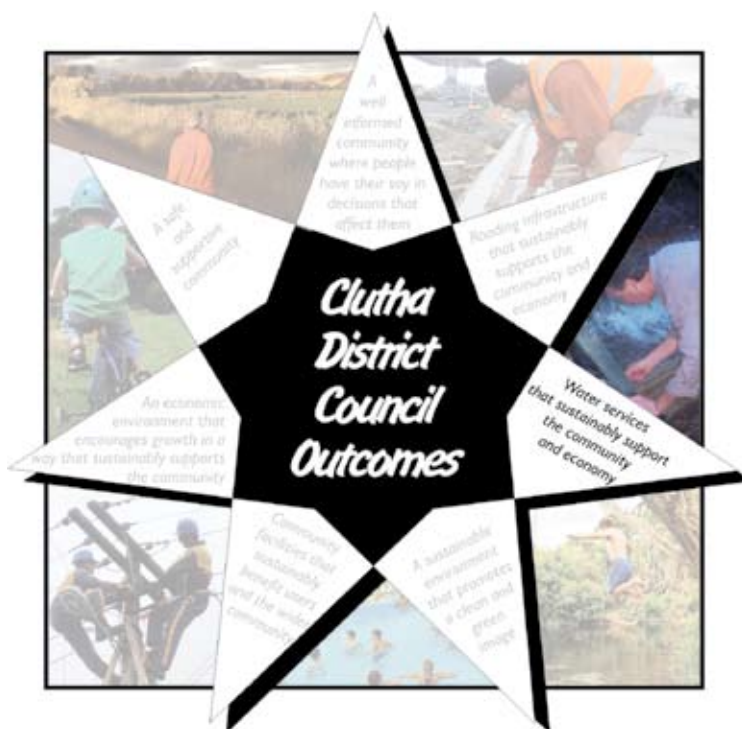
Council provides for the drainage of stormwater via nine community stormwater drainage reticulation schemes. These drainage schemes are located in Balclutha, Clinton, Kaitangata, Kaka Point, Lawrence, Milton, Owaka and Tapanui. Council also provides minor stormwater infrastructure in Stirling, Waiholo, Palmer Place (Taieri Mouth), Pounaweia and Papatowai.

Table - Stormwater Asset Information

Asset Overview	Asset value	Population served	Properties serviced
<ul style="list-style-type: none"> <li>• 9 systems</li> <li>• 84 km of pipes</li> <li>• 4 pumping stations</li> </ul>	\$ 11 million	9,054 (54% of the district's population)	4,141

## Why we do it

Council provides stormwater services to protect property from flood damage. Stormwater primarily contributes to the community outcome “water services that sustainably support the community and economy.”



## Significant effects

The significant effects Council's stormwater activities have on our district's wellbeing.

Wellbeing	Positive effects	Potential Negative effects
Social	<ul style="list-style-type: none"> <li>An efficient stormwater drainage system reduces the potential for health problems in a community and limits damage to property by flooding.</li> </ul>	<ul style="list-style-type: none"> <li>Flooding can have significant social implications for those affected</li> <li>Flooding can have adverse public health effects.</li> </ul>
Economic	<ul style="list-style-type: none"> <li>Stormwater services can allow for a more intensive use of property.</li> <li>Reduces the incidence of flooding, helping protect property and income.</li> </ul>	<ul style="list-style-type: none"> <li>Costs associated with flood damage.</li> <li>Restricted capacity can impact on residential and economic development.</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>Council manages the potential negative environmental effects by adhering to the relevant legislation standards and policies (e.g. RMA).</li> </ul>	<ul style="list-style-type: none"> <li>Polluted stormwater affecting the health of the receiving waters.</li> </ul>
Cultural	<ul style="list-style-type: none"> <li>The mauri of water is protected by ensuring sufficient water remains at the source to sustain life.</li> </ul>	<ul style="list-style-type: none"> <li>The mixing of water from different catchments is not favoured.</li> </ul>

## Progress made during the past three years

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 during the past three years. These upgrades included a pump station which boosts the capacity of the existing drainage system by emptying outlet ends of the drains even when the river is high. A new floodbank was also constructed, preventing the river from entering drains and protecting some low-lying properties. A drainage swale was also constructed to divert surface water towards drains.

The combined effect of these works has been to substantially reduce the flooding risk in south-east Milton.

# What we're aiming for

Key measures that Council uses to gauge its performance.

## Stormwater

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR					
Water services that sustainably support the community and economy	Provide stormwater services	By providing a level of protection against the effects of flooding in reticulated areas	Customer satisfaction	10/11 (actual)	12/13	13/14	14/15	15/16 21/22	
				69%	≥65%	≥66%	≥67%	≥70%	
COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR					
Water services that sustainably support the community and economy	By aiming to provide efficient and effective infra-structural services	By managing stormwater systems efficiently and effectively	Customer requests for service resolved within specified timeframes*	10/11 (actual)	12/13	13/14	14/15	15/16 21/22	
				78%	≥80%	≥80%	≥80%	≥80%	

\* Specified timeframes vary according to the nature of the request for service. For example the specified time for emergency call-outs is 2 hours, compared with 5 working days for minor leaks that are not likely to affect supply or cause property damage.



# What needs to happen to maintain current levels of service?

## Maintenance and operations

Council has a five-year contract in place for the operation and maintenance of its water services. 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. From 2012/13 the share that each scheme pays will be updated to reflect changes in the resources that each scheme requires. As a result of this change, all stormwater schemes will receive a saving in operations and maintenance costs.

## Renewals and replacements

Generally, most of the water services assets are in good condition. This is because many systems are relatively young at 20-30 years. The exceptions to this are older systems in some of the townships. A schedule of renewals is programmed for all schemes.

# What improvements or changes are planned?

## Milton Upgrade and Extension

In recent years Council has invested heavily in upgrading the Milton stormwater scheme to reduce surface flooding events. A further \$52,000 is budgeted to be spent in 2013/14 on additional upgrades and extensions to address some remaining issues.

## Balclutha Investigations

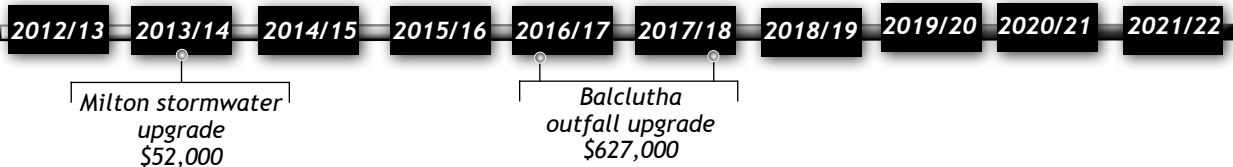
Council is planning to investigate options for the future of the stormwater system in the Balclutha flat area, where ponding during wet weather has been an issue in the past. A budget for potential implementation of reticulation and outfall upgrades has been included in 2017/18 and is subject to the outcome of the investigations, currently planned for 2016/17.

## Future Increased Standards

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 have indicated that this issue is part of their review of the Regional Plan: Water and it is expected that further treatment of stormwater flows into our rivers and streams will be required in the future. Council will monitor the proposed plan changes but these may require additional treatment for some stormwater discharges.

# Projects of note for Stormwater

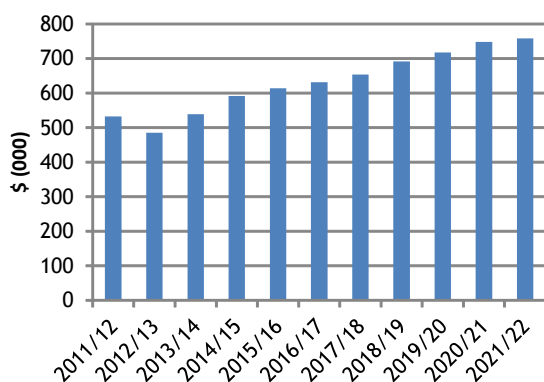
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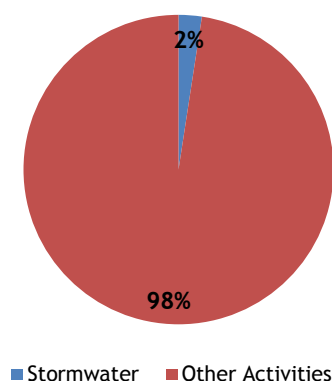
# What it costs for Stormwater

(All in \$000's)	ANNUAL PLAN	FORECAST Years 1 -3		
	2011/12	2012/13	2013/14	2014/15
<b>Sources of Operating Funding</b>				
General rates, UAGC's, rates penalties	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	554	520	563	617
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>554</b>	<b>520</b>	<b>563</b>	<b>617</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	(116)	(91)	(95)	(99)
Finance costs	(41)	(38)	(36)	(33)
Internal charges and overheads applied	(183)	(188)	(193)	(199)
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>(341)</b>	<b>(318)</b>	<b>(324)</b>	<b>(331)</b>
<b>Surplus (deficit) of operating funding</b>	<b>214</b>	<b>202</b>	<b>239</b>	<b>286</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt <small>(internal debt)</small>	(37)	(45)	(47)	(50)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>(37)</b>	<b>(45)</b>	<b>(47)</b>	<b>(50)</b>
<b>Applications of capital funding</b>				
Capital expenditure to meet additional demand	0	0	0	0
Capital expenditure to improve the level of service	(76)	(15)	(52)	0
Capital expenditure to replace existing assets	(46)	(68)	(79)	(79)
(Increase) decrease in reserves	49	51	21	(1)
(Increase) decrease of investments	(104)	(125)	(82)	(156)
<b>Total applications of capital funding</b>	<b>(177)</b>	<b>(157)</b>	<b>(192)</b>	<b>(237)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(214)</b>	<b>(202)</b>	<b>(239)</b>	<b>(286)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Rates for Stormwater

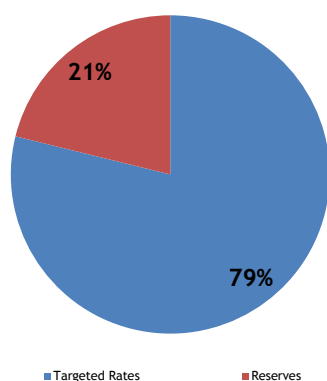


## % of rates spent on Stormwater

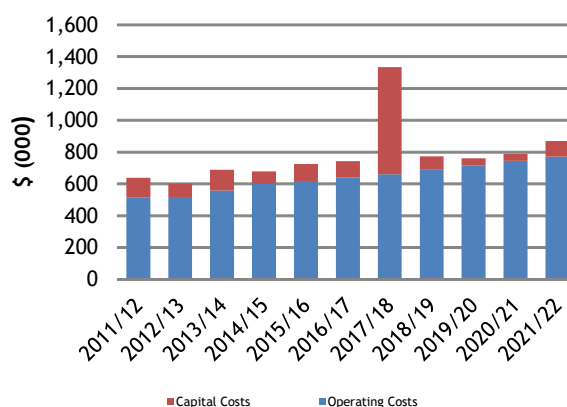


FORECAST Years 4 -10							
15/16	16/17	17/18	18/19	19/20	20/21	21/22	(All in \$000's)
							<b>Sources of Operating Funding</b>
0	0	0	0	0	0	0	General rates, UAGCs, rates penalties
639	669	691	724	748	776	804	Targeted rates (other than a targeted rate for water supply)
0	0	0	0	0	0	0	Subsidies and grants for operating purposes
0	0	0	0	0	0	0	Fees, charges and targeted rates for water supply
0	0	0	0	0	0	0	Internal charges and overheads recovered
0	0	0	0	0	0	0	Fuel tax, fines, infringement fees and other receipts
639	669	691	724	748	776	804	<b>Total operating funding</b>
							<b>Applications of operating funding</b>
(103)	(108)	(112)	(116)	(121)	(127)	(132)	Payments to staff and suppliers
(31)	(28)	(26)	(24)	(22)	(20)	(15)	Finance costs
(203)	(211)	(216)	(220)	(227)	(235)	(242)	Internal charges and overheads applied
0	0	0	0	0	0	0	Other operating funding applications
(337)	(347)	(354)	(360)	(370)	(381)	(390)	<b>Total applications of operating funding</b>
302	322	337	363	378	395	414	<b>Surplus (deficit) of operating funding</b>
							<b>Sources of capital funding</b>
0	0	0	0	0	0	0	Subsidies and grants for capital expenditure
0	0	0	0	0	0	0	Development and financial contributions
(52)	(36)	(38)	(41)	(43)	(45)	(34)	Increase (decrease) in debt <sup>(internal debt)</sup>
0	0	0	0	0	0	0	Gross proceeds from sale of assets
0	0	0	0	0	0	0	Lump sum contributions
(52)	(36)	(38)	(41)	(43)	(45)	(34)	<b>Total sources of capital funding</b>
							<b>Applications of capital funding</b>
0	0	0	0	0	0	0	Capital expenditure to meet additional demand
(17)	(29)	(599)	(19)	0	0	(21)	Capital expenditure to improve the level of service
(89)	(73)	(74)	(62)	(45)	(45)	(78)	Capital expenditure to replace existing assets
(3)	(20)	(20)	(29)	(33)	(38)	(36)	(Increase) decrease in reserves
(140)	(163)	394	(213)	(257)	(267)	(246)	(Increase) decrease of investments
(250)	(286)	(299)	(323)	(336)	(350)	(380)	<b>Total applications of capital funding</b>
(302)	(322)	(337)	(363)	(378)	(395)	(414)	<b>Surplus (deficit) of capital funding</b>
0	0	0	0	0	0	0	<b>Funding balance</b>

### How Stormwater is funded



### Where the money is spent



# Solid Waste Management

## What we do

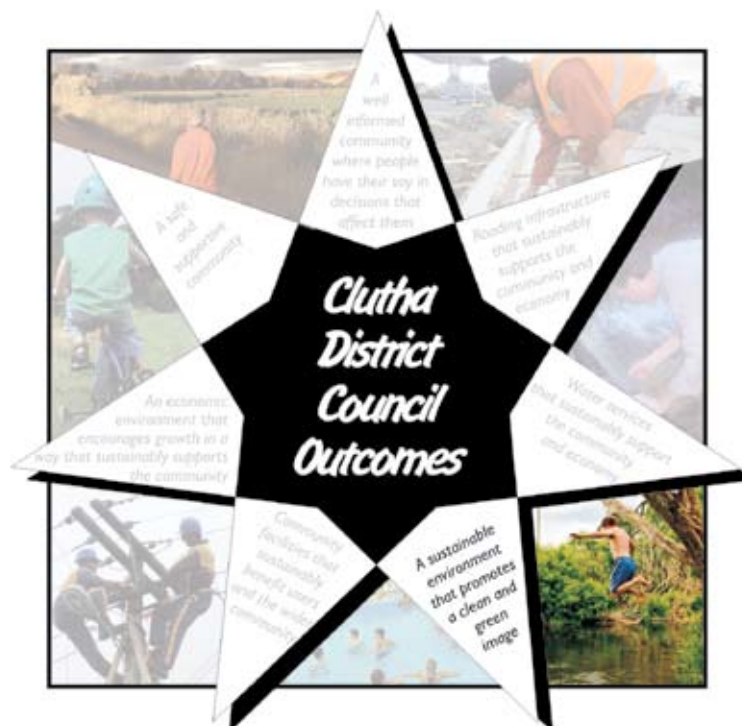
Council oversees the management and minimisation of solid waste within the district. These activities include;

- Operating a sanitary landfill and recycling drop-off depot for the district at Mt Cooee 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/skip services which are collected on a weekly basis in Clinton, Clydevale, Lawrence, Milton, Owaka, Tapanui and Taieri Mouth.
- Providing coin-operated “Jack Trash” bin at Papatowai.
- Providing a skip service at Maclennan that is collected on an as-needed basis.
- Monitoring and maintaining 19 closed tip sites throughout the district.
- Provide waste 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 sustainably managed.

Council’s Solid Waste Management activities primarily contribute towards the outcome; “A sustainable environment that promotes a clean, green image.”



## What are the significant effects of Solid Waste Management?

Wellbeing	Positive effects	Potential Negative effects
Social	<ul style="list-style-type: none"> <li>• Promotes community health, safety and wellbeing.</li> </ul>	<ul style="list-style-type: none"> <li>• Risk of physical injury to users of the landfill.</li> </ul>
Economic	<ul style="list-style-type: none"> <li>• Having a clean, tidy district provides greater appeal for visitors.</li> </ul>	<ul style="list-style-type: none"> <li>• Not self funding and landfill charges may be too expensive.</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>• Protection and enhancement of our environment.</li> <li>• Clean water and air by encouraging waste minimisation and environmental practices.</li> <li>• Sustainable land use by making sure that refuse is disposed of in a safe and sustainable manner.</li> </ul>	<ul style="list-style-type: none"> <li>• Potential for littering and dumping elsewhere due to landfill charges.</li> <li>• Effects of landfilling including the occupation of land, non biodegradable matter, methane and leachate generation.</li> </ul>
Cultural	<ul style="list-style-type: none"> <li>• Protection of culturally sensitive land and water services.</li> <li>• Not seen as a wasteful society.</li> </ul>	<ul style="list-style-type: none"> <li>• Potential for littering and dumping rubbish elsewhere (and destroying public image) due to landfill charges.</li> </ul>

## Progress made over the past three years

Council's solid waste management activity has developed significantly over the past three years with a growing emphasis placed on waste minimisation. This has involved Council employing a Waste Minimisation Officer and introducing drop-off facilities for recyclables throughout the district and an EnviroSchools programme at a number of schools throughout the district. Council is now rolling out a new kerbside recycling collection service. This service is being delivered alongside the existing household residual waste wheelie bin service, with each bin being collected fortnightly, on alternate weeks.

# What we're aiming for

Key measures that Council uses to gauge its performance.

## Solid Waste Management

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
A sustainable environment that promotes a clean and green image	To provide an environmentally sustainable and hygienic refuse service	Provide a kerbside refuse and recycling collection service to townships and along service routes	Resident satisfaction with the wheelie bin service	90%	≥80%	≥80%	≥85%	≥90%
			Tonnes of recyclables collected	101	450	500	550	600
A sustainable environment that promotes a clean and green image	To provide an environmentally sustainable and hygienic refuse service	Provide waste minimisation education	% of schools who take part in the EnviroSchools programme	20%	24%	32%	40%	40%
			% of residents aware of at least two things people can do to reduce the waste they produce	55%	70%	75%	80%	90%
A sustainable environment that promotes a clean and green image	To provide an environmentally sustainable and hygienic refuse service	Provide a facility in the district for the disposal of solid waste	Resident satisfaction with Mt Cooe landfill	72%	≥60%	≥55%	≥50%	≥50%
			Tonne of waste to Mt Cooe landfill	12,000	11,600	11,200	10,800	9,600
			Tonne of waste diverted from Mt Cooe landfill	101	550	650	700	900

## What needs to happen to maintain current levels of service?

### Maintenance and operations

The 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.

### Renewals and replacements

The major council-owned assets involved with Solid Waste Management are the wheelie bins and the Mt Cooee landfill. Replacement of wheelie bins is managed through the solid waste contract.

Stormwater pipeline remediation at Mt Cooee is planned for 2013/14. This will eliminate the very low levels of contamination of the Clutha River and ensure that consent conditions are met. Existing consents to operate Mt Cooee as an open landfill expire in 2023 and it is expected that the cost to achieve new consents will be too prohibitive to renew. It is likely that a transfer station will be built in its place and the remaining residual waste be compacted and transported to a larger viable regional landfill site.

## What improvements or changes are planned?

### Emissions Trading Scheme

From 1 January 2013 landfills become part of the government's Emissions Trading Scheme. This means Council will have to purchase carbon credits for each tonne of waste that is dumped at Mt Cooee. It is estimated that this will result in increased operating costs of \$157,000 in 2012/13, rising to almost \$500,000 a year by the end of the plan. The wheelie bin rate and Mt Cooee user fees will have to rise to cover these costs and this is expected to reduce customer satisfaction levels for Mt Cooee.

The introduction of the new kerbside recyclables collection will reduce the waste going to landfill - and thus the cost of our carbon emissions. Council will continue to work with its solid waste service providers to investigate options for reducing Council's liability and costs under the Emissions Trading Scheme, including the potential to extend free recycling drop off facilities through the district.

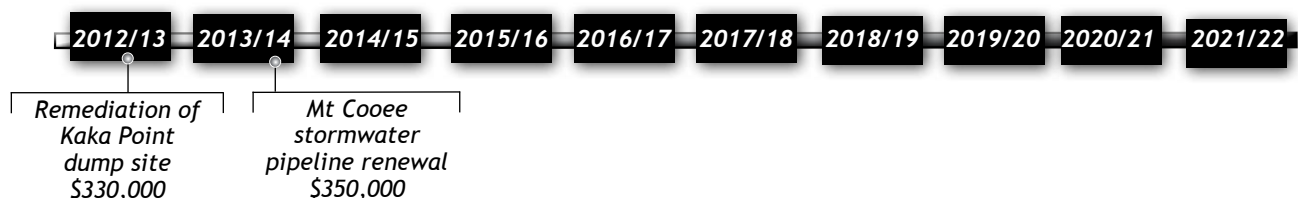
### Kaka Point dump site remediation

Since its closure in the early 1980's the old Kaka Point dump site, 1km north of the township has been exposed through erosion by the sea. This has resulted in dangerous waste being unearthed and deposited on the foreshore. Tests have also shown elevated levels of metals in the soil. The ongoing erosion of the site is expected to continue to exacerbate the environmental impacts including exposing further hazards to beach users and the discharge of contaminants into the natural environment.

Although the dump site was never operated by Council or its predecessors, the majority of the site is on Council owned road reserve and as such, Council has reluctantly assumed responsibility to resolve the issues the site is facing.

A number of options for the managing site were investigated in 2010, with the preferred option being the removal of the waste from the site and to dispose of it at Mt Cooee landfill. However, the cost of this was estimated to be approximately \$1 million. Council applied to the Ministry for the Environment to help with funding this cost, but was declined. Since then further investigations into a more affordable option, protecting the site from further erosion, have been undertaken. This is estimated to cost approximately \$330,000, and has been budgeted to occur in 2012/13.

## Projects of note for Solid Waste Management



## Waste Management and Minimisation Plan

For a number of years Council's waste management services involved the operation of a sanitary landfill, Mt Cooe, 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. A Waste Minimisation Officer has been employed, free drop-off facilities for recyclables have been introduced throughout the district and fortnightly kerbside collection of recyclables began in April 2012. Council's involvement in waste minimisation education has also increased including facilitating the EnviroSchools programme at schools throughout the district.

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 Waste Management and Minimisation Plan. These include providing free recycling collections to schools and non-profit early childhood centres on existing collection routes, investigating the ways to reduce greenwaste disposed of to landfill and evaluating options for e-waste collections. 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. If additional funding is required in the future this would be consulted on through future Annual or Long Term Plans.

From 1 July 2012, the way that customers are charged to use the Mt Cooe landfill will change. All landfill users will now pay by weight rather than their vehicle type. This is a much fairer way to charge landfill users and reflects that ETS and waste levy costs are based on weight not volume.

Council has also decided to introduce a discount for customers who divert their greenwaste from landfill at Mt Cooe. From 1 July 2012, landfill users will pay 50% less when they deposit their greenwaste in the designated area than they would to dump it at the tip-face. This will help reduce the amount of waste going to landfill and therefore ETS and waste levy costs.

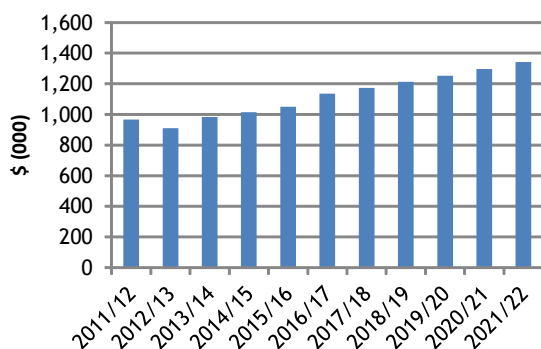




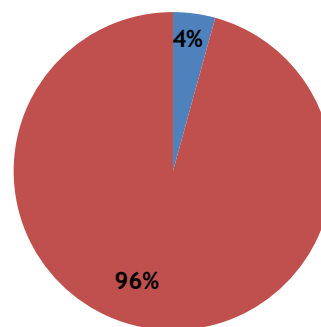
# What it costs for Solid Waste Management

(All in \$000's)	ANNUAL PLAN	FORECAST Years 1 -3		
	2011/12	2012/13	2013/14	2014/15
<b>Sources of Operating Funding</b>				
General rates, UAGC's, rates penalties	0	60	62	64
Targeted rates (other than a targeted rate for water supply)	1,070	850	922	952
Subsidies and grants for operating purposes	60	60	62	64
Fees, charges and targeted rates for water supply	353	444	576	648
Internal charges and overheads recovered	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>1,484</b>	<b>1,416</b>	<b>1,624</b>	<b>1,729</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	(1,217)	(1,105)	(1,252)	(1,292)
Finance costs	0	0	(18)	(17)
Internal charges and overheads applied	(221)	(254)	(257)	(267)
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>(1,437)</b>	<b>(1,360)</b>	<b>(1,527)</b>	<b>(1,576)</b>
<b>Surplus (deficit) of operating funding</b>	<b>46</b>	<b>57</b>	<b>97</b>	<b>153</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt <small>(internal debt)</small>	(15)	330	(7)	(7)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>(15)</b>	<b>330</b>	<b>(7)</b>	<b>(7)</b>
<b>Applications of capital funding</b>				
Capital expenditure to meet additional demand	0	0	0	0
Capital expenditure to improve the level of service	0	(330)	(361)	0
Capital expenditure to replace existing assets	(21)	(22)	(22)	(23)
(Increase) decrease in reserves	12	4	333	(82)
(Increase) decrease of investments	(22)	(38)	(40)	(41)
<b>Total applications of capital funding</b>	<b>(31)</b>	<b>(386)</b>	<b>(90)</b>	<b>(146)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(46)</b>	<b>(57)</b>	<b>(97)</b>	<b>(153)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Rates for Solid Waste Management



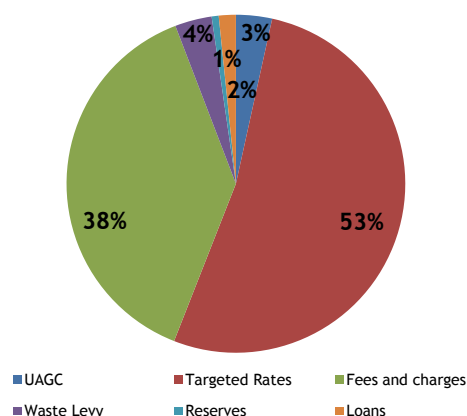
## % of rates spent on Solid Waste Management



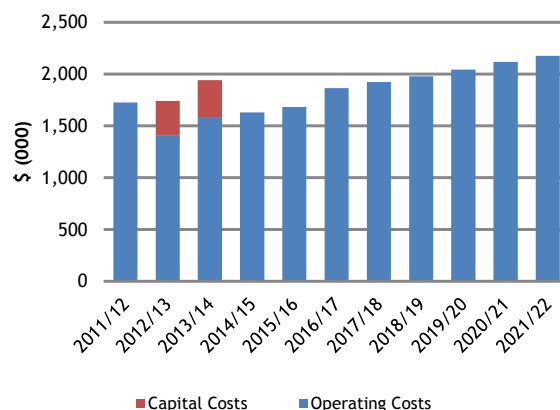
■ Solid Waste Management ■ Other Activities

FORECAST Years 4 -10							
15/16	16/17	17/18	18/19	19/20	20/21	21/22	(All in \$000's)
							<b>Sources of Operating Funding</b>
66	68	71	73	76	78	81	General rates, UAGCs, rates penalties
984	1,066	1,102	1,139	1,176	1,219	1,261	Targeted rates (other than a targeted rate for water supply)
66	68	70	73	78	80	81	Subsidies and grants for operating purposes
725	823	851	879	908	941	976	Fees, charges and targeted rates for water supply
0	0	0	0	0	0	0	Internal charges and overheads recovered
0	0	0	0	0	0	0	Fuel tax, fines, infringement fees and other receipts
1,843	2,028	2,097	2,166	2,238	2,318	2,399	<b>Total operating funding</b>
							<b>Applications of operating funding</b>
0	0	0	0	0	0	0	Payments to staff and suppliers
(1,336)	(1,503)	(1,554)	(1,605)	(1,659)	(1,718)	(1,778)	Finance costs
(17)	(17)	(16)	(16)	(15)	(15)	0	Internal charges and overheads applied
(272)	(285)	(291)	(295)	(306)	(317)	(328)	Other operating funding applications
0	0	0	0	0	0	0	
(1,625)	(1,805)	(1,862)	(1,916)	(1,979)	(2,050)	(2,106)	<b>Total applications of operating funding</b>
218	223	235	250	258	268	293	<b>Surplus (deficit) of operating funding</b>
							<b>Sources of capital funding</b>
0	0	0	0	0	0	0	Subsidies and grants for capital expenditure
0	0	0	0	0	0	0	Development and financial contributions
(8)	(8)	(8)	(9)	(9)	(10)	(25)	Increase (decrease) in debt <sup>(internal debt)</sup>
0	0	0	0	0	0	0	Gross proceeds from sale of assets
0	0	0	0	0	0	0	Lump sum contributions
(8)	(8)	(8)	(9)	(9)	(10)	(25)	<b>Total sources of capital funding</b>
							<b>Applications of capital funding</b>
0	0	0	0	0	0	0	Capital expenditure to meet additional demand
0	0	0	0	0	0	0	Capital expenditure to improve the level of service
(24)	(25)	(26)	(26)	(27)	(28)	(29)	Capital expenditure to replace existing assets
(144)	(147)	(156)	(168)	(174)	(180)	(187)	(Increase) decrease in reserves
(42)	(44)	(45)	(47)	(48)	(50)	(52)	(Increase) decrease of investments
(210)	(215)	(227)	(241)	(249)	(258)	(268)	<b>Total applications of capital funding</b>
(218)	(223)	(235)	(250)	(258)	(268)	(293)	<b>Surplus (deficit) of capital funding</b>
0	0	0	0	0	0	0	<b>Funding balance</b>

How Solid Waste Management is funded



Where the money is spent



# Community Services

## 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 which involves:

- A district library network consisting of a central library in Balclutha, four branch libraries in Lawrence, Milton, Owaka and Tapanui and voluntary community libraries in Waihola and Waitahuna.
- Service centres, which provide a local link to Council departments are located in Balclutha, Lawrence, Milton, Owaka and Tapanui (Lawrence, Milton, Owaka and Tapanui also incorporate a branch of the Clutha District Library network).
- An “iSite” service at the Balclutha Service Centre, which handles nationwide bookings for tourists and locals.
- Provision of financial assistance to the Lawrence and Milton information centres, which are community owned and operated.

### SWIMMING POOLS which 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 (These grants are included in the community support budget under the Community Leadership section).

### PARKS, RESERVES, PLAYGROUNDS & SPORTSGROUNDS which 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 which involves:

- Maintaining and operating halls in Balclutha and Kaitangata.
- Providing financial assistance for 12 rural 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, Waihola, 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, Paretai, Romahapa, Tahakopa, Taieri Mouth, Tuapeka Mouth, Tuapeka West, Waikoikoi and Tapanui.

### PUBLIC CONVENIENCES which 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).

*Council provides community spaces and facilities, such as libraries, pools, halls and parks and reserves, throughout the district. These facilities provide for the health and wellbeing of our communities.*

**CEMETERIES** which 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, Waikoiko, 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** which 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 offsetting rates.
- 400 hectares of plantation forestry which is managed as a long term investment.

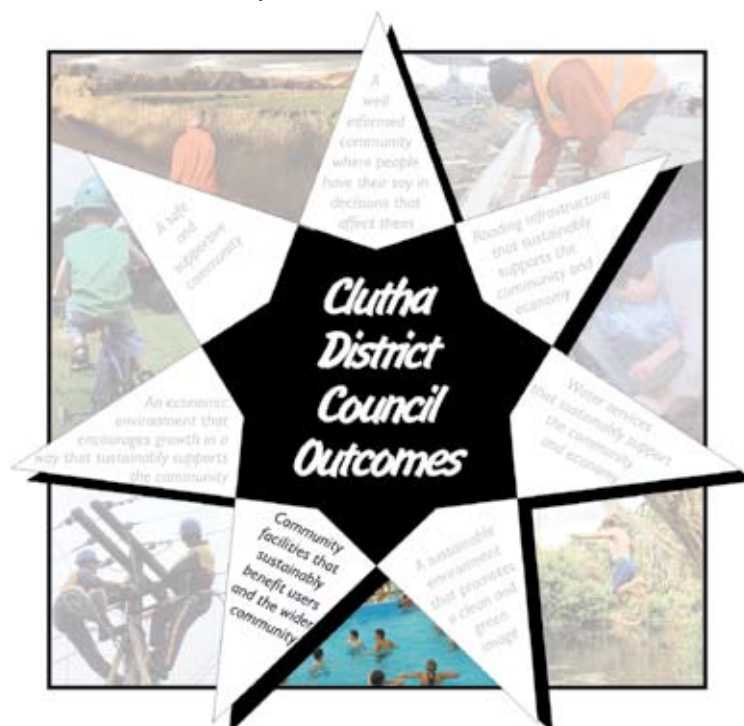
**CROSS RECREATION CENTRE** which involves:

- Funding \$2.5 million towards the cost of constructing the multi-use Cross Recreation Centre in Balclutha and providing an operating grant of \$20,000 a year in 2011/12 and 2012/13 and \$10,000 a year over 2013/14 to 2015/16.

## 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.

Wellbeing	Positive effects	Potential Negative effects
Social	<ul style="list-style-type: none"> <li>• Provision of libraries provides access to education and lifelong learning opportunities and improves equity and promotes social inclusion and cohesion.</li> <li>• Parks, reserves, sportsgrounds and playgrounds provide places for people to meet, play sport, and enjoy the outdoors.</li> <li>• Parks and pools also promote health and wellbeing by providing access to outdoor areas and/or physical activity.</li> <li>• Affordable and comfortable community housing provides health benefits for residents.</li> </ul>	<ul style="list-style-type: none"> <li>• No significant negative effects identified.</li> </ul>
Economic	<ul style="list-style-type: none"> <li>• Council community housing provides affordable housing to low income residents.</li> <li>• Efficient provision of important recreational facilities.</li> </ul>	<ul style="list-style-type: none"> <li>• Most of the activities in this group rely heavily on rates funding, with only a portion of the costs being funded by direct users.</li> <li>• There are increasing costs for maintaining community housing. Planned improvements to the units are expected to be funded via rental income and external grants.</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>• Parks and reserves can serve to protect conservation areas and preserve native flora and fauna.</li> </ul>	<ul style="list-style-type: none"> <li>• A potential negative effect is contamination from swimming pool chemicals. This is monitored carefully.</li> </ul>
Cultural	<ul style="list-style-type: none"> <li>• This group of facilities provides for recreational, sporting and cultural activities.</li> <li>• Libraries help to preserve and access local and national history.</li> </ul>	<ul style="list-style-type: none"> <li>• No significant negative effects identified.</li> </ul>

## Progress made during the past three years

Residents have raised a number of issues with Council’s swimming pools in recent years. Key concerns have included the standard of changing room facilities and water temperatures. Council is committed to addressing these issues, and has worked towards significant upgrades at the Balclutha and Milton Swimming Pools.

An upgrade to the entrance way and changing rooms at the Milton pool was completed in early 2012 resulting in a more user-friendly facility. The major upgrade of the Balclutha pool incorporated replacing the roof, walls, entrance way and changing rooms, upgrading the heating and ventilation system, reconfiguring the two pools and constructing a therapeutic pool. This upgrade is scheduled to be completed in the first half of 2012. Council expects these improvements to contribute towards improved resident satisfaction levels for our swimming pools.

In 2010/11 Council contributed \$2.5 million towards the cost of construction of the Cross Recreation Centre in Balclutha. This funded approximately half the cost of the new multi-use sporting and recreation facility. The independently owned and operated centre incorporates a gym and has five netball courts that are able to be used for other activities such as indoor hockey, soccer, tennis, basketball, volleyball and indoor cricket. Council sees the facility as being important for the district in helping to attract and retain people in the area and improving physical activity and recreation options for residents of the whole district.

# What we're aiming for

Key measures that Council uses to gauge its performance.

## Libraries

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
Community facilities that sustainably benefit users and the wider community	Optimise access to Council services	Operate accessible and affordable library services via branches in Balclutha, Lawrence, Milton, Owaka and Tapanui	Customer satisfaction with libraries	96%	≥90%	≥90%	≥90%	≥90%
			Customer satisfaction with Library opening hours	85%	≥80%	≥80%	≥80%	≥80%
			% of residents who have used a library within the past 12 months	50%	50%	50%	50%	50%

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
Community facilities that sustainably benefit users and the wider community	Optimise access to Council services	Provide a collection consisting of adult fiction, adult non-fiction, reference, children, young adult, large print, local history, newspaper, magazine, adult literacy, audio visual, talking books, media, jigsaw and electronic resource materials	Customer satisfaction with the availability of books at the libraries	88%	≥80%	≥80%	≥80%	≥80%

## Service & Information Centres

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
Community facilities that sustainably benefit users and the wider community	Optimise access to Council services	Provide accessible and affordable Council service centres in Balclutha, Lawrence, Milton and Tapanui	Resident satisfaction with service centres	95%	≥90%	≥90%	≥90%	≥90%
			% of residents who have used a service centre within the past 12 months	50%	50%	50%	50%	50%

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
Community facilities that sustainably benefit users and the wider community	Optimise access to Council services	Provide Council-run information services in Balclutha, Owaka and Tapanui along with community-contracted information	Customer service (mystery shopper) survey of information services	80%	≥80%	≥80%	≥80%	≥80%

## Swimming Pools

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
Community facilities that sustainably benefit users and the wider community	Optimise access to Council services	Operate a safe, accessible and affordable district pool in Balclutha, along with summer pools in Kaitangata, Lawrence and Milton	Number of swims	40,886	53,000	53,000	53,000	53,000
			% of residents who have visited a Council pool during the past year	29%	≥25%	≥27%	≥29%	≥32%
			% customer satisfaction	31%	≥55%	≥55%	≥55%	≥55%

## Parks, Reserves, Playgrounds & Sportsgrounds

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
Community facilities that sustainably benefit users and the wider community	Provide active and passive recreation areas	Maintain 86 hectares of parks and reserves, and provide financial assistance for a further 19 hectares that are managed by local communities	Resident satisfaction with parks and reserves	87%	≥80%	≥80%	≥80%	≥80%
			% of residents who visited a park or reserve during the year	57%	55%	55%	55%	55%

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
Community facilities that sustainably benefit users and the wider community	Provide active and passive recreation areas	Provide and maintain 18 playgrounds throughout the district	Resident satisfaction with playgrounds	82%	≥80%	≥80%	≥80%	≥80%
			% of residents who visited a playground during the year	40%	40%	40%	40%	40%

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
Community facilities that sustainably benefit users and the wider community	Provide active and passive recreation areas	Provide and maintain sportsgrounds at Balclutha, Kaitangata, Milton and Owaka	Resident satisfaction with sportsgrounds	72%	≥80%	≥80%	≥80%	≥80%



## Cemeteries

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
Community facilities that sustainably benefit users and the wider community	Provide tidy, accessible, and respectful cemeteries throughout the district	Operate and maintain 6 urban and 8 rural cemeteries throughout the district	Resident satisfaction with cemeteries	84%	≥80%	≥80%	≥80%	≥80%
			% of residents who had visited a cemetery during the year	43%	50%	50%	50%	50%

## Public Conveniences

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
Community facilities that sustainably benefit users and the wider community	Provide safe, clean and tidy public conveniences throughout the district	Provide and maintain 24 public toilets throughout the district	Resident satisfaction with toilets	51%	≥45%	≥45%	≥45%	≥45%
			% of residents who had used a public toilet during the year	49%	50%	50%	50%	50%

## Halls and Community Centres

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
Community facilities that sustainably benefit users and the wider community	Provide and support community facilities throughout the district	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	80%	≥80%	≥80%	≥80%	≥80%
			% of residents who had used a hall/community centre during the year	55%	55%	55%	55%	55%

## Community Housing

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
Community facilities that sustainably benefit users and the wider community	To provide community housing	Provide and maintain 98 community housing units throughout the district	Tenant satisfaction with housing units	100%	≥90%	≥90%	≥90%	≥90%

# What needs to happen to maintain current levels of service?

## Maintenance and operations

Maintenance for community services is carried out through a number of mediums. 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.

## Renewals and replacements

Council has an established ongoing renewals programme for community services. There are a range of renewals scheduled for the life of this plan, the more significant being outlined below. Essential replacement and renewal work for community services activities is funded from reserves and internal loan funding.

### Balclutha War Memorial Hall

There are substantial renewals and maintenance work planned for the Balclutha War Memorial Hall over the first two years of the plan. This includes 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. See the ‘What improvements or changes are planned’ section for further information. An additional \$160,000 is included in budgets for a complete external repaint of the building in 2019/20.

### Swimming Pools

Two major renewals are planned for the Milton Pool over the next ten years, including a \$108,000 filter refurbishment in 2012/13 (deferred from 2011/12), and pool repainting worth approximately \$171,000 in 2016/17. Council will be investigating whether tiling the pool instead of repainting it will be a more cost-effective option in the long-term.

The Kaitangata Pool also requires a number of significant renewals over the coming years, including a pump replacement, new pool covers and a re-paint in 2015/16 (\$150,000) and 2018/19 (\$250,000). Council will be working with the Kaitangata community to establish their preference for the ownership and operation of the swimming pool, before either of these costly renewals are committed to.

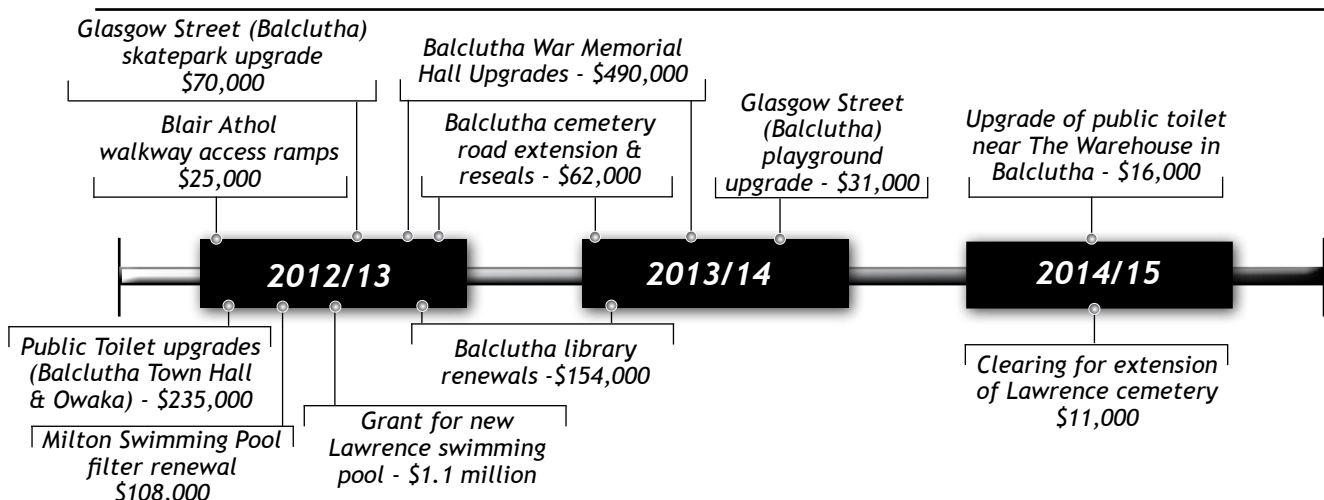
### Libraries and Service Centres

Routine renewals for library and service centre buildings will continue over the next ten years, with furniture, carpet, painting and heatpump renewals scheduled across the five sites as per Council’s depreciation schedules and known asset conditions. The most significant work planned is the replacement of carpet, ceilings and wallpaper at the Balclutha library over the first two years of the plan, at a cost of \$154,000.

### Public Conveniences

A number of Council’s public toilets will receive significant renewals and refurbishments over the next ten years. This includes an upgrade of the toilets next to the Balclutha Town Hall (\$105,000), the construction of a replacement toilet in Owaka (\$130,000) in 2012/13 and the refurbishment of the toilets near The Warehouse in Balclutha in 2014/15 (\$16,000). Council has also budgeted \$142,000 in 2016/17 for refurbishments of the Clinton, Kaitangata, Stewart Reserve (Milton) and Bushyhill Playground (Tapanui) toilets. Minor renewals are also planned for Surat Bay and Jacks Bay toilets in 2015/16 at a cost of \$17,000.

## Projects of note for Community Services



### Community Housing Units

Council has an upgrade programme underway for all community housing units. The purpose of these programmes is to ensure that our community housing units meet expectations and are suitable for the needs of tenants. As part of these plans a number of renewals are scheduled over the life of this plan and will generally occur as and when units become vacant.

## What improvements or changes are planned?

### Future of Council's swimming pools

Council has recognised that it is not sustainable for it to continue to own and operate four swimming pools throughout the district (in Balclutha, Kaitangata, Lawrence and Milton).

Council has confirmed its intention to make a loan-funded grant of up to \$1.1 million towards a new community owned and operated pool facility in Lawrence (capped at 55% of the project cost). Until the new pool opens it is 'business as usual' for the existing Council owned and operated pool in Lawrence. Once the new facility is opened (expected to be in 2013), Council's pool will close.

Kaitangata's swimming pool is facing substantial maintenance and renewal work to keep it open. Under current arrangements this would require additional funding from ratepayers. As the pool currently has low usage, Council and ratepayers need to decide whether this work is worth the cost. Council will consult with the community over the coming years to establish their preference for the ownership and operation of the town's swimming pool. This will occur before any of the major budgeted renewals for the pool are committed to.

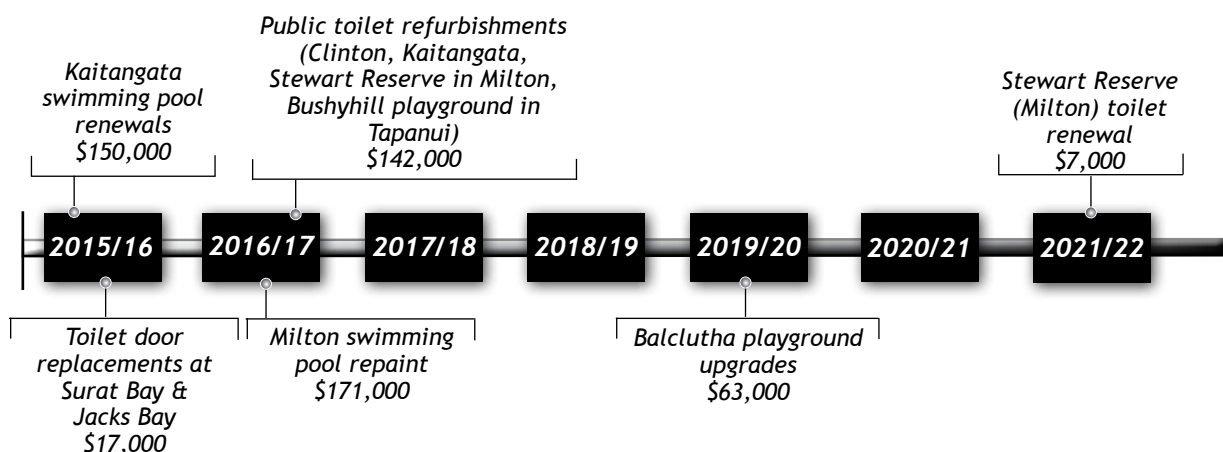
### Balclutha War Memorial Hall renewals and upgrades

A major upgrade of the Balclutha War Memorial Hall is planned over the first two years of the plan. This will include 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. The seating in the hall will also be upgraded, with options for removable 'theatre' type seating to be evaluated as part of the overall upgrade. This work is expected to bring the hall facilities up to modern standards and meet community expectations.

A budget of \$490,000 has been made for these upgrades and renewals, with external grants and/or community fundraising expected to fund at least \$40,000 (half) of the flytower upgrade costs.

### Divesting the Kaitangata War Memorial Hall

Kaitangata's War Memorial Hall is facing substantial maintenance and renewal work just to keep it open. Under current arrangements this would require additional funding from local ratepayers. Preliminary discussions with the community have indicated that divestment of the hall to an incorporated society is a possibility and a grant of \$100,000 to this group has been budgeted. While the day to day operation of the hall will be the responsibility of the new community group, rates will be used to make an annual grant to the hall owners. At this stage, Council is not planning to undertake any costly work on the hall while the future of the hall is confirmed through further consultation with the community.



## Parks and Reserves

An upgrade to the Glasgow Street (Balclutha) playground and skatepark is planned over 2012/13 and 2013/14. This will involve upgrading play equipment and installing new skatepark facilities including a new half bowl and grinding bars. A budget of \$101,000 has been included for these upgrades, with external grants and/or community fundraising expected to fund at least \$35,000 of the skatepark upgrade costs.

Construction of wheelchair access to the Blair Athol Walkway behind the War Memorial Hall and Naish Park is planned for 2012/13. A budget of \$25,000 has been included for this project. This improvement will enable members of the community with restricted mobility to access to the riverbank and the area behind the War Memorial Hall and Naish Park.

Further work on Balclutha's playgrounds has been budgeted in 2019/20. The exact projects to be undertaken will be confirmed closer to the time.

## Cemetery upgrades

An extension to the road within the Balclutha lawn cemetery is planned for 2012/13 at a cost of \$41,000. This will enable access to new beams. The remaining roads within the cemetery will be resealed at a cost of approximately \$21,000 in 2013/14, under the renewals programme.

Council is planning to spend \$11,000 on vegetation clearance at the Lawrence cemetery in 2014/15. While an extension to the cemetery is not required in the immediate future, clearing the trees in anticipation of the extension is a more cost-effective option than leaving it until a later stage.

## Cross Recreation Centre

The continued success of the Cross Recreation Centre is important for the district in helping to attract and retain people in the area and in improving physical activity and recreation opportunities for residents of the whole district.

To help ensure this success, Council has agreed to support the centre by funding the operation of a night-gate on the access road to the Riverside Reserve, to maintain the carpark and to mow the floodbank around the facility. Council has also agreed to part-fund carpark lighting and a sign at the entrance to the Riverside Reserve.

## Moore Park Toilet

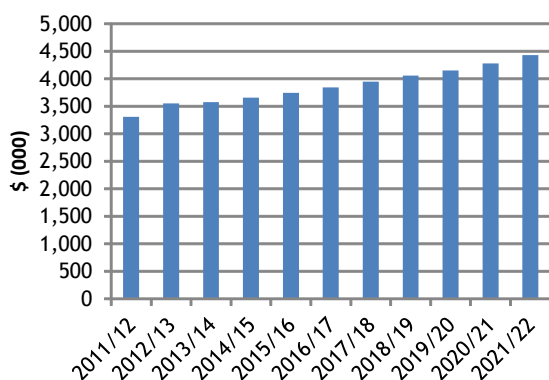
Milton Area Promotions is planning on building a cycle track at Moore Park in Milton. Council has agreed to provide \$30,000 for construction of a public toilet at the park if the community can raise the remainder of the cost (potentially around \$50,000). The toilet would have to be constructed to a design suitable to Council and Council would take responsibility for maintaining (cleaning) the facility once created.



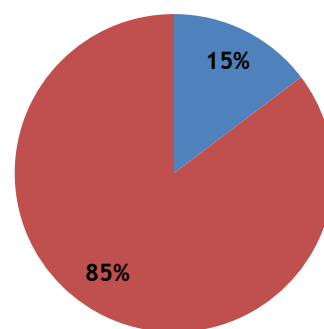
# What it costs for Community Services

(All in \$000's)	ANNUAL PLAN	FORECAST Years 1 -3		
	2011/12	2012/13	2013/14	2014/15
<b>Sources of Operating Funding</b>				
General rates, UAGC's, rates penalties	2,104	2,198	2,337	2,381
Targeted rates (other than a targeted rate for water supply)	995	1,127	1,142	1,203
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	1,050	1,218	1,081	1,115
Internal charges and overheads recovered	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>4,149</b>	<b>4,542</b>	<b>4,560</b>	<b>4,699</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	(3,389)	(3,542)	(3,023)	(3,018)
Finance costs	(340)	(564)	(595)	(595)
Internal charges and overheads applied	(474)	(437)	(447)	(464)
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>(4,204)</b>	<b>(4,544)</b>	<b>(4,065)</b>	<b>(4,077)</b>
<b>Surplus (deficit) of operating funding</b>	<b>(55)</b>	<b>(2)</b>	<b>495</b>	<b>622</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt <small>(internal debt)</small>	4,226	515	29	(184)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>4,226</b>	<b>515</b>	<b>29</b>	<b>(184)</b>
<b>Applications of capital funding</b>				
Capital expenditure to meet additional demand	0	0	0	(11)
Capital expenditure to improve the level of service	(4,219)	(238)	(124)	0
Capital expenditure to replace existing assets	0	(777)	(561)	(327)
(Increase) decrease in reserves	51	30	(1)	(20)
(Increase) decrease of investments	(4)	471	162	(80)
<b>Total applications of capital funding</b>	<b>(4,172)</b>	<b>(514)</b>	<b>(524)</b>	<b>(438)</b>
<b>Surplus (deficit) of capital funding</b>	<b>55</b>	<b>2</b>	<b>(495)</b>	<b>(622)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Rates for Community Services



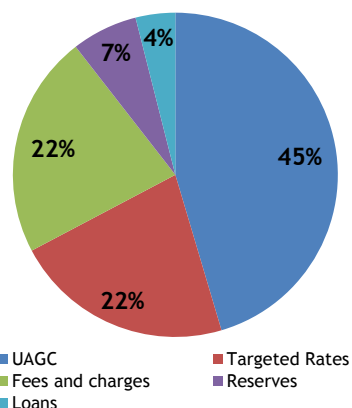
## % of rates spent on Community Services



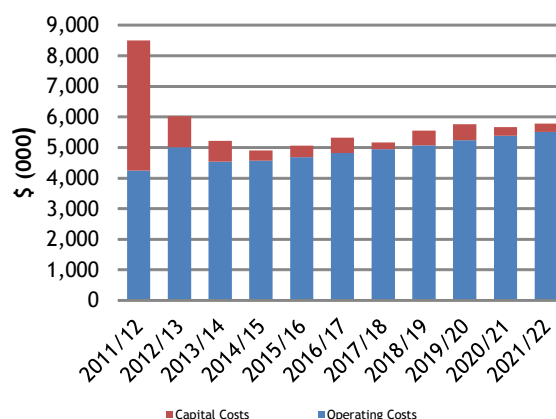
Community Services Other Activities

FORECAST Years 4 -10							
15/16	16/17	17/18	18/19	19/20	20/21	21/22	(All in \$000's)
							<b>Sources of Operating Funding</b>
2,424	2,505	2,577	2,658	2,725	2,778	2,927	General rates, UAGCs, rates penalties
1,260	1,251	1,273	1,274	1,302	1,369	1,336	Targeted rates (other than a targeted rate for water supply)
0	0	0	0	0	0	0	Subsidies and grants for operating purposes
1,153	1,194	1,234	1,397	1,317	1,365	1,413	Fees, charges and targeted rates for water supply
0	0	0	0	0	0	0	Internal charges and overheads recovered
0	0	0	0	0	0	0	Fuel tax, fines, infringement fees and other receipts
4,838	4,950	5,084	5,328	5,344	5,512	5,676	<b>Total operating funding</b>
							<b>Applications of operating funding</b>
(3,107)	(3,207)	(3,307)	(3,421)	(3,556)	(3,651)	(3,785)	Payments to staff and suppliers
(589)	(592)	(589)	(585)	(585)	(581)	(545)	Finance costs
(473)	(496)	(506)	(513)	(532)	(552)	(572)	Internal charges and overheads applied
0	0	0	0	0	0	0	Other operating funding applications
(4,169)	(4,295)	(4,402)	(4,519)	(4,673)	(4,785)	(4,901)	<b>Total applications of operating funding</b>
669	655	682	809	671	727	774	<b>Surplus (deficit) of operating funding</b>
							<b>Sources of capital funding</b>
0	0	0	0	0	0	0	Subsidies and grants for capital expenditure
0	0	0	0	0	0	0	Development and financial contributions
(54)	(141)	(142)	114	(126)	(126)	(160)	Increase (decrease) in debt <sup>(internal debt)</sup>
0	0	0	0	0	0	0	Gross proceeds from sale of assets
0	0	0	0	0	0	0	Lump sum contributions
(54)	(141)	(142)	114	(126)	(126)	(160)	<b>Total sources of capital funding</b>
							<b>Applications of capital funding</b>
0	0	0	0	0	0	0	Capital expenditure to meet additional demand
0	0	0	0	0	0	0	Capital expenditure to improve the level of service
0	(28)	0	0	0	0	(7)	Capital expenditure to replace existing assets
(377)	(477)	(220)	(473)	(522)	(281)	(270)	(Increase) decrease in reserves
(33)	(44)	(53)	(228)	(58)	(60)	(65)	(Increase) decrease of investments
(205)	36	(267)	(223)	35	(260)	(273)	
(615)	(514)	(540)	(923)	(545)	(601)	(614)	<b>Total applications of capital funding</b>
(669)	(655)	(682)	(809)	(671)	(727)	(774)	<b>Surplus (deficit) of capital funding</b>
0	0	0	0	0	0	0	<b>Funding balance</b>

### How Community Services is funded



### Where the money is spent



# Regulatory & Emergency Services

## What we do

Council has a raft of regulatory responsibilities under various Acts of Parliament. They include:

### RESOURCE MANAGEMENT which involves:

- 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 70 resource consents are processed annually.
- Carrying out monitoring, enforcement and prosecution when necessary.
- Provide Land Information Memoranda in accordance with the requirements of the Local Government Official Information and Meetings Act 1987.

### BUILDING CONTROL which involves:

- Providing advice and administering the Building Act 2004.
- 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 850 building consents annually.
- Issuing building warrants of fitness and compliance schedules.
- Investigating complaints related to unauthorised building work where necessary.

### ENVIRONMENTAL HEALTH which involves:

- Registering and inspecting premises that prepare or sell food. Approximately 130 premises are currently inspected on a risk-rating frequency of 9 to 24 months.
- 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.

### ANIMAL CONTROL which involves:

- Maintaining a register of the dogs in the district (approximately 7,000).
- Responding to complaints of wandering stock and dogs as well as barking and nuisance complaints.
- Providing impounding facilities, which are located in Balclutha.
- Providing education and advice to dog owners.
- Undertaking enforcement for non-compliance with dog control legislation and bylaws.

### LIQUOR LICENSING, which involves:

- Controlling the sale and supply of liquor via the Sale of Liquor Act 1989.
- Processing applications for on, off, club and special licenses, processing managers certificates and renewals, and monitoring licensed premises for compliance. Approximately 300 liquor licenses (licenses and renewals) are processed annually.
- Promoting the principle of host responsibility and the safe use of alcohol through seminars and customer liaison.
- Reviewing Council's sale of liquor policy regularly to ensure it reflects bylaw enforcement.



*Council has a range of regulatory responsibilities orientated towards maintaining the health and safety of residents and the sustainability of our environment.*

**RURAL FIRE** which involves;

- Supporting, training and resourcing two volunteer rural fire forces based in Papatowai and Waihola, and contracted fire crews that support NZ Fire Service volunteer brigades around the district. These forces attend and extinguish uncontrolled fires in rural areas outside gazetted urban fire districts as required.
- Issuing fire permits during the restricted fire season.
- Maintaining a Rural Fire Plan to National Rural Fire Authority requirements.
- Carrying out promotion, education and public awareness of rural fire risk.
- Managing and suppressing all rural fires, using Council staff, contractors and volunteers.

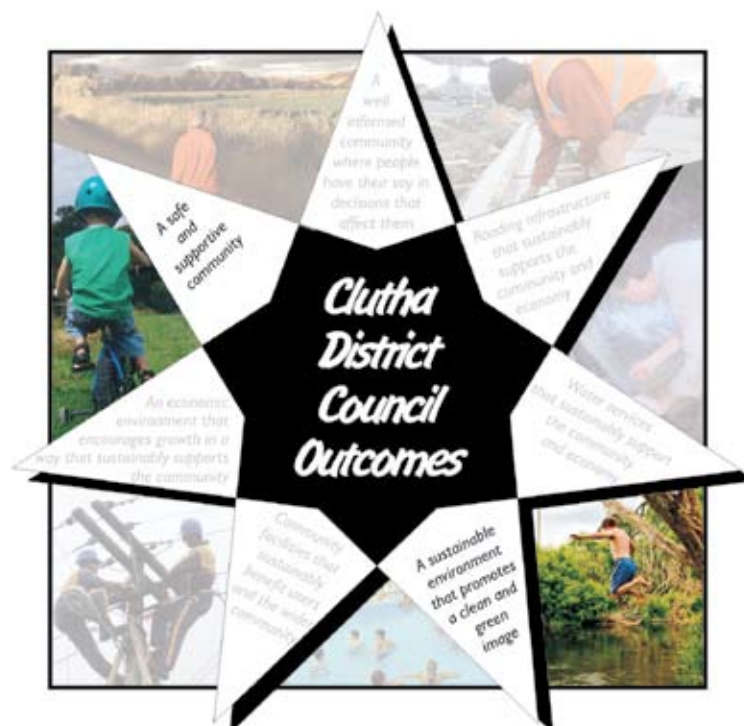
**CIVIL DEFENCE EMERGENCY MANAGEMENT** which involves;

- Working with local authorities in the Otago region to plan for hazards and maintain an Otago Group Civil Defence Emergency Management Plan, and a Clutha District Civil Defence Operational Plan.
- Maintaining systems, communications and resources that can be used during an emergency.
- Recruiting and providing Civil Defence training for a network of volunteers throughout the district.
- Promoting Civil Defence emergency awareness and personal preparedness.
- Monitoring known hazards, for example, the Clutha and Pomahaka rivers.
- Responding when actual or potential emergencies arise.
- Assisting with recovery after an event.

## Why we do it

The activities in this group are provided to ensure public health and safety, and to ensure that economic activity and development occurs in a way that does not place people or the environment at risk.

This activity group makes a primary contribution to the community outcomes “a safe and supportive community” and “a sustainable environment that promotes a clean, green image.”



## Significant effects

A summary of the significant effects Council's regulatory & emergency activities have on our district's wellbeing.

Wellbeing	Positive effects	Potential Negative effects
Social	<ul style="list-style-type: none"> <li>• Protection of public safety</li> <li>• Provides management, education and awareness for public safety, particularly the food safety, liquor licensing and building control aspects.</li> <li>• Risks and effects of natural disasters for communities are reduced.</li> </ul>	<ul style="list-style-type: none"> <li>• If legislative responsibilities are not well managed, there is the risk that social benefits will not be realised.</li> </ul>
Economic	<ul style="list-style-type: none"> <li>• Regulatory controls provide a clear framework and level playing field for all businesses.</li> <li>• Economic impacts of disaster are minimised.</li> </ul>	<ul style="list-style-type: none"> <li>• If legislative responsibilities are not well managed, there is the risk that economic benefits will not be realised.</li> <li>• When Council undertakes its regulatory activities it can cause delays and costs to members of the public and to commercial developments. 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. However, Council has a responsibility to ensure that costs and delays are kept to a minimum, and only arise where they cannot otherwise be avoided.</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>• Provide for protection of the environment, especially through resource consent and District Plan functions.</li> <li>• Environmental impacts of disaster are minimised.</li> </ul>	<ul style="list-style-type: none"> <li>• If legislative responsibilities are not well managed, there is the risk that environmental benefits will not be realised.</li> </ul>
Cultural	<ul style="list-style-type: none"> <li>• Built heritage is maintained.</li> <li>• Archaeological sites are given better recognition.</li> <li>• Civil Defence and Rural Fire both promote and support volunteering in our communities.</li> </ul>	<ul style="list-style-type: none"> <li>• If legislative responsibilities are not well managed, there is the risk that cultural benefits will not be realised.</li> </ul>

## Progress made during the past three years

Building control, environmental health, liquor licensing and resource management have been subject to a number of regulatory and legislative changes over the past three years. Council has carefully monitored progress on these changes and has submitted to central government where appropriate, to ensure that the district's interests are taken into account.

Council has also continued with its review of the District Plan, with sections on Energy and Biodiversity going through the formal plan change process. In Animal Control, Council has constructed a new dog pound in Balclutha and has taken a tighter stance on dog registration.

# What we're aiming for

Key measures that Council uses to gauge its performance.

## Resource Management

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
A sustainable environment that promotes a clean and green image	To meet the requirements of the Resource Management Act	To provide a consents service where consents are processed within statutory timeframes in an efficient manner	Non-notified resource consents processed within 20 days (statutory timeframe)*	95%	100%	100%	100%	100%
			Non-notified resource consents processed within 10 days*	49%	50%	50%	50%	50%
			Customer satisfaction with resource consent processing services	N/A	≥90%	≥90%	≥90%	≥90%

## Animal Control

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
A safe and supportive community	To meet the requirements of the Dog Control Act	Incidents are responded to in a prompt and efficient manner	Incidents investigated within 48 hours of reports being received	95%	100%	100%	100%	100%

## Environmental Health

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
A safe and supportive community	To meet the requirements of the Health Act and related legislation	By providing an environmental health inspection service that works towards a safe and healthy living	% noise complaints are responded to within 48 hours	100%	100%	100%	100%	100%

## Liquor Licensing

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
A safe and supportive community	To meet the requirements of the Sale of Liquor Act	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	100%	100%	100%	100%	100%

\* Council aims to process 50% of non-notified consent applications within 10 days and all within the 20 day period required by legislation.

## Building Control

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
A safe and supportive community	To meet the requirements of the Building Act	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	72%	≥60%	≥55%	≥50%	≥50%
			LIMs processed within 10 working days	12,000	11,600	11,200	10,800	9,600

## Rural Fire

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
A safe and supportive community	By aiming to help prevent fire outbreaks through the use of fire season and fire permits	There is timely processing of fire permits	% of fire permit applications processed within 5 working days	94%	100%	100%	100%	100%

## Civil Defence

COMMUNITY OUTCOME	COUNCIL OBJECTIVE	LEVEL OF SERVICE	PERFORMANCE MEASURE	WHAT WE ARE AIMING FOR				
				10/11 (actual)	12/13	13/14	14/15	15/16 21/22
A safe and supportive community	Maintain a level of readiness which enables a rapid response to emergency situations	Encouraging and promoting residents to be prepared for a Civil Defence emergency	% of residents who have taken steps to personally prepare for a Civil Defence emergency	53%	60%	61%	62%	70%

## What needs to happen to maintain current levels of service?

### Maintenance and operations

The majority of Regulatory and Emergency Services will continue to be carried out in-house, with the exception of after-hours noise control, which is currently contracted out and reviewed on an annual basis. The main tasks involved with the ongoing maintenance and operation of Regulatory and Emergency Services include maintaining the Civil Defence, Rural Fire and District plans, retaining building consent authority accreditation and retaining civil defence volunteers and maintaining their training levels.

### Renewals and replacements

Regulatory and Emergency Services do not involve many significant assets. The main assets involved are the Rural Fire vehicles that need upgrades and replacement to keep them serviceable. This is managed through a programmed upgrade / replacement schedule. Council will also continue the rolling review of the District Plan.

## What improvements or changes are planned?

Council is hoping to improve residents' civil defence personal preparedness through education and promotion. It is also aiming to increase the proportion of Civil Defence personnel trained to the relevant training unit standards.

There may be changes to Council's regulatory responsibilities as a result of legislative changes, however potential changes are unknown and for budgeting and planning purposes Council has assumed that it will retain its current regulatory responsibilities. These assumptions are explained further in the following 'assumptions' section.

### 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 is expected to be minimal and would be met by dog registration fees.

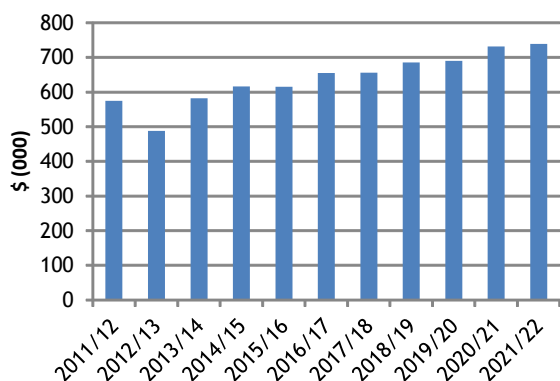
### Enlarged Rural Fire District

Central Government is driving amalgamation of Rural Fire Districts, which could lead to our district becoming part of an enlarged Otago-wide Rural Fire District. At this stage details are not available, but it is assumed that the total cost of the activity will remain similar, even if the way that it is delivered changes.

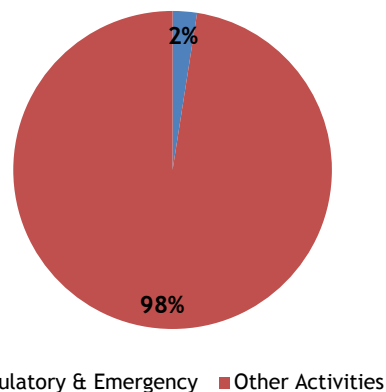
# What it costs for Regulatory & Emergency Services

(All in \$000's)	ANNUAL PLAN	FORECAST Years 1 -3		
	2011/12	2012/13	2013/14	2014/15
<b>Sources of Operating Funding</b>				
General rates, UAGC's, rates penalties	170	355	366	378
Targeted rates (other than a targeted rate for water supply)	590	325	316	338
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	715	713	735	758
Internal charges and overheads recovered	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>1,474</b>	<b>1,392</b>	<b>1,417</b>	<b>1,475</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	(921)	(846)	(856)	(894)
Finance costs	(8)	(8)	(7)	(7)
Internal charges and overheads applied	(526)	(511)	(523)	(540)
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>(1,455)</b>	<b>(1,364)</b>	<b>(1,386)</b>	<b>(1,442)</b>
<b>Surplus (deficit) of operating funding</b>	<b>20</b>	<b>28</b>	<b>31</b>	<b>32</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt <small>(internal debt)</small>	(5)	(5)	(5)	(5)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>	<b>(5)</b>
<b>Applications of capital funding</b>				
Capital expenditure to meet additional demand	0	0	0	0
Capital expenditure to improve the level of service	0	0	0	0
Capital expenditure to replace existing assets	0	0	0	0
(Increase) decrease in reserves	1	(7)	(9)	(10)
(Increase) decrease of investments	(16)	(16)	(17)	(17)
<b>Total applications of capital funding</b>	<b>(15)</b>	<b>(23)</b>	<b>(26)</b>	<b>(27)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(20)</b>	<b>(28)</b>	<b>(31)</b>	<b>(32)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Rates for Regulatory & Emergency Services**

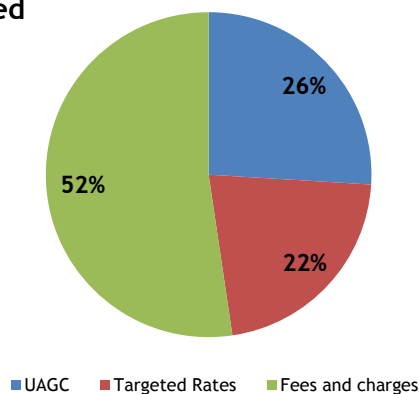


**% of rates spent on Regulatory & Emergency Services**

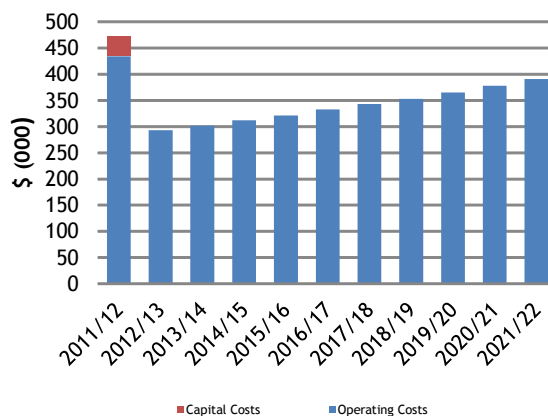


FORECAST Years 4 -10							
15/16	16/17	17/18	18/19	19/20	20/21	21/22	(All in \$000's)
							<b>Sources of Operating Funding</b>
389	404	417	428	443	459	475	General rates, UAGCs, rates penalties
327	353	340	358	350	376	367	Targeted rates (other than a targeted rate for water supply)
0	0	0	0	0	0	0	Subsidies and grants for operating purposes
784	812	839	866	896	928	961	Fees, charges and targeted rates for water supply
0	0	0	0	0	0	0	Internal charges and overheads recovered
0	0	0	0	0	0	0	Fuel tax, fines, infringement fees and other receipts
1,500	1,569	1,596	1,652	1,688	1,762	1,801	<b>Total operating funding</b>
							<b>Applications of operating funding</b>
(907)	(950)	(962)	(1,006)	(1,019)	(1,070)	(1,086)	Payments to staff and suppliers
(7)	(7)	(6)	(6)	(5)	(5)	(5)	Finance costs
(552)	(576)	(588)	(599)	(618)	(640)	(661)	Internal charges and overheads applied
0	0	0	0	0	0	0	Other operating funding applications
(1,466)	(1,532)	(1,557)	(1,610)	(1,644)	(1,715)	(1,752)	<b>Total applications of operating funding</b>
35	36	39	43	44	48	51	<b>Surplus (deficit) of operating funding</b>
							<b>Sources of capital funding</b>
0	0	0	0	0	0	0	Subsidies and grants for capital expenditure
0	0	0	0	0	0	0	Development and financial contributions
(6)	(6)	(6)	(7)	(7)	(7)	(8)	Increase (decrease) in debt <sup>(internal debt)</sup>
0	0	0	0	0	0	0	Gross proceeds from sale of assets
0	0	0	0	0	0	0	Lump sum contributions
(6)	(6)	(6)	(7)	(7)	(7)	(8)	<b>Total sources of capital funding</b>
							<b>Applications of capital funding</b>
0	0	0	0	0	0	0	Capital expenditure to meet additional demand
0	0	0	0	0	0	0	Capital expenditure to improve the level of service
0	0	0	0	0	0	0	Capital expenditure to replace existing assets
(11)	(12)	(14)	(16)	(17)	(19)	(21)	(Increase) decrease in reserves
(18)	(18)	(19)	(20)	(20)	(21)	(22)	(Increase) decrease of investments
(29)	(30)	(33)	(36)	(37)	(40)	(43)	<b>Total applications of capital funding</b>
(35)	(36)	(39)	(43)	(44)	(48)	(51)	<b>Surplus (deficit) of capital funding</b>
0	0	0	0	0	0	0	<b>Funding balance</b>

### How Regulatory & Emergency Services is funded



### Where the money is spent

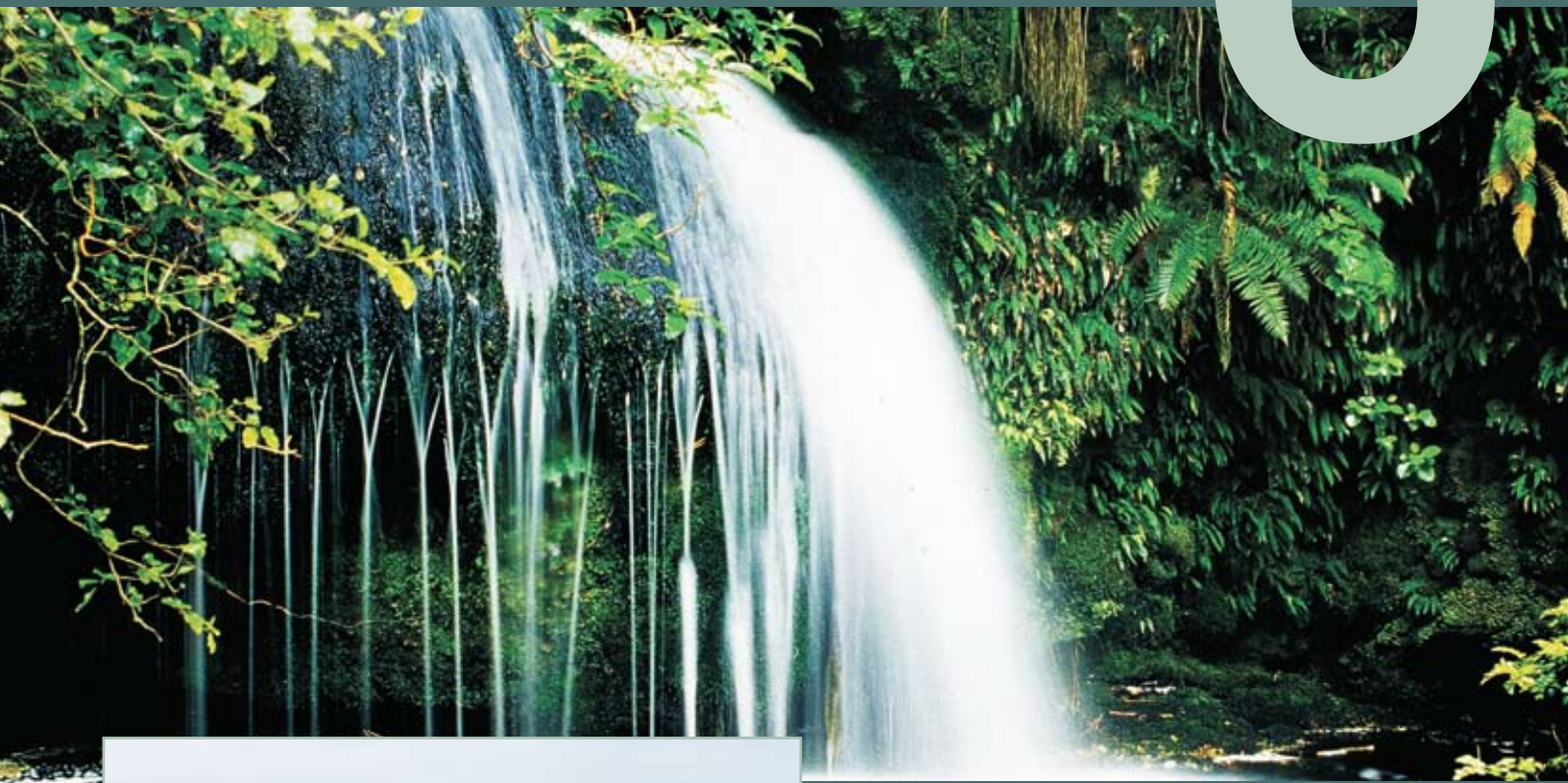






# financial information

# 6



## Funding Impact Statement for 2012-22 (whole of council)

(All in \$000's)	ANNUAL PLAN	FORECAST Years 1 -3		
	2011/12	2012/13	2013/14	2014/15
<b>Sources of Operating Funding</b>				
General rates, UAGC's, rates penalties	4,112	4,267	4,439	4,574
Targeted rates (other than a targeted rate for water supply)	17,247	17,821	18,815	19,686
Subsidies and grants for operating purposes	3,170	2,644	2,804	2,748
Fees, charges and targeted rates for water supply	4,042	3,772	3,496	3,657
Interest and dividends from investments	912	633	413	432
Fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>29,483</b>	<b>29,137</b>	<b>29,967</b>	<b>31,096</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	(22,226)	(22,429)	(23,410)	(22,979)
Finance costs	0	0	0	0
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>(22,226)</b>	<b>(22,429)</b>	<b>(23,410)</b>	<b>(22,979)</b>
<b>Surplus (deficit) of operating funding</b>	<b>7,257</b>	<b>6,708</b>	<b>6,556</b>	<b>8,117</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	5,398	6,068	5,475	5,691
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>5,398</b>	<b>6,068</b>	<b>5,475</b>	<b>5,691</b>
<b>Applications of capital funding</b>				
Capital expenditure to meet additional demand	0	(655)	0	(11)
Capital expenditure to improve the level of service	(10,044)	(5,455)	(2,711)	(2,536)
Capital expenditure to replace existing assets	(10,600)	(11,337)	(9,128)	(9,365)
(Increase) decrease in reserves	(50)	(212)	231	(1)
(Increase) decrease of investments	8,039	4,883	(424)	(1,895)
<b>Total applications of capital funding</b>	<b>(12,655)</b>	<b>(12,776)</b>	<b>(12,031)</b>	<b>(13,808)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(7,257)</b>	<b>(6,708)</b>	<b>(6,556)</b>	<b>(8,117)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The table above is Council's Funding Impact Statement for the period commencing 1 July 2012. This has been prepared solely to comply with the Local Government (Financial Reporting) Regulations 2011. It does not comply with Generally Accepted Accounting Practice (GAAP) as stated by S.111(2) of the Local Government Act 2002 and should be not relied on for any other purpose.

FORECAST Years 4 -10							
15/16	16/17	17/18	18/19	19/20	20/21	21/22	(All in \$000's)
							<b>Sources of Operating Funding</b>
4,715	4,841	4,977	5,097	5,249	5,445	5,672	General rates, UAGCs, rates penalties
20,476	21,413	22,058	22,887	23,649	24,449	25,296	Targeted rates (other than a targeted rate for water supply)
3,275	3,411	3,471	3,599	3,693	3,843	4,058	Subsidies and grants for operating purposes
3,832	4,035	4,128	4,353	4,370	4,525	4,682	Fees, charges and targeted rates for water supply
517	651	680	780	979	1,181	1,421	Interest and dividends from investments
0	0	0	0	0	0	0	Fuel tax, fines, infringement fees and other receipts
32,815	34,351	35,313	36,717	37,938	39,443	41,129	<b>Total operating funding</b>
							<b>Applications of operating funding</b>
(23,893)	(24,971)	(25,594)	(26,398)	(27,283)	(28,150)	(28,960)	Payments to staff and suppliers
0	0	0	0	0	0	0	Finance costs
0	0	0	0	0	0	0	Other operating funding applications
(23,893)	(24,971)	(25,594)	(26,398)	(27,283)	(28,150)	(28,960)	<b>Total applications of operating funding</b>
8,922	9,380	9,720	10,319	10,656	11,293	12,169	<b>Surplus (deficit) of operating funding</b>
							<b>Sources of capital funding</b>
7,330	7,344	6,121	7,120	7,422	7,009	7,736	Subsidies and grants for capital expenditure
0	0	0	0	0	0	0	Development and financial contributions
0	0	0	0	0	0	0	Increase (decrease) in debt
0	0	0	0	0	0	0	Gross proceeds from sale of assets
0	0	0	0	0	0	0	Lump sum contributions
7,330	7,344	6,121	7,120	7,422	7,009	7,736	<b>Total sources of capital funding</b>
							<b>Applications of capital funding</b>
0	0	0	0	0	0	0	Capital expenditure to meet additional demand
(1,709)	(4,000)	(3,374)	(1,334)	(1,323)	(1,362)	(1,458)	Capital expenditure to improve the level of service
(11,598)	(12,098)	(10,325)	(11,591)	(12,323)	(11,525)	(13,740)	Capital expenditure to replace existing assets
43	8	92	106	51	119	63	(Increase) decrease in reserves
(2,987)	(634)	(2,233)	(4,621)	(4,483)	(5,533)	(4,770)	(Increase) decrease of investments
(16,252)	(16,724)	(15,841)	(17,439)	(18,078)	(18,302)	(19,905)	<b>Total applications of capital funding</b>
(8,922)	(9,380)	(9,720)	(10,319)	(10,656)	(11,293)	(12,169)	<b>Surplus (deficit) of capital funding</b>
0	0	0	0	0	0	0	<b>Funding balance</b>

## Prospective Statement of Financial Performance

For Year ended 30 June (All in \$000's)	2011/12 Plan	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Income</b>											
Fees, Rents and Miscellaneous	4,954	4,405	3,908	4,088	4,349	4,686	4,808	5,133	5,349	5,706	6,103
Financial Assistance	8,568	8,712	8,279	8,439	10,605	10,755	9,592	10,720	11,115	10,852	11,793
General Rates	3,291	4,137	4,305	4,435	4,572	4,693	4,824	4,939	5,085	5,276	5,497
Rate Penalties	127	130	134	138	143	148	153	158	163	168	175
Targeted Rates	17,941	17,821	18,815	19,686	20,476	21,413	22,058	22,887	23,649	24,449	25,296
<b>Total Income</b>	<b>34,881</b>	<b>35,205</b>	<b>35,441</b>	<b>36,786</b>	<b>40,145</b>	<b>41,695</b>	<b>41,435</b>	<b>43,837</b>	<b>45,361</b>	<b>46,451</b>	<b>48,864</b>
<b>Expenditure</b>											
Community Leadership	3,623	2,619	3,142	2,182	2,262	2,383	2,396	2,470	2,605	2,651	2,802
Central Administration	693	619	633	647	663	680	696	711	729	748	767
Roading Services	16,002	17,158	17,625	17,834	19,252	19,587	19,769	21,157	21,430	21,736	23,236
Sewerage	2,090	1,822	1,893	1,997	2,065	2,162	2,340	2,419	2,465	2,580	2,585
Stormwater	0	570	576	609	615	625	658	664	674	708	717
Water	5,297	5,828	6,035	6,345	6,514	6,709	7,031	7,194	7,383	7,737	7,903
Solid Waste Management	2,008	1,410	1,578	1,629	1,680	1,862	1,921	1,977	2,042	2,115	2,174
Community Services	4,123	4,981	4,505	4,531	4,648	4,782	4,905	5,038	5,203	5,345	5,470
Regulatory & Emergency Services	1,470	1,381	1,403	1,460	1,484	1,550	1,576	1,630	1,664	1,736	1,773
In - House Professional Services	(41)	(23)	(22)	(24)	(22)	(22)	(26)	(24)	(26)	(27)	(27)
<b>Total Expenditure</b>	<b>35,265</b>	<b>36,365</b>	<b>37,368</b>	<b>37,210</b>	<b>39,161</b>	<b>40,318</b>	<b>41,266</b>	<b>43,236</b>	<b>44,169</b>	<b>45,329</b>	<b>47,400</b>
<b>Net surplus (deficit)</b>	<b>(384)</b>	<b>(1,160)</b>	<b>(1,927)</b>	<b>(424)</b>	<b>984</b>	<b>1,377</b>	<b>169</b>	<b>601</b>	<b>1,192</b>	<b>1,122</b>	<b>1,464</b>

### Included in Fees, Charges, Rents and Miscellaneous

For year ended 30 June (All in \$000's)	2011/12 Plan	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Reserve Interest <sup>1</sup>	912	632	413	431	517	651	679	780	979	1,181	1,420

<sup>1</sup> External interest that is credited to reserve funds and not directly to activities.

### Included in Expenditure above

For year ended 30 June (All in \$000's)	2011/12 Plan	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Depreciation	13,061	13,936	13,958	14,233	15,268	15,344	15,673	16,838	16,886	17,180	18,440
Other expenses	22,204	22,429	23,410	22,977	23,893	24,974	25,593	26,398	27,283	28,149	28,960
<b>Total expenditure</b>	<b>35,265</b>	<b>36,365</b>	<b>37,368</b>	<b>37,210</b>	<b>39,161</b>	<b>40,318</b>	<b>41,266</b>	<b>43,236</b>	<b>44,169</b>	<b>45,329</b>	<b>47,400</b>

## Prospective Statement of Comprehensive Income

For year ended 30 June (All in \$000's)	2011/12 Plan	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Surplus/(Deficit) from Activities	(384)	(1,160)	(1,927)	(424)	984	1,377	169	601	1,192	1,122	1,464
Other Comprehensive Income											
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	0	0	9,167	29,144	0	9,363	32,082	0	10,110	35,334	0
Total other Comprehensive Income	0	0	9,167	29,144	0	9,363	32,082	0	10,110	35,334	0
<b>Total Comprehensive Income</b>	<b>(384)</b>	<b>(1,160)</b>	<b>7,240</b>	<b>28,720</b>	<b>984</b>	<b>10,740</b>	<b>32,251</b>	<b>601</b>	<b>11,302</b>	<b>36,456</b>	<b>1,464</b>

## Prospective Statement of Changes in Equity

For year ended 30 June (All in \$000's)	2011/12 Plan	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Opening Equity	888,384	921,973	920,813	928,053	956,773	957,757	968,497	1,000,748	1,001,349	1,012,651	1,049,107
Total Comprehensive Income for the year	(384)	(1,160)	7,240	28,720	984	10,740	32,251	601	11,302	36,456	1,464
<b>Closing Equity</b>	<b>888,000*</b>	<b>920,813</b>	<b>928,053</b>	<b>956,773</b>	<b>957,757</b>	<b>968,497</b>	<b>1,000,748</b>	<b>1,001,349</b>	<b>1,012,651</b>	<b>1,049,107</b>	<b>1,050,571</b>

\* As expected, there are differences between the Annual Plan closing balance sheet as set out in the Annual Plan 2011/12 and the actual balance sheet as per the 2010/11 Annual Report, which forms the basis of the 2012-2022 LTP forecasts. In this respect the main differences were:

- Investments are significantly more than budgeted in the 2011/12 Annual Plan due to less internal borrowing being required.
- A revaluation of \$20m for roading was not budgeted in the 2011/12 Annual Plan.

## Prospective Statement of Financial Position

As at 30 June (All in \$000's)	2011/12 Plan	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Current Assets</b>											
Cash & Cash Equivalents	477	423	192	192	150	141	50	143	92	173	110
Trade & Other Receivables	4,307	6,130	6,130	6,130	6,130	6,130	6,130	6,130	6,130	6,130	6,130
Inventories - Dev Property	13	13	13	13	13	13	13	13	13	13	13
Other Financial Assets	10,200	9,169	9,588	11,482	14,467	15,101	17,334	21,756	26,238	31,572	36,342
<b>Total Current Assets</b>	<b>14,997</b>	<b>15,735</b>	<b>15,923</b>	<b>17,817</b>	<b>20,760</b>	<b>21,385</b>	<b>23,527</b>	<b>28,042</b>	<b>32,473</b>	<b>37,888</b>	<b>42,595</b>
<b>Non Current Assets</b>											
Trade & Other Receivables	70	25	25	25	25	25	25	25	25	25	25
Other Financial Assets	103	56	56	56	56	56	56	56	56	56	56
Property, Plant & Equipment	877,511	908,715	915,742	942,542	940,557	950,647	980,731	976,790	983,634	1,014,647	1,011,375
Intangible Assets	126	300	300	300	300	300	300	300	300	300	300
Forestry	1,364	2,113	2,113	2,113	2,113	2,113	2,113	2,113	2,113	2,113	2,113
<b>Total non current assets</b>	<b>879,174</b>	<b>911,209</b>	<b>918,236</b>	<b>945,036</b>	<b>943,051</b>	<b>953,141</b>	<b>983,225</b>	<b>979,284</b>	<b>986,128</b>	<b>1,017,141</b>	<b>1,013,869</b>
<b>Total Assets</b>	<b>894,171</b>	<b>926,944</b>	<b>934,159</b>	<b>962,853</b>	<b>963,811</b>	<b>974,526</b>	<b>1,006,752</b>	<b>1,007,326</b>	<b>1,018,601</b>	<b>1,055,029</b>	<b>1,056,464</b>
<b>Current Liabilities</b>											
Trade & Other payables	5,216	5,080	5,080	5,080	5,080	5,080	5,080	5,080	5,080	5,080	5,080
Employee Entitlements	494	518	518	518	518	518	518	518	518	518	518
Current Portion Term Debt	3	3	3	2	0	0	0	0	0	0	0
<b>Total Current Liabilities</b>	<b>5,713</b>	<b>5,601</b>	<b>5,601</b>	<b>5,600</b>	<b>5,598</b>	<b>5,598</b>	<b>5,598</b>	<b>5,598</b>	<b>5,598</b>	<b>5,598</b>	<b>5,598</b>
<b>Non Current Liabilities</b>											
Borrowings	8	5	2	0	0	0	0	0	0	0	0
Provisions	353	423	401	378	354	329	304	277	250	222	193
Other Liabilities	97	102	102	102	102	102	102	102	102	102	102
<b>Total Non Current Liabilities</b>	<b>458</b>	<b>530</b>	<b>505</b>	<b>480</b>	<b>456</b>	<b>431</b>	<b>406</b>	<b>379</b>	<b>352</b>	<b>324</b>	<b>295</b>
<b>Total Liabilities</b>	<b>6,171</b>	<b>6,131</b>	<b>6,106</b>	<b>6,080</b>	<b>6,054</b>	<b>6,029</b>	<b>6,004</b>	<b>5,977</b>	<b>5,950</b>	<b>5,922</b>	<b>5,893</b>
<b>Net Assets</b>	<b>888,000</b>	<b>920,813</b>	<b>928,053</b>	<b>956,773</b>	<b>957,757</b>	<b>968,497</b>	<b>1,000,748</b>	<b>1,001,349</b>	<b>1,012,651</b>	<b>1,049,107</b>	<b>1,050,571</b>
Accumulated Operating Funds	25,192	1,881	(1,035)	(2,208)	(2,602)	(116)	(592)	(2,371)	(3,102)	(4,585)	(5,514)
Ratepayer Equity	219,469	244,005	244,005	244,005	244,005	244,005	244,005	244,005	244,005	244,005	244,005
Revaluation Reserves	617,130	651,849	661,016	690,161	690,161	699,522	731,604	731,604	741,715	777,048	777,048
Reserves	25,774	22,714	23,703	24,451	25,829	24,722	25,367	27,747	29,669	32,275	34,668
Trust Funds	435	364	364	364	364	364	364	364	364	364	364
<b>Total</b>	<b>888,000</b>	<b>920,813</b>	<b>928,053</b>	<b>956,773</b>	<b>957,757</b>	<b>968,497</b>	<b>1,000,748</b>	<b>1,001,349</b>	<b>1,012,651</b>	<b>1,049,107</b>	<b>1,050,571</b>

## Prospective Statement of Cashflows

For year ended 30 June (All in \$000's)	2011/12 Plan	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Cashflows from operating activities</b>											
Cash was provided from:											
Rating & Sundry Fees	33,968	34,573	35,028	36,356	39,628	41,044	40,755	43,057	44,381	45,270	47,445
Interest Income (external)	912	632	413	431	517	651	679	780	979	1,181	1,420
Cash was applied to:											
Payments to suppliers and employees	(22,229)	(22,429)	(23,410)	(22,979)	(23,893)	(24,972)	(25,594)	(26,398)	(27,283)	(28,149)	(28,960)
<b>Net cash from operating activities</b>	<b>12,651</b>	<b>12,776</b>	<b>12,031</b>	<b>13,808</b>	<b>16,252</b>	<b>16,723</b>	<b>15,840</b>	<b>17,439</b>	<b>18,077</b>	<b>18,302</b>	<b>19,905</b>
<b>Cashflows from investing activities</b>											
Cash was provided from:											
Decrease in investments	8,042	4,886	0	0	0	0	0	0	0	0	0
Cash was applied to:											
Increase in Investments	0	0	(420)	(1,892)	(2,986)	(634)	(2,232)	(4,421)	(4,482)	(5,334)	(4,770)
Purchase of Fixed Assets	(20,644)	(17,447)	(11,839)	(11,913)	(13,306)	(16,098)	(13,699)	(12,925)	(13,646)	(12,887)	(15,198)
<b>Net cash used in investing activities</b>	<b>(12,602)</b>	<b>(12,561)</b>	<b>(12,259)</b>	<b>(13,805)</b>	<b>(16,292)</b>	<b>(16,732)</b>	<b>(15,931)</b>	<b>(17,346)</b>	<b>(18,128)</b>	<b>(18,221)</b>	<b>(19,968)</b>
<b>Cash flows from financing activities</b>											
Cash was applied to:											
Settlement of long term debt	(3)	(3)	(3)	(3)	(2)	0	0	0	0	0	0
<b>Net cash available from financing</b>	<b>(3)</b>	<b>(3)</b>	<b>(3)</b>	<b>(3)</b>	<b>(2)</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	46	212	(231)	0	(42)	(9)	(91)	93	(51)	81	(63)
Add opening cash brought forward	431	211	423	192	192	150	141	50	143	92	173
Ending cash carried forward	477	423	192	192	150	141	50	143	92	173	110

### Reconciliation of Cashflow to Statement of Financial Performance

For year ended 30 June (All in \$000's)	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Net cash from operating activities	12,776	12,031	13,808	16,252	16,723	15,840	17,439	18,077	18,302	19,905
Less depreciation	13,936	13,958	14,232	15,268	15,346	15,671	16,838	16,885	17,180	18,441
<b>Net Surplus (Deficit)</b>	<b>(1,160)</b>	<b>(1,927)</b>	<b>(424)</b>	<b>984</b>	<b>1,377</b>	<b>169</b>	<b>601</b>	<b>1,192</b>	<b>1,122</b>	<b>1,464</b>

\* As expected, there are differences between the Annual Plan closing balance sheet as set out in the Annual Plan 2011/12 and the actual balance sheet as per the 2010/11 Annual Report, which forms the basis of the 2012-2022 LTP forecasts. In this respect the main differences were:

- Investments are significantly more than budgeted in the 2011/12 Annual Plan due to less internal borrowing being required.
- A revaluation of \$20m for roading was not budgeted in the 2011/12 Annual Plan.

## Reconciliation of Councilwide FIS to Activity FIS

For year ended 30 June (All in \$000's)	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Community Leadership	(628)	(951)	80	77	32	93	89	40	108	109
Central Administration	331	317	330	345	360	376	391	408	426	444
Roading	3,653	3,625	3,626	3,950	4,144	4,176	4,333	4,472	4,606	4,903
Water Supply	1,469	1,590	1,752	1,834	1,925	2,001	2,084	2,169	2,251	2,396
Sewerage	966	701	804	976	1,031	1,100	1,176	1,236	1,284	1,364
Stormwater	202	239	286	302	322	337	363	378	395	414
Solid Waste Management	57	97	153	218	223	235	250	258	268	293
Community Services	(2)	495	622	669	655	682	809	671	727	774
Regulatory & Emergency Services	28	31	32	35	36	39	43	44	48	51
Interest on Investments <sup>1</sup>	633	413	432	517	651	680	780	979	1,181	1,421
<b>(Surplus)/Deficit of Operating Funding per Overall FIS</b>	<b>6,708</b>	<b>6,556</b>	<b>8,117</b>	<b>8,922</b>	<b>9,380</b>	<b>9,720</b>	<b>10,319</b>	<b>10,656</b>	<b>11,293</b>	<b>12,169</b>

<sup>1</sup> External interest that is credited to reserve funds and not directly to activities.

## Reconciliation of Councilwide FIS and Prospective Statement of Financial Performance

For year ended 30 June (All in \$000's)	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Operating Surplus per Prospective Statement Financial Performance	(1,160)	(1,926)	(425)	984	1,379	168	601	1,191	1,122	1,465
Depreciation	13,936	13,958	14,233	15,268	15,344	15,673	16,838	16,886	17,180	18,440
Capital Subsidies	(6,068)	(5,475)	(5,691)	(7,330)	(7,344)	(6,121)	(7,120)	(7,422)	(7,009)	(7,736)
<b>Surplus/(Deficit) of Operating Funding per Overall FIS</b>	<b>6,708</b>	<b>6,556</b>	<b>8,117</b>	<b>8,922</b>	<b>9,380</b>	<b>9,720</b>	<b>10,319</b>	<b>10,656</b>	<b>11,293</b>	<b>12,169</b>



## Depreciation and Amortisation Expense for Activities

For year ended 30 June (All in \$000's)	2011/12 Plan	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Community Leadership	0	0	0	0	0	0	0	0	0	0	0
Central Administration	151	190	168	174	180	186	192	199	205	213	220
Roading	10,469	10,634	10,657	10,681	11,676	11,703	11,729	12,868	12,896	12,925	14,165
Water Supply	1,167	1,575	1,587	1,739	1,743	1,747	1,900	1,900	1,900	2,038	2,039
Sewerage	588	783	784	837	838	868	967	967	967	1,031	1,031
Stormwater	183	252	253	278	278	278	303	304	304	327	327
Solid Waste Management	33	50	52	53	55	57	59	61	63	65	68
Community Services	454	437	440	454	479	486	503	519	530	560	569
Regulatory & Emergency Services	16	16	17	17	18	18	19	20	20	21	22
<b>Total</b>	<b>13,061</b>	<b>13,936</b>	<b>13,958</b>	<b>14,233</b>	<b>15,268</b>	<b>15,344</b>	<b>15,673</b>	<b>16,838</b>	<b>16,886</b>	<b>17,180</b>	<b>18,440</b>

## Prospective Financial Statement Disclosures

- This document has been produced to meet legislative requirements of the Local Government Act 2002. It may not be appropriate for any other purpose.
- These prospective financial statements comply with FRS - 42.
- Actual financial results during 2012/13 to 2021/22 are likely to vary from the information presented, and those variations may be material.
- Actual events and transactions have not been reflected in the prospective financial statements as they have not yet taken place.
- These prospective financial statements were authorised for issue on 21 June 2012 by a resolution of Council.
- The Clutha District Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other disclosures.
- It is intended that the prospective financial statements will be reviewed and updated annually via the Annual Plan process, and three yearly via the Long Term Council process.
- The degree of uncertainty covered by the significant forecasting assumption, and therefore the prospective financial statements increases as the years increase.

# Summary of Significant Forecasting Assumptions

This section summarises the significant assumptions Council has made in planning and budgeting for its activities over the next ten years. It begins with an overview of council-wide assumptions, followed by assumptions which are specific to a particular activity group. See Council’s Activity Management Plans for a complete list of forecasting assumptions made.

## Council-wide assumptions

Uncertainty	Assumption	Level of uncertainty	Consequence of error in assumption																																																														
Useful lives of significant assets	That remaining life forecasts for significant assets are correct and therefore renewal forecasts are accurate (Refer to depreciation note within the statement of accounting policies).	Low	If remaining lives vary from those predicted then renewals and replacement may have to be undertaken more or less frequently, impacting on capital budgets.																																																														
Sources of funds for future replacement of significant assets	That Council will continue to be able to fund the replacement of significant assets as per the Revenue and Financing Policy.	Low	If the funding from existing funding sources can not be maintained new funding source may be required or assets may not be replaced.																																																														
Growth and change	Refer to Financial Strategy and community summaries for assumptions on population changes and growth pressures. Unless stated in activity group assumptions, Council is assuming that there will be no growth in demand for its services.	Low	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.																																																														
Societal changes	Refer to Financial Strategy for assumptions on population and demographic changes. Any other societal assumptions are made at an activity level.	Low	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.																																																														
Climate change	Climate change is expected to cause sea-level rise and increased frequency of storm events. More detailed information specific to Otago (and the Clutha District) is being developed by the Otago Regional Council. Once this information is available this is expected to help CDC reassess its approach to climate change.  Unless stated in activity group assumptions it is assumed that climate change will not materially impact on Council’s assets or services.	Medium	If the impacts of climate change are felt sooner than expected there may be demands on council’s budgets.																																																														
Future price changes (inflation)	Inflation provisions for existing contracts are utilised where possible. For non-contracted goods and services BERL local government price level change adjustors (2011 Update) (as shown below) are utilised and are assumed to represent the best indication of future inflation rates.	Medium	If actual inflation is higher than projected forecasts for operating and maintenance costs, renewals and new capital would be lower than required. This would require reprioritisation of budgets or additional funding to be sought. Asset replacement costs would also increase, which in turn would increase depreciation requirements.																																																														
	<table border="1"> <thead> <tr> <th></th> <th>2012/13</th> <th>2013/14</th> <th>2014/15</th> <th>2015/16</th> <th>2016/17</th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> <th>2020/21</th> <th>2021/22</th> </tr> </thead> <tbody> <tr> <td>Roading</td> <td rowspan="5">Base Year</td> <td>3.4%</td> <td>3.5%</td> <td>3.6%</td> <td>3.8%</td> <td>3.9%</td> <td>4.0%</td> <td>4.1%</td> <td>4.3%</td> <td>4.4%</td> </tr> <tr> <td>Water</td> <td>3.9%</td> <td>3.5%</td> <td>3.7%</td> <td>3.8%</td> <td>3.5%</td> <td>3.5%</td> <td>3.8%</td> <td>4.1%</td> <td>4.1%</td> </tr> <tr> <td>Staff</td> <td>2.4%</td> <td>2.4%</td> <td>2.6%</td> <td>2.6%</td> <td>2.4%</td> <td>2.3%</td> <td>2.6%</td> <td>2.7%</td> <td>2.7%</td> </tr> <tr> <td>Electricity</td> <td>4.7%</td> <td>4.7%</td> <td>5.0%</td> <td>5.1%</td> <td>4.6%</td> <td>4.5%</td> <td>5.0%</td> <td>5.4%</td> <td>5.4%</td> </tr> <tr> <td>Other</td> <td>3.2%</td> <td>3.2%</td> <td>3.4%</td> <td>3.5%</td> <td>3.4%</td> <td>3.3%</td> <td>3.3%</td> <td>3.6%</td> <td>3.5%</td> </tr> </tbody> </table>		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Roading	Base Year	3.4%	3.5%	3.6%	3.8%	3.9%	4.0%	4.1%	4.3%	4.4%	Water	3.9%	3.5%	3.7%	3.8%	3.5%	3.5%	3.8%	4.1%	4.1%	Staff	2.4%	2.4%	2.6%	2.6%	2.4%	2.3%	2.6%	2.7%	2.7%	Electricity	4.7%	4.7%	5.0%	5.1%	4.6%	4.5%	5.0%	5.4%	5.4%	Other	3.2%	3.2%	3.4%	3.5%	3.4%	3.3%	3.3%	3.6%	3.5%		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22																																																							
Roading	Base Year	3.4%	3.5%	3.6%	3.8%	3.9%	4.0%	4.1%	4.3%	4.4%																																																							
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Other		3.2%	3.2%	3.4%	3.5%	3.4%	3.3%	3.3%	3.6%	3.5%																																																							

Uncertainty	Assumption	Level of uncertainty	Consequence of error in assumption
Revaluation of non-current assets	The roading network is to be revalued in 2014/15, 2017/18 and 2020/21. Utility assets (water, sewerage, stormwater) will be revalued in 2013/14, 2016/17 and 2019/20. Revaluations are expected to be positive.	Low	No material difference if assumption is incorrect.
Forecast return on investments	A return of 5.5% is budgeted for internal investment and 4.5% for external investment.	Medium	Marginal impact as the expected return on investments is not high. Any shortfall will reduce the rates offset (UAGC), meaning the UAGC will increase.
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%	Low	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.
Legislative/ regulatory changes	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.	Medium	Unknown changes could change Council's capital requirements and/or operating costs.
Engineers estimates	The concept designs used for determining costs are realistic and produce reliable forecasting costs.	Medium	Forecasts could be higher or lower than required which would require reprioritisation or additional funding to be sought.
Contract prices for capital works	That contract prices for capital works will be approximately equal to the estimated detailed design forecast.	High	If financial forecasts are higher or lower than required this could mean either deferring projects or seeking alternative sources of funding (if actual price is higher) or that Council has over-rated (if actual price is lower).
Completion of capital works on time	Council is assuming that capital works projects will be completed on time and within budget.	High	Capital projects could be deferred to subsequent financial years and in some instances increases in levels of service could be deferred.  The financial impact on Council of any delay in commencing or completing capital works projects is minimised by deferring the raising of loans and leaving reserves on investments until they are needed.
Resource consents	Unless stated in activity group assumptions, it is assumed that resource consents will be obtained within budgets and anticipated timeframes.	Medium	Financial forecasts, especially for new capital work, would be lower than required which would require reprioritisation or additional funding to be sought.
Levels of Service	Unless stated in activity level assumptions it is assumed that levels of service currently provided will be acceptable for the foreseeable future and are not expected to significantly change.	Medium	Funding requirements may be higher or lower than forecasted, requiring reprioritisation or additional funding to be sought.
Forecast forestry valuation	That the value of our forestry assets will remain static over the life of the plan.	Medium	That the value of our forestry investments will be higher or lower than what they are currently valued to be.

## Activity group assumptions - Community Leadership

Uncertainty	Assumption	Level of uncertainty	Consequence of error in assumption
Central Government Directives	Central government is reviewing the structure of local government. This could potentially result in significant changes for the local government sector. At this early stage it is too early to know what the outcome of this review could be. 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.	High	If the structure and/or responsibilities of local government change there may be significant implications for the future of CDC as an organisation or for the activities and/or funding of activities that Council undertakes.
Structure and governance of Council's Economic and Community Development Activities	Council is proposing that the structure and governance of its existing district development activities be updated at the beginning of 2013. This would see the activity split into economic and community development, with community development being an in-house activity and economic development being contracted to a non-Council organisation. Although exact nature of the contracted services is to be developed it is assumed that this proposal will proceed as proposed.	High	That the proposal does not proceed and the existing structure is retained or an alternative new structure is adopted.
Otago Museum Levy	That Council will continue to remain outside the Otago Museum Levy - Heads of Agreement but continue to pay its share of the museum levy. Making an annual financial contribution towards the Otago Museum is a statutory requirement for Council. The levy paid will be annually adjusted for inflation. However Council will continue to advocate for a fairer share below that of the current rate.	Medium	If change is negotiated with the other councils involved, this would result in changes to the Community Development Grants budget.
West Otago Health	That West Otago Health Limited will meet the conditions required for Council to make the budgeted \$1 million grant towards proposed new health facility in 2013/14.	High	If conditions are not met in 2013/14 the grant may be carried forward, or if the proposed facilities do not proceed, the grant will not be made.

## Activity group assumptions - Roading

Uncertainty	Assumption	Level of uncertainty	Consequence of error in assumption
Climate Change	It is expected that increased storm events and associated flooding as a result of climate change will increase the risk of road closures and failure at culverts and bridges.	Medium	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.
Maintenance and Operations Contract	The contract price for the Maintenance and Operations 5-year contract will not exceed current expectations (current contract covers 2011/12 to 2015/16).	Medium	Operating and maintenance expenditure forecasts would be lower than required and work would have to be reprioritised or additional funding sought.
NZTA funding (maintenance)	Funding will be frozen at 2009-12 levels for 2012-15 but will be increased by inflation from 2015 onwards.	Medium	Impacts on levels of service could be greater than predicted as Council could not fully fund an un-subsidised roading programme from rates.
NZTA funding (bridge renewals)	NZTA funding will be available for the renewal of bridges, either from 'N' or 'R' funding. This has particular implications for the Clydevale Papatowai and Maclennan bridge works.	Medium	If funding is not approved, alternative sources of funding would be required or else some renewals projects will not proceed.
Funding for Emergency/ Disaster Works	That in the event of an emergency the current level of insurance combined with any government assistance would cover the repair/ replacement of roading assets.	Medium	Depending upon the scale and cost of the emergency some assets either won't be replaced/ repaired, will take longer to replace/ repair or Council will need to borrow to fund these works.
Bridge Replacements	Bridge replacements, over and above those already identified via the Annual Inspections Programme, will not be required.	Medium	If extra bridge renewals over and above those identified were required, some other new capital projects may have to be delayed to make funding available for more urgent work.
Useful lives of roading assets	The remaining life details in the RAMM and dTIMS databases are accurate. It is assumed that budgets at the current 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 25 years). Details are contained in the Annual Forward Works Programme prepared by the roading consultant.	Medium	If remaining lives are shorter than predicted then renewals would have to be undertaken more frequently, impacting on capital renewals budgets. If budgets are not available, focus will be on keeping top surface water resistant, with money concentrated on reseals rather than rehabs. Loss in funding for rehabs will either result in increased maintenance.
Future demand	At this stage there is expected to be an increased localised usage of some roads as a result of the harvesting of farm forestry, and this has been provided for. There may also be an impact from increased dairying in the district.	Medium	Where this is not the case there are provisions in the District Plan to deal change of road use.

## Activity group assumptions - Water Supply

Uncertainty	Assumption	Level of uncertainty	Consequence of error in assumption
Water Demand	<p>Increased demand for water is expected due to continued conversion of sheep farming to dairying (although at slower rates than experienced in recent times) and increasing herd size.</p> <p>Water sales will continue at present levels and there will be no sudden change in network demand, caused by unforeseen changes in land use.</p> <p>At this stage Council is assuming that potential changes to the Regional Plan: Water will not effect demand for water and proposed projects on rural water schemes will progress as planned.</p>	Medium	<p>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. This approach will protect Council against over-investment in water supply infrastructure or the Council not being able to provide the required level of service when it is needed.</p> <p>If regulatory changes restrict land use there may be reduction in demand for water and the proposed upgrade to increase capacity on the Clydevale-Pomahaka scheme would be unlikely to go ahead.</p>
Water Services Maintenance and Operations Contract	The contract price for the Maintenance and Operations 5-year contract will not exceed current expectations (current contract covers 2012/13 to 2016/17).	Medium	Operating and maintenance expenditure forecasts would be lower than required and work would have to be reprioritised or additional funding sought.
Drinking Water Standards	<p>It is assumed that most of Council's water treatment plants will need some form of treatment upgrade over the life of this plan in order for Council to comply with the Public Health Act requirement to "take all practical steps" to meet drinking water standards.</p> <p>It is assumed that recent upgrades at the Balclutha, Kaitangata, Lawrence, Milton and Tapanui treatment plants will be sufficient to meet this requirement.</p>	Medium	Compliance requirements for the rural water schemes are currently under review and there is a risk that the capital investment required will be higher than that budgeted.
Implications of natural disasters	<p>It is assumed that schemes can be restored within reasonable timeframes following a disaster.</p> <p>In terms of costs of natural disasters, it is assumed that the current level of insurance, Council's Emergency Fund, combined with underground asset insurance would cover the repair/replacement of sewerage assets.</p>	Medium	<p>Depending upon the scale and cost of the emergency some assets either won't be replaced/repared or will take longer to replace/repair.</p> <p>If schemes are disrupted for a period of time this can have significant flow on effects for its users.</p>

## Activity group assumptions - Sewerage

Uncertainty	Assumption	Level of uncertainty	Consequence of error in assumption
Funding	It is assumed that Council will continue with the approach of capping rates for sewerage (known as harmonisation) introduced in 2009/10.	High	Should harmonisation be reversed it is likely that this would decrease the costs in the district's larger communities (e.g. Balclutha) and increase it in smaller communities (e.g. Heriot). This may have a flow on for capital upgrades as it affects the affordability of sewerage services on these smaller communities.
Benhar & Tokoiti Sewerage Schemes	That these schemes will be constructed as planned in 2011/12 and the capital cost of the schemes will be funded as currently proposed (with 50% of the cost borne by those connecting to the schemes and the other 50% being spread across other ratepayers in the district).	Medium	Changes to the funding mechanism may alter the final capital contributions and costs to other ratepayers.
Resource Consents for treated sewage discharges	That sewage treatment upgrades will be required in order for Council to obtain and comply with resource consents as required and that they can be achieved within allocated budgets.	High	That budgets set aside will be inadequate to meet conditions for consents, and additional capital investment may be required, with significant rates impacts on scheme users if this happens.
Water Services Maintenance and Operations Contract	The contract price for the Maintenance and Operations 5-year contract will not exceed current expectations (current contract covers 2012/13 to 2016/17).	Medium	Operating and maintenance expenditure forecasts would be lower than required and work would have to be reprioritised or additional funding sought.

## Activity group assumptions - Stormwater

Uncertainty	Assumption	Level of uncertainty	Consequence of error in assumption
Environmental regulations	The Otago Regional Council have 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 but budgets have not been included as the timeline and extent of potential regulations are not known. Council will monitor the proposed plan changes.	High	Funding may be required for capital improvements to Council's stormwater discharges.

## Activity group assumptions - Solid Waste Management

Uncertainty	Assumption	Level of uncertainty	Consequence of error in assumption
Amount of solid waste generated in the district.	<p>That 12,000 tonnes of solid waste is produced in the district a year (equating to 713 kg per person). This is assumed to reduce by 3.3 % per year for the first two years due to recycling initiatives and increased fees and charges for landfill users (11,600 tonnes per year in 12/13, 11,200 tonnes in 13/14, 10,800 tonnes per year in 14/15 &amp; 9,600 tonnes per year onwards).</p> <p>The waste minimisation levy is assumed to remain at \$10 per tonne and will continue to be paid through fees and charges and the solid waste management rate.</p>	Medium	<p>As the landfill is a user pays service (unless there are major reductions in usage) there is a low consequence with regard to the quantity of waste assumption. Further decreases in usage will mean increased user charges.</p> <p>If the weight from the refuse collected through the wheelie bin service is underestimated then the wheelie bin charges will have to rise.</p>
Levels of Service	It is assumed that additional and more convenient drop off facility for recyclables will be introduced in 2012/13. There are currently no plans to implement a collection of organic waste.	High	New drop off facilities may not be established if costs can not be funded from within existing budgets or if additional funding is not available, meaning that levels of service will not increase.
Regional Cooperation	It is assumed that regional facilities for the sorting and disposal of our district's recyclables will continue to be available.	Medium	Potential for recycling costs to increase if regional facilities are not available.
Changes in volume/revenue at Mt Cooee	Mt Cooee is already considered a low volume landfill. Further drops in volume are expected due to the implementation of kerbside recycling collection. There is a risk that operating the landfill at the current levels of service may become uneconomic. At this stage Council is assuming it will continue with the current level of service and opening hours for Mt Cooee.	High	A reduction in opening hours/access to Mt Cooee may be needed in order to reduce operating costs. If waste volumes are drastically reduced then this may force the early closure of the site.
Increased fees and charges for Mt Cooee users	<p>Waste minimisation initiatives and imposition of the waste minimisation levy has resulted in reduced usage at Mt Cooee. It is assumed there will be significant upwards pressure on user charges as a result.</p> <p>Another consequence may be increased 'fly-tipping' in the district. In the past there is anecdotal support that there is a direct relationship between increases in Mt Cooee charges and incidence of 'fly-tipping'. No additional resources have been included for Council's Regulatory Department in the budgets for dealing with potential increases in fly-tipping at this point.</p>	Medium	<p>Upward pressure on user charges may not result in additional income due to continued declines in usage.</p> <p>If additional resources are required to deal with 'fly-tipping', this would result in increased costs to ratepayers.</p>
Climate Change, Emissions Trading Scheme	<p>That the ETS will remain in its current form and carbon credits will need to be purchased at a moderate level (\$25 per tonne for 4 years and \$30 per tonne thereafter).</p> <p>Options to reduce the emissions liability of Mt Cooee will be explored including gas flaring or gas capture and reuse.</p>	Medium	<p>ETS Costs may increase if the cost of buying carbon credits is greater than assumed.</p> <p>Liabilities associated with the ETS may be less if gas recovery or reuse is viable for Mount Cooee.</p>
Post closure costs	<p>For accounting purposes, it is assumed that for Mt Cooee Landfill will be in operation until its consent expiry date of 2023. It is assumed that post closure reserves will be sufficient for Mount Cooee.</p> <p>It is assumed that the Kaka Point Coastal Dump Site can be capped and protected from further erosion for \$330,000 and that other closed tip sites will only incur environmental monitoring costs.</p>	High	<p>Capital forecasts may be higher than required. A shorter period of operation may result in less income collected for post-closure costs. This may result in alternative sources of funding being required.</p> <p>The full removal of all waste from the Kaka Point Coastal Dump site has been estimated at \$1 million. Additional funding will be required if the costs exceed the protection option.</p>



## Activity group assumptions - Community Services

Uncertainty	Assumption	Level of uncertainty	Consequence of error in assumption
Balclutha Pool usage	Improvements to Balclutha pool are expected to increase the number of patrons by helping to meet changing user expectations for youth, families and our aging population.	Medium	If usage does not increase as much as projected, income from user charges will be less than budgeted and alternative funding may be required. If usage is higher than projected additional resources and funding may also be required.
Levels of Service - Swimming Pools	An increase in opening hours is proposed for Balclutha pool, to increase winter hours. It is assumed that the additional operating budgets allowed for Balclutha swimming pool for staff, heating and electricity will be sufficient.	Medium	If actual costs are higher than budgets, additional funding will be required.
Climate Change and Environmental Standards	It is assumed that the Balclutha Pools' coal-powered boiler will be able to continue to operate until the end of its useful life and that environmental standards will not prevent its usage prior to then.	Medium	The new boiler at the pool has the potential to be operated on renewable resources and capital renewal work for moving to alternative forms of heating may have to be bought forward.
Ownership/ investiture - Lawrence pool	It is assumed that the Lawrence Pool will continue to be operated by Council until a new pool, owned and operated by an Incorporated Society is opened in 2013/14. It is also assumed that Council will provide a one-off grant to the Incorporated Society for the capital cost of the new pool.	High	If the community run pool is not opened, Council would not provide the grant to the Incorporated Society. Budgets for ongoing operating and capital costs would have to be re-instated or levels of service reduced.
Ownership/ investiture - Kaitangata pool	The Kaitangata Pool will remain in Council ownership and operation in the short-term, with the potential to be divested to a community group in the future. This will be reassessed in 2015/16 once the impact of the upgrade to Balclutha pool is known.	Medium	The pool is not divested and Council retains the responsibility and cost of owning and maintaining the pool or the pool is closed and levels of service are reduced.
Broadband	Although significant improvements to broadband access and affordability throughout the district are expected, it is assumed there will still be an ongoing demand for public internet access at Clutha's libraries. Improved and more affordable access may also raise the expectations of customers for wider information services that can sourced from the Library from home.	Medium	If Broadband doesn't improve significantly it will not impact on our level of service, except potentially greater demand as a community outlet for accessing fast, affordable internet.
Funding depreciation of halls and community centres	That Council will continue to partially fund depreciation for halls and community centres and that ongoing renewal work is what is needed to maintain these assets in perpetuity.	Medium	That additional rates or increased user charges are required for renewal works.
Kaitangata Hall, sustainability	That divestment of the Kaitangata Hall to a local group during the life of the plan is a possibility but consultation with the community and examination of the future sustainability of the hall will be required before divestment can be considered further.	Medium	If other uses and funding streams of the hall are not found it is possible the hall will be closed. Council funding alone will be insufficient to fund the needed upgrade works and continued operation and maintenance costs.
Funding depreciation of community housing units	That Council will continue to partially fund depreciation for community housing and that ongoing renewal work is what is needed to maintain these assets at an acceptable level in perpetuity. Depreciation has been funded at a rate that reflects that this activity is self-funding and is not supplemented with rates.	Medium	That rental increases or rates would be needed for renewal works.

## Activity group assumptions - Regulatory & Emergency Services

Uncertainty	Assumption	Level of uncertainty	Consequence of error in assumption
Changes in demand for Regulatory Services	Much of the workload for Regulatory Services, especially for Resource Management and Building Control, is driven by the level of activity within the community. Demand for these services has decreased during the recent economic downturn but could be expected to increase again following a possible economic recovery. It is assumed that population, economic and land use change will not occur at a level which would create demand for regulatory services greater than Council's capacity. Due to the existing staffing structure, it is assumed that future demand or changes in demand will be handled within existing staffing resources.	Medium	If any unforeseen large projects take place, extra resources may need to be contracted to cover this (the additional costs of which will be charged back to the applicant). If the level of activity decreases significantly, then part-time and contracted services will need to be used less.
Building Consent Authority Changes	Central Government has initiated a review of Building Consent Authorities, which could affect our functions and responsibilities. Council is assuming that it will retain its role as a Building Consent Authority.	Medium	That Council's responsibilities regarding building consents could significantly change which could have flow on budgetary implications.
Levels of Service - Animal Control	Council will consider, through the LTP, establishing dog exercise parks. As Animal Control funding is ring-fenced, it will be done within existing budgets as funds allow.	Medium	Would affect planned improvement to level of service for dog owners.
Climate Change	<p>Potential climate change impacts, such as increased incidence of flooding, and potentially more frequent dry conditions increasing fire risk and water shortages, can be managed within existing budgets.</p> <p>It is expected that increased weather volatility will increase the need for civil defence response by increasing the frequency and severity of civil defence events. However, as civil defence capacity needs to be in place regardless, the actual extent of change will have little affect on this function overall.</p> <p>While drier periods may well see longer restricted fire sessions and thus increased need for fire permits it is believed this can be managed with existing resources.</p>	Medium	If the impacts of climate change cannot be managed with existing resources, this may have budgetary implications.
Rural Fire Legislation Review	It is assumed that CDC will retain a rural fire function. Central Government is driving amalgamation of Rural Fire Districts, which could lead to Clutha becoming part of an enlarged Otago-wide Rural Fire District. At this stage details are not available, but it is assumed that the total cost of the activity will remain similar, even if the way that it is delivered changes.	Medium	That Council's responsibilities regarding Rural Fire either significantly increase, or decrease, which could have flow on budgetary implications.

## Reserve Funds

A new requirement of the Local Government Act 2002 Amendment Act 2010 is for Council to disclose the following financial information for each of its funds held in reserve.

Council uses these reserve funds to fund capital works which would otherwise require external borrowing. Note that the transfers in include projected interest income from this internal lending/borrowing.

Fund	Type/Purpose of Fund	Expected balance as at 1 July 2012 (\$)	Transfers into the fund during the LTP period (\$)	Transfers out of the fund during the LTP period (\$)	Expected balance as at 30 June 2022 (\$)
<b>Community Leadership</b>					
Election Fund	Spec	15,402	244,926	204,140	56,189
Lawrence Community Board (including heritage fund)	Spec	207,642	92,537	44,092	256,087
West Otago Community Board	Spec	100,156	48,685	0	148,841
Tuapeka Bursary	Spec	39,080	17,523	3,246	53,356
Economic development	Spec	29,299	18,812	0	48,111
<b>Central Administration</b>					
Information technology	Dep	156,881	1,793,180	885,703	1,064,358
Office computer equipment	Spec	125,438	60,975	0	186,413
Rosebank Terrace main office	Dep	563,457	364,502	385,929	542,031
Rosebank Terrace main office	Spec	263,723	128,195	0	391,918
Human resources	Spec	57,115	27,763	0	84,879
Cars And Gratuities	Spec	332,964	161,852	0	494,816
Forestry	Spec	17,551	8,531	0	26,082
GIS	Dep	-15,578	218,255	124,415	78,262
GIS	Spec	50,344	24,472	0	74,816
District Assets Infrastructure/data	Spec	28,281	13,747	0	42,028
Policy & Communciation	Spec	41,333	249,265	183,243	107,355
<b>Roading</b>					
Roading (including for emergency repairs)	Dep	3,922,303	5,386,324	3,746,275	5,562,352
Roading (including bridge lights)	Spec	34,699	16,867	0	51,566
Balclutha main street	Spec	39,840	19,366	0	59,206
Tapanui main street	Spec	137,469	66,823	0	204,292
<b>Water</b>					
Balclutha	Dep	-258,504	2,174,597	957,154	958,938
Balclutha	Spec	559,295	218,271	283,487	494,079
Balmoral 1 RWS	Dep	167,972	310,674	457,769	20,877
Balmoral 1 RWS	Spec	241,323	117,306	0	358,628
Balmoral 2 RWS	Dep	108,760	758,637	300,904	566,493
Balmoral 2 RWS	Spec	362,760	176,336	0	539,097
Benhar	Dep	30,356	129,618	145,509	14,466
Clinton	Dep	106,582	245,384	129,191	222,774
Clinton	Spec	10,209	3,955	5,331	8,833
Clydevale/Pomahaka RWS	Dep	70,308	1,560,924	833,033	798,200
Clydevale/Pomahaka RWS	Spec	25,235	12,267	0	37,502
Glenkenich RWS	Dep	431,790	1,360,291	1,377,516	414,565
Glenkenich RWS	Spec	35,173	17,097	0	52,270

Fund	Type/Purpose of Fund	Expected balance as at 1 July 2012 (\$)	Transfers into the fund during the LTP period (\$)	Transfers out of the fund during the LTP period (\$)	Expected balance as at 30 June 2022 (\$)
<b>Water - cont</b>					
Kaitangata	Dep	127,074	440,764	140,076	427,762
Kaitangata	Spec	82,578	-53,416	-42,738	71,901
Kaka Point	Dep	79,289	219,277	57,288	241,278
Kaka Point	Spec	12,902	4,971	6,876	10,996
Lawrence	Dep	69,357	804,248	329,030	544,576
Lawrence	Spec	28,890	11,199	15,046	25,043
Milton	Dep	-24,213	2,532,965	2,137,017	371,734
Milton	Spec	64	31	0	95
Moa Flat RWS	Dep	216,467	1,730,612	834,437	1,112,642
Moa Flat RWS	Spec	14,712	7,151	0	21,863
North Bruce RWS	Dep	24,479	1,768,042	724,003	1,068,517
North Bruce RWS	Spec	7,163	3,482	0	10,646
Owaka	Dep	64,889	279,920	193,321	151,488
Owaka	Spec	20,525	7,962	10,660	17,827
Richardson RWS	Dep	225,734	1,771,321	1,397,237	599,817
Richardson RWS	Spec	343,540	166,993	0	510,533
South Bruce RWS	Dep	129,701	486,001	340,631	275,072
South Bruce RWS	Spec	12,666	6,157	0	18,824
Stirling	Dep	91,873	231,971	68,499	255,344
Stirling	Spec	44,461	17,171	23,493	38,139
Tapanui	Dep	-12,523	714,199	892,094	-190,418
Tapanui	Spec	360	175	0	535
Tuapeka RWS	Dep	289,325	1,083,238	1,093,745	278,819
Tuapeka RWS	Spec	465,336	140,252	354,265	251,323
Waihola	Dep	95,505	221,521	68,869	248,157
Waihola	Spec	56,441	21,937	29,084	49,294
Waipahi RWS	Dep	122,017	498,468	367,473	253,011
Waitahuna Treatment Plant	Dep	-97,522	515,509	411,877	6,110
Waitahuna Treatment Plant	Spec	-5,393	-2,622	0	-8,015
Wangaloa RWS	Dep	42,143	203,187	82,616	162,714
Wangaloa RWS	Spec	1,951	948	0	2,899
Stirling Treatment Plant	Dep	23,592	651,838	444,097	231,333
Stirling Treatment Plant	Spec	213,866	103,959	0	317,825
Kaitangata Treatment Plant	Dep	11,205	553,219	333,816	230,608
Wangaloa Plant	Spec	250,513	785,515	173,926	862,101
Telemetry	Spec	117,745	57,235	0	174,980
<b>Sewerage</b>					
Balclutha	Dep	1,396,925	3,312,881	2,333,887	2,375,920
Balclutha	Spec	447,601	175,019	225,091	397,529
Benhar	Dep	-338	4,201	0	3,863
Clinton	Dep	186,386	631,321	391,008	426,699
Clinton	Spec	944	369	474	839

Fund	Type/Purpose of Fund	Expected balance as at 1 July 2012 (\$)	Transfers into the fund during the LTP period (\$)	Transfers out of the fund during the LTP period (\$)	Expected balance as at 30 June 2022 (\$)
<b>Sewerage - cont</b>					
Heriot	Dep	8,424	27,304	29,626	6,102
Heriot (pump)	Spec	19,326	52,548	12,362	59,512
Kaitangata	Dep	496,399	869,087	608,107	757,380
Kaitangata	Spec	52,325	20,005	28,717	43,613
Kaka Point	Dep	74,696	458,930	139,629	393,997
Kaka Point	Spec	55,876	21,308	30,959	46,225
Lawrence	Dep	45,862	714,501	156,498	603,865
Lawrence	Spec	957	465	0	1,421
Milton	Dep	531,729	3,163,369	898,972	2,796,126
Milton	Spec	-2,172	-1,056	0	-3,228
Tokoiti	Dep	182	23,572	0	23,755
Owaka	Dep	70,473	799,742	102,308	767,908
Owaka	Spec	-8,467	-4,116	0	-12,583
Stirling	Dep	25,402	393,790	70,128	349,064
Stirling	Spec	56,901	22,058	29,623	49,337
Tapanui	Dep	70,891	1,025,985	71,743	1,025,133
Tapanui	Spec	233,792	91,537	116,932	208,396
Waihola	Dep	230,991	590,152	622,646	198,498
Waihola	Spec	92,084	35,742	47,702	80,124
<b>Stormwater</b>					
Balclutha	Dep	294,587	1,357,319	1,123,237	528,668
Balclutha	Spec	11,656	5,666	0	17,321
Clinton	Dep	85,255	119,970	84,393	120,833
Kaitangata	Dep	55,358	158,081	142,125	71,313
Kaka Point	Dep	36,542	88,128	14,471	110,199
Lawrence	Dep	6,600	116,373	32,908	90,065
Milton	Dep	130,127	1,191,010	335,402	985,735
Milton	Spec	12,995	6,317	0	19,312
Owaka	Dep	109,386	152,747	0	262,133
Tapanui	Dep	151,459	385,904	78,110	459,253
Palmer Place	Dep	2,963	1,478	0	4,441
Rural	Dep	22,074	145,224	0	167,298
Rural	Spec	753	366	0	1,119
<b>Waste Management</b>					
Solid Waste	Dep	357,932	848,455	136,180	1,070,207
Mt Cooe	Spec	2,935	1,427	0	4,362
<b>Community Services</b>					
Libraries	Dep	5,264	1,262,388	1,259,762	7,890
Balclutha Information Centre	Spec	13,925	6,769	0	20,694
Owaka Sevice Centre	Dep	41,157	107,182	0	148,339
Lawrence Service Centre	Dep	124	62	0	185
Lawrence Service Centre	Spec	1,450	705	0	2,155

Fund	Type/Purpose of Fund	Expected balance as at 1 July 2012 (\$)	Transfers into the fund during the LTP period (\$)	Transfers out of the fund during the LTP period (\$)	Expected balance as at 30 June 2022 (\$)
<b>Community Services - cont</b>					
Milton Service Centre	Dep	20,239	32,345	0	52,584
Milton Service Centre	Spec	32,194	15,649	0	47,843
Tapanui Service Centre	Dep	7,394	3,689	0	11,083
Service Centres	Spec	51,794	25,177	0	76,970
Balclutha pool	Dep	502,716	882,630	0	1,385,346
Balclutha pool	Spec	168,331	81,825	0	250,156
Kaitangata pool	Dep	58,673	237,081	125,560	170,194
Kaitangata pool	Spec	56,762	27,592	0	84,354
Lawrence pool	Dep	80,334	55,947	0	136,281
Lawrence pool	Spec	32,109	15,608	0	47,718
Milton pool	Dep	-29,503	241,276	187,678	24,096
Milton pool	Spec	3,816	1,855	0	5,671
Reserve contributions	Spec	122,654	59,622	0	182,276
Parks and reserves	Dep	62,695	99,987	312,236	-149,554
Waiholā parks and reserves	Spec	6,356	-543	8,000	-2,187
Sportsgrounds	Dep	359,529	481,062	26,404	814,187
Cemeteries	Dep	55,048	243,769	85,981	212,836
Cemeteries	Spec	372,922	187,328	79,596	443,439
Public conveniences	Dep	74,688	705,535	385,109	185,487
Balclutha Memorial Hall	Dep	192,048	416,709	557,187	51,571
Balclutha Memorial Hall	Spec	120,965	16,049	129,424	7,591
Milton Civic Centre	Dep	10,085	5,031	0	15,116
Milton Civic Hall	Spec	4,458	2,167	0	6,625
Kaitangata Memorial Hall	Dep	727	363	0	1,089
Kaitangata Memorial Hall	Spec	524	255	0	779
Clinton Hall	Dep	562	280	0	842
Clutha Valley Community Centre	Dep	29,589	53,561	5,644	77,506
Clutha Valley Community Centre	Spec	8,376	4,071	0	12,447
Hillend Hall	Dep	10,608	20,336	0	30,944
Hillend Hall	Spec	1,450	705	0	2,154
Kaka Point	Dep	6,502	7,997	0	14,499
Kaka Point	Spec	2,408	1,170	0	3,578
Lovells Flat Hall	Dep	4,410	5,510	0	9,919
Moneymore Community Centre	Dep	3,955	5,885	0	9,840
Moneymore Community Centre	Spec	1,571	764	0	2,334
Owaka Community Centre	Dep	21,364	49,772	0	71,136
Owaka Community Centre	Spec	16,624	8,081	0	24,705
Paretai Hall	Spec	2,893	1,406	0	4,299
Waiholā Hall	Dep	2,025	4,606	0	6,631
Waipahi Hall	Dep	8,600	11,812	0	20,413
Waitahuna Hall	Dep	47,660	59,687	62,988	44,359
Waitahuna Hall	Spec	1,207	587	0	1,794

Fund	Type/Purpose of Fund	Expected balance as at 1 July 2012 (\$)	Transfers into the fund during the LTP period (\$)	Transfers out of the fund during the LTP period (\$)	Expected balance as at 30 June 2022 (\$)
<b>Community Services - cont</b>					
Waiwera South Hall	Dep	5,420	7,217	0	12,637
Waiwera South Hall	Spec	1,328	646	0	1,974
Various halls (rural)	Dep	114,314	57,031	0	171,345
Naish Park camping ground	Dep	7,026	9,523	0	16,549
Kaka Point camping ground	Dep	20,760	25,927	0	46,686
Taylor Park camping ground	Dep	7,331	18,701	0	26,032
Taylor Park camping ground	Spec	33,850	9,643	15,000	28,493
Pounaweia camping ground	Dep	12,146	18,094	0	30,240
Waihola camping ground	Dep	7,878	2,604	10,000	482
Community Housing	Dep	144,172	95,838	10,325	229,684
Endowment Land	Spec	773,313	375,904	0	1,149,217
Depots	Dep	244,509	121,984	0	366,493
Other Property	Dep	70,836	95,514	0	166,349
<b>Regulatory &amp; Emergency Services</b>					
Civil Defence	Dep	-21,884	64,795	0	42,911
Rural Fire	Dep	57,160	178,952	0	236,111
<b>Funds not specifically allocated to an activity group</b>					
General Funds	Spec	3,862,125	1,877,360	0	5,739,486
Tapanui Domain Trust	Trust	10,946	0	0	10,946
Butler Trust	Trust	312	0	0	312
Milton Brass Band	Trust	481	0	0	481
O'Hara Sports Trust	Trust	1,213	0	0	1,213
J D Swan Estate	Trust	6,655	0	0	6,655
George Melville Estate	Trust	156,416	0	0	156,416
Kate Leslie Trust	Trust	100,791	0	0	100,791
Elderly Citizens Trust (Lawrence)	Trust	21,999	0	0	21,999
Clinton Endowment Land	Trust	64,793	0	0	64,793

**Depreciation Reserve Funds (Dep):** Interest earning reserves that have the purpose of funding future costs of capital renewals that the fund relates to.

**Special Funds (Spec):** 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. Their purpose is to fund capital works and also provide investment income from internal borrowing.

**Trust Funds (Trust):** Funds held and administered by the CDC. These are often historical funds inherited by the CDC, their purpose is to honour the specific bequests for certain areas of the district.

# Summary 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 New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

## Statement of Compliance

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

The financial statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate for public benefit entities.

All available public benefit entity reporting exemptions under NZ IFRS have been adopted.

## Basis of Preparation

The preparation of prospective financial statements in conformity with NZ IFRS 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 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 grantor agency. Rooding subsidies are recognised when the claims are approved by Land Transport New Zealand.

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.

### (i) 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 ING, as financial assets at fair value through profit or loss. This fund includes cash, bonds and tradable securities.

#### Available-for-Sale Financial Assets

Available-for-sale financial assets are those that are designated as fair value through equity 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 securities are recognised in the statement of Prospective 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.

## **(ii) 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.

## **(iii) 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 Note 26 to the audited financial statements in Council's 2010/11 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.

### **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 2011 by Council staff and reviewed by Opus International Limited. Additions subsequent to 30 June 2011 are valued at cost. Stormwater, wastewater and water assets are revalued every 3 years.
- The roading infrastructural assets (excluding land under roads) were revalued on a depreciated replacement value at 30 June 2009 by MWH Limited. Subsequent additions are recorded at cost. Roading assets are revalued every 3 years.

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 Comprehensive Income. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Prospective Statement of Comprehensive Income will be recognised first in the Prospective Statement of Comprehensive Income 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 Prospective Statement of Financial Performance in the year incurred.

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%
<b>Infrastructural Assets</b>		
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 Statement of Financial Performance

The useful lives and associated amortisation rates for major classes of intangible assets have been estimated as follows:

Computer Software	3 - 5 years	33%
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## 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 26 of Council's 2010/11 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.

### Emissions Trading Scheme

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 prospective 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 or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- Infrastructural assets

There are a number of assumptions and estimates used when performing 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 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.

### Critical Judgements

Management has exercised the following critical judgements in applying the Council's accounting policies for the ten year period of 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.

## Detailed Description of Rate Funding Mechanisms

Council has set the following rates for the year commencing 1 July 2012 and ending 30 June 2013 in accordance with the Local Government Act 2002 and the Local Government (Rating) Act 2002. All monetary values disclosed below are inclusive of GST.

### UNIFORM ANNUAL GENERAL CHARGE (UAGC)

Council has set a 'Uniform Annual General Charge' of \$458.40 on each separately used or inhabited part of a rating unit (SUIP) in the district.

The amount to be collected is \$4,757,900.

The activities that the UAGC is used to fund, as well as the income sources that offset the UAGC, are outlined below:

Activity	Amount (\$) per UAGC	Total amount to be collected (\$)
Council	79.20	822,600
Economic Development	72.90	757,200
Community Development	56.60	587,300
Main street improvements	3.00	31,500
Parks, reserves, sportsgrounds and playgrounds	20.20	209,900
Halls and community centres	10.40	107,300
Swimming Pools	39.00	404,200
Corporate Management	45.30	470,100
Service Centres	50.30	521,600
Libraries	71.40	740,800
Animal Control	1.70	17,700
Civil Defence & Emergency Services	10.10	105,600
Cemeteries	10.90	113,200
Public Conveniences	40.30	417,900
Environmental Health	18.30	189,500
Rural Fire	7.50	77,500
Waihola Domain & Kaka Point Foreshore	3.50	36,300
Waste Minimisation	6.70	69,100
<b>SUB TOTAL</b>	<b>547.20</b>	<b>5,679,400</b>
Income		
Property including Camping grounds	27.00	280,100
General - Petrol Tax and investment income	59.30	615,500
Inhouse professional services	2.40	25,900
<b>SUB TOTAL</b>	<b>88.80</b>	<b>921,500</b>
<b>TOTAL</b>	<b>458.40</b>	<b>4,757,900</b>

## DISTRICT ROADING

Council has set a 'District Roading' rate on every rating unit in the district. This recognises that the roading network is used by everyone in the district. The rate is 0.050602 cents per \$1 of capital value.

The amount to be collected is \$3,097,900.

## COMMUNITY SEWERAGE UPGRADE SUPPORT

Council has set a 'Community 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 0.000500 cents per \$1 of capital value.

The amount to be collected is \$30,600.

## PLANNING/REGULATORY

Council has set a 'Planning/Regulatory' rate on every rating unit in the district. This will be used to fund the ongoing expense of managing the District Plan and fund the operation of regulatory services. The rate is 0.004053 cents per \$1 of capital value.

The amount to be collected is \$248,200.

## 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 charge where a ratepayer has contiguous properties.

Local Roading Rating Area	Fixed charge (\$) per rating unit	Cents per \$ of land value	Total amount to be collected (\$)
Balclutha	57.50	0.23620	373,800
Clinton	57.50	0.66396	35,900
Kaitangata	57.50	1.02208	112,100
Kaka Point	57.50	0.08479	40,500
Lawrence	57.50	0.27948	65,700
Milton	57.50	0.18894	139,700
Owaka	57.50	0.39355	34,500
Stirling	57.50	0.35683	24,000
Tapanui	57.50	0.45827	55,500
Waihola	57.50	0.06337	22,100
Rural	57.50	0.11016	4,455,200
<b>TOTAL</b>			<b>5,359,200</b>

## NEW FOOTPATHS

Council has set a 'New Footpath Rate' to fund repayment of loans taken out for Council's new footpath programme. 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 below:

Local Roading rating area	Fixed charge (\$) per SUIP	Total amount to be collected (\$)
Balclutha	21.90	46,600
Clinton	22.00	4,100
Kaitangata	9.80	4,300
Kaka Point	20.20	5,600
Lawrence	6.60	2,300
Milton	36.90	40,300
Owaka	22.10	4,500
Stirling	10.80	1,600
Tapanui	10.90	4,900
Waihola	17.30	3,700
<b>TOTAL</b>		<b>117,900</b>

## URBAN WATER SUPPLY

Council has set 'Urban Water Supply' rates to fund the operation, maintenance and capital expenditure for individual water schemes. The rate will be 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. This targeted rate is differentiated based on the provision or availability of the service provided by Council (the categories are "connected" and "serviceable"). The rate for each scheme is shown in the table below:

Water Scheme	Fixed charge (\$) per connection	Fixed charge (\$) per serviceable SUIP	Total amount to be collected (\$)
Balclutha	316.10	158.10	685,500
Benhar	313.00	-	16,300
Clinton	593.10	296.60	107,300
Kaitangata	513.70	256.90	211,100
Kaka Point	489.00	244.50	121,800
Lawrence	557.30	278.70	205,600
Milton	593.10	296.60	619,700
Owaka	233.50	116.70	55,800
Stirling	345.90	173.00	54,300
Tapanui	593.10	296.60	299,500
Waihola	400.00	200.00	92,000
<b>TOTAL</b>			<b>2,468,900</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 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 below:

Water Scheme	Fixed charge (\$) per unit supplied	Total amount to be collected (\$)
Balmoral 1	218.60	162,000
Balmoral 2	207.00	327,500
Clydevale/Pomahaka	356.20	685,600
Glenkenich	195.60	392,300
Moa Flat	155.40	399,200
North Bruce	212.40	409,300
Richardson	241.20	585,400
South Bruce	161.30	243,500
Tuapeka	276.50	440,900
Waipahi	312.20	211,400
Wangaloa	327.40	135,900
<b>TOTAL</b>		<b>3,993,000</b>

## SEWERAGE

Council has set ‘Sewerage’ rates to fund the operation, maintenance and capital expenditure for individual 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. This targeted rate is differentiated based on the provision or availability of the service provided by Council (the categories are “connected” and “serviceable”). The rate for each scheme is shown in the table below:

Sewerage Scheme	Fixed charge (\$) per connection	Fixed charge (\$) per serviceable SUIP	Total amount to be collected (\$)
Balclutha	230.60	115.30	499,400
Clinton	491.70	245.90	90,500
Heriot	450.50	-	34,300
Kaitangata	326.00	163.00	127,200
Kaka Point	437.30	218.70	110,200
Lawrence	433.60	216.80	140,900
Milton	275.80	137.90	279,900
Owaka	461.20	230.60	99,100
Stirling	486.10	243.10	69,500
Tapanui	331.50	165.80	151,200
Waihola	374.10	187.00	77,100
<b>TOTAL</b>			<b>1,679,200</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 each scheme is shown in the table below:

Sewerage Capital Rating Area	Fixed charge (\$) per connection	Fixed charge (\$) per servicible SUIP	Total amount to be collected (\$)
Balclutha	81.10	40.50	45,000
<b>TOTAL</b>			<b>45,000</b>

Sewerage Capital Rating Area	Area A*	Area B*	Total amount to be collected (\$)
Benhar	496.00	442.50	19,800
Tokoiti	775.00	596.00	20,900
<b>TOTAL</b>			<b>40,700</b>

\* See appended maps for rating areas.

## STORMWATER

Council has set ‘Stormwater’ rates to fund the operating, maintenance and capital expenditure for individual stormwater schemes. The rate is set as a fixed charge for each separately used or inhabited part of a rating unit (SUIP) within the district that is either connected to one of the following schemes, or for which a connection is available. For some schemes this rate is differentiated based on the provision or availability of the service provided by the Council (the categories are “connected” and ‘serviceable’). The rate for each scheme is shown in the table below:

Stormwater Scheme	Fixed charge (\$) per connection	Fixed charge (\$) per servicible SUIP	Total amount to be collected (\$)
Balclutha	119.70	59.90	238,900
Clinton	124.30	-	19,800
Kaitangata	72.00	-	25,000
Kaka Point	88.90	-	21,200
Lawrence	93.20	46.60	28,100
Milton	177.90	89.00	165,300
Owaka	78.70	-	14,500
Tapanui	111.20	55.60	45,300
<b>TOTAL</b>			<b>557,900</b>

## SOLID WASTE MANAGEMENT

A ‘Waste Management’ rate has been set to fund solid waste collection and disposal services. This rate is set as a fixed charge of \$171.40 per bin that Council is prepared to collect weekly.

The amount to be collected is \$978,100.

## 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, Camping Grounds, Parks and Reserves, Berms, Sportsgrounds, and in the rural area; Rural Stormwater and Rural Fire.

The rate is set on a differential basis based on location and is based on land value as per the table below;

Community Services Rating Area	Cents per \$ of land value	Total amount to be collected (\$)
Balclutha	0.61673	728,600
Clinton	0.66383	25,100
Kaitangata	1.24512	106,500
Kaka Point	0.09811	8,600
Lawrence	0.42264	70,500
Milton	0.40715	206,700
Owaka	0.35975	22,700
Stirling	0.30986	4,000
Tapanui	0.38026	27,700
Waihola	0.09005	20,200
Rural	0.00802	303,300
<b>TOTAL</b>		<b>1,523,800</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 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 below;

Electoral Ward(s)	Fixed charge (\$) per SUIP	Total amount to be collected (\$)
Balclutha	39.20	107,900
Clutha Valley, Kaitangata-Matau	29.40	36,200
Clinton, Catlins	19.60	31,000
Lawrence-Tuapeka, Bruce	11.70	38,300
West Otago	3.90	4,400
<b>TOTAL</b>		<b>217,800</b>

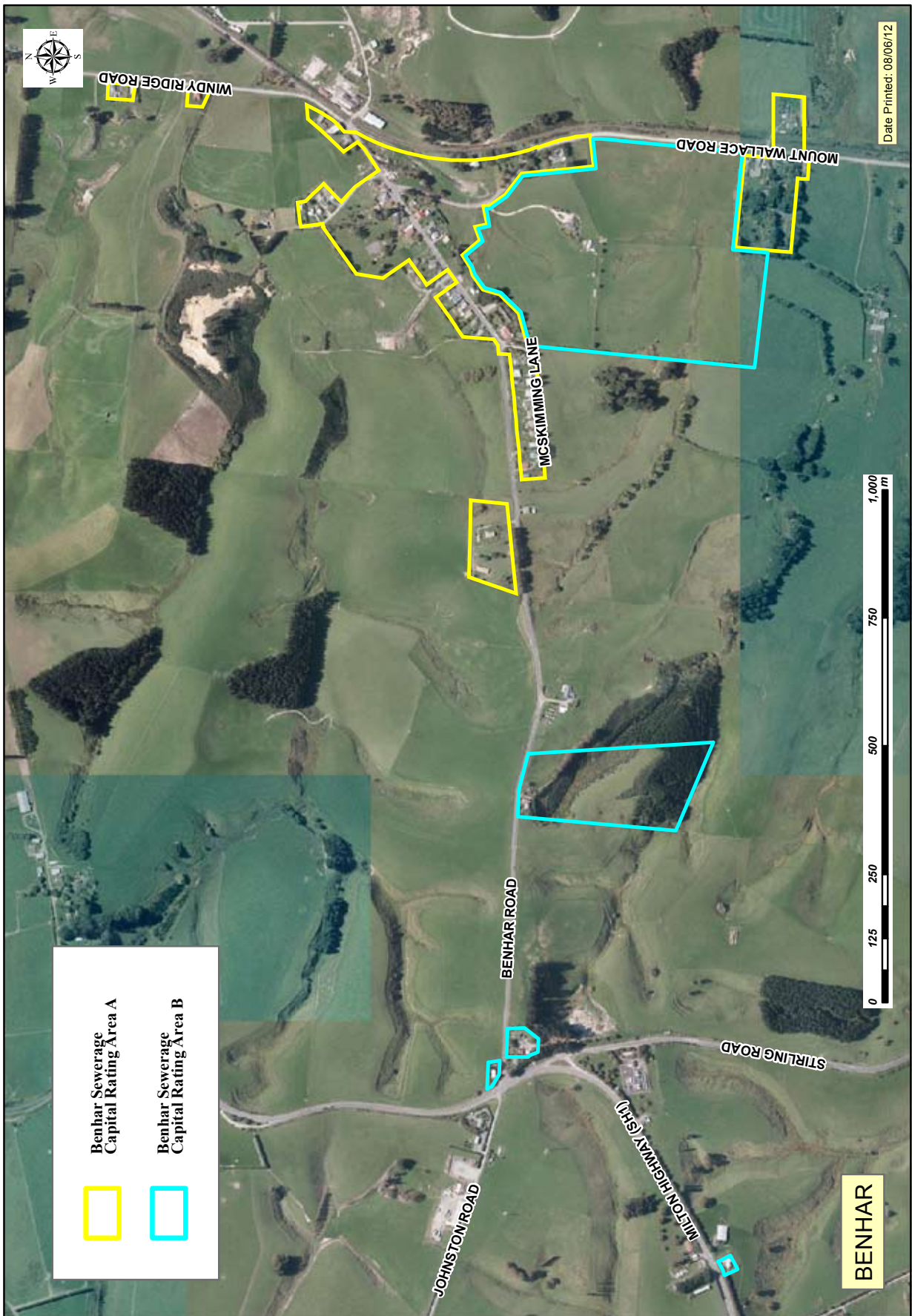
## COMMUNITY BOARDS

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 unity (SUIP) within each community board area as per the table below:

Community Board	Fixed charge (\$) per SUIP	Total amount to be collected (\$)
West Otago Community Board	61.80	71,900
Lawrence-Tuapeka Community Board	78.90	73,500
<b>TOTAL</b>		<b>145,400</b>

# Benhar Sewerage Loan Rating Areas

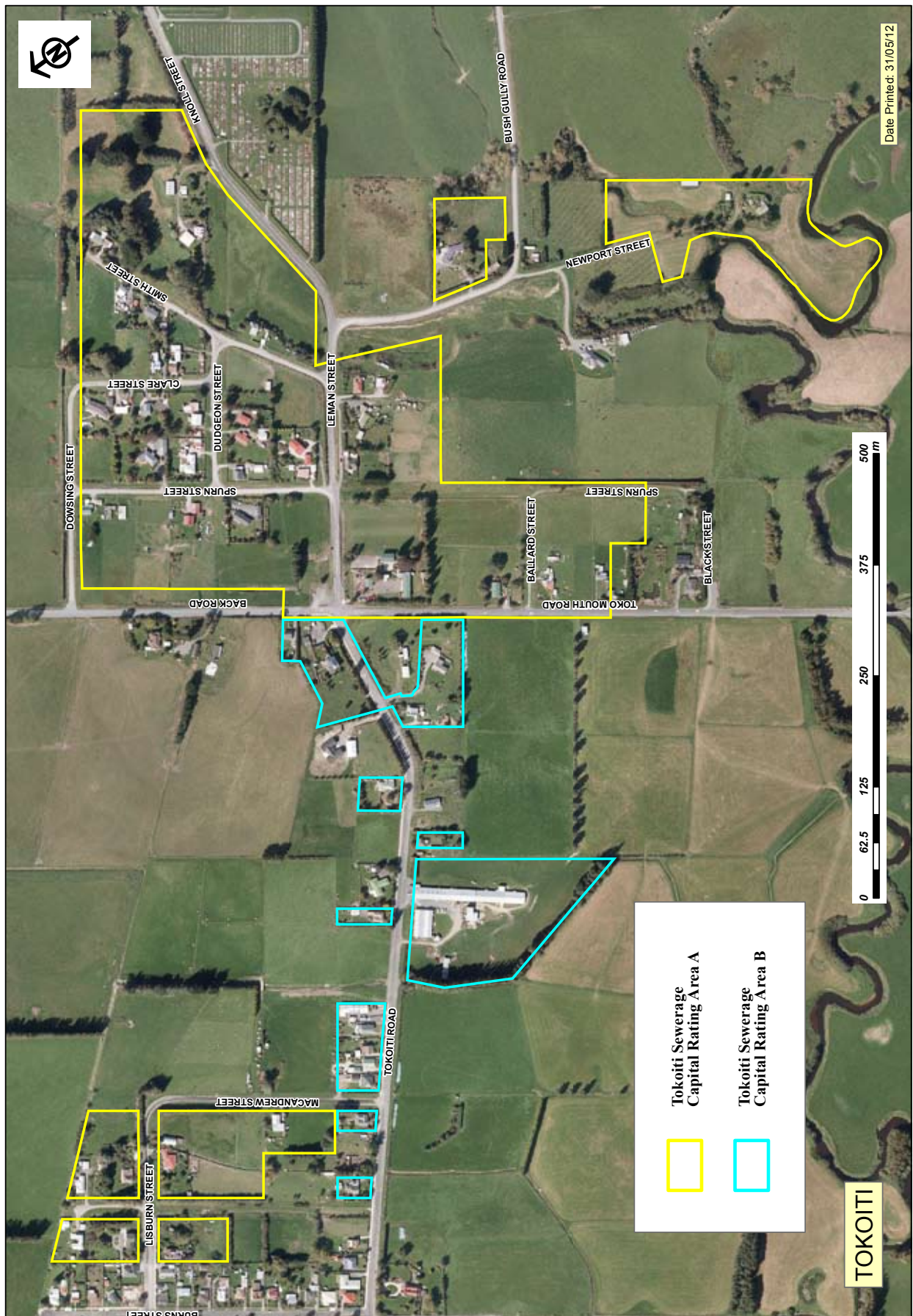
Council has set the following rating areas for the purpose of funding the local share of capital costs new sewerage reticulation in Benhar. Properties for which a capital contributions are made will not be rated the annual loan rate.





# Tokoiti Sewerage Loan Rating Areas

Council has set the following rating areas for the purpose of funding the local share of capital costs new sewerage reticulation in Tokoiti. Properties for which a capital contributions are made will not be rated the annual loan rate.



# Payment of Rates

## DUE DATES FOR PAYMENT OF RATES

All rates will be payable in four installments. The due dates for these installments are:

- Friday 31 August 2012
- Friday 30 November 2012
- Friday 22 February 2013
- Friday 31 May 2013

## GOOD AND SERVICES TAX (GST)

All of the rates and amounts set out in the Detailed Description of Rate Funding Mechanisms do not include GST which will be added to the rates invoices at the rate of 15%.

## PENALTIES

A 10% penalty is to be added on the next business day (i.e. 3 September 2012, 3 December 2012, 25 February 2013, 3 April 2013 respectively) to so much of any installment not paid on or before the due date.

Rates unpaid from previous years will incur a further 10% penalty on 1 October 2012 and again on 1 April 2013.

## DISCOUNT

Council will allow a discount of 2.5% where a ratepayer pays the year's rates in full on or before the due date for the first installment of the year, being Friday, 31 August 2012.

## PAYMENT OPTIONS

Rates shall be payable by any of the following ways:

Cash, cheque or EFTPOS (excluding credit cards) made at any of the following places:

- Council Office, 1 Rosebank Terrace, Balclutha
- Balclutha Information Centre, 4 Clyde Street, Balclutha
- Milton Service Centre, 124-126 Union Street, Milton
- Tapanui Service Centre, Suffolk Street, Tapanui
- Lawrence Service Centre, 5 Peel Street, Lawrence

Cheques posted to Clutha District Council, PO Box 25, Balclutha.

Weekly, fortnightly, monthly or quarterly direct debits

Automatic payments

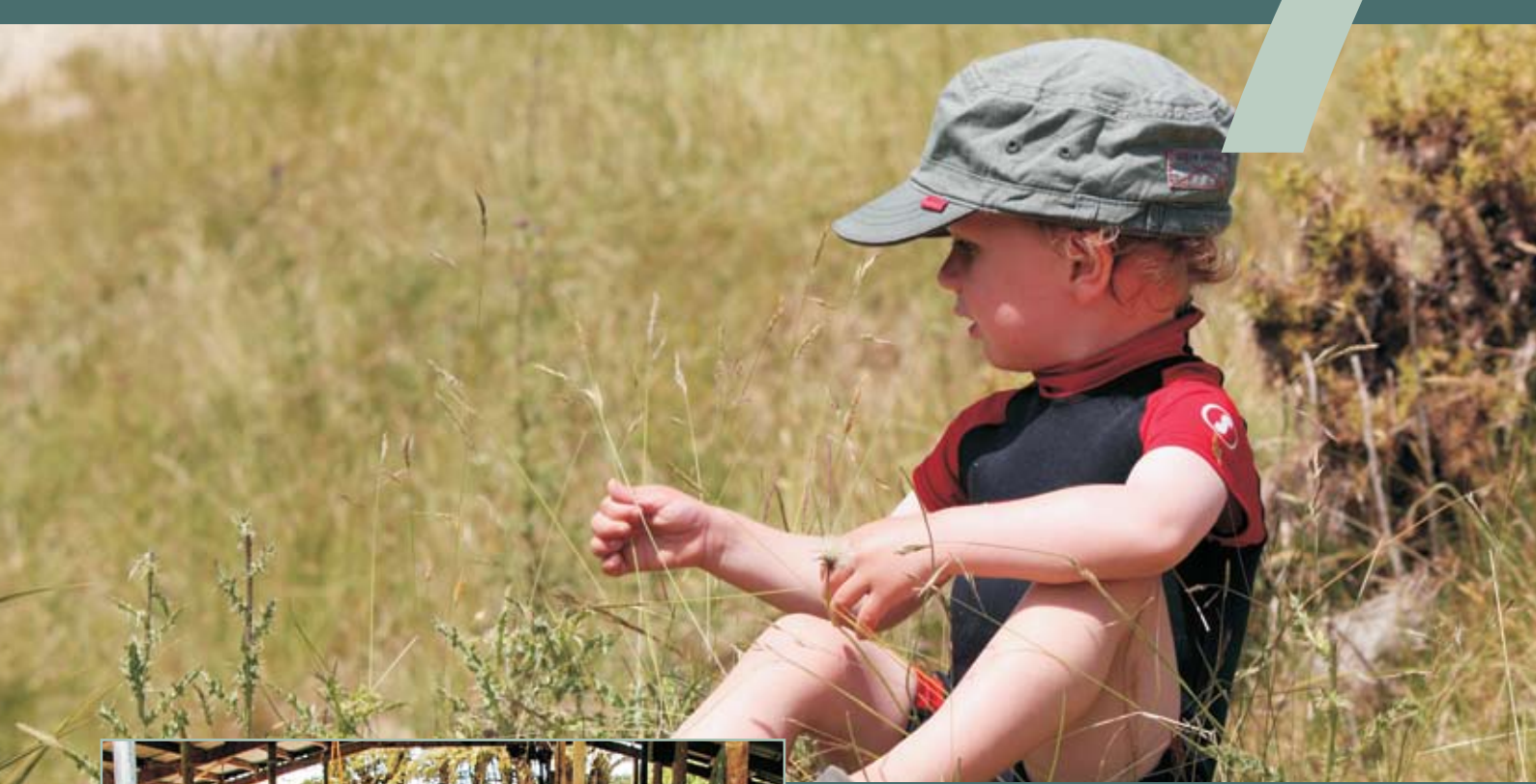
Council does not accept payments by credit cards.

## UNECONOMIC BALANCES

Rates set on rating units that are \$10 or less are considered uneconomic and will not be collected.

# Key policies

# 7



# Revenue and Financing Policy

## Purpose

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 identifies how Council intends to fund each of its activities, and outlines the considerations and rationale for the funding sources chosen.

It also outlines how Council considered the overall impact of allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community.

## Overall Philosophy

Council's overall approach is that, where practicable, the communities, groups or individuals who directly benefit from a Council activity will fund that activity.

Where similar levels of service are provided but actual costs vary significantly (currently for urban water supply and sewerage services) targeted rates for that service are capped at 25% above the average scheme cost, with any costs above this being spread across uncapped rates. This is known as harmonisation or rates capping and results in greater similarity in pricing between communities who receive similar levels of service from an activity.

## 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 (LGA).

Operating expenditure is primarily funded through general and targeted rates and fees and charges. External funding assistance is provided for roading. 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.

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.

## 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 asset 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 available or appropriate for a project, capital expenditure is generally funded by borrowing. This provides the immediate funding required to acquire 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. 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 of a rating unit (SUIP) in the district.

### 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, wastewater 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.

### **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 lump sum or paying through rates over the life of the loan. The decision whether to offer lump sum contributions is decided 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 from its available reserves to fund various infrastructural asset renewals and upgrades. Borrowing is also undertaken from time to time for other operational assets. 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. Council recognises that in some circumstances external borrowing may be an attractive and necessary funding mechanism, and it will be utilised where appropriate.

### **Proceeds from Asset Sales**

Proceeds from asset sales are allocated to special funds, and are generally used for the acquisition of new assets, or repayment of debt.

### **Development Contributions**

Under the Local Government Act 2002, Council is entitled to apply development contributions to new development. These contributions are to fund infrastructure required by the development and for the provision and development of reserves. As there is not significant growth within the district, Council has chosen not have a development contribution policy in

favour of financial contributions mechanism 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 an urban water scheme.

### **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 subsidy comes from the New Zealand Transport Agency, 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. 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).

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.

The 'Uniform Annual General Charge' (UAGC) is a rate set at a fixed amount and which every SUIP pays.

## 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.

## 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 is funded district-wide, through the UAGC.

## Community Development

### Activity Description

Fostering social wellbeing of 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 is funded district-wide, through the UAGC.

## 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.

### Rationale

A uniform contribution from ratepayers in the area of benefit is deemed to be the fairest way to fund the grant.

## 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. For example, some industry creates additional demand and causes more 'wear and tear'.

### 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.

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 SUIP on those in the rating area benefiting from the new footpaths.

### Rationale

The combination of funding mechanisms reflects the access to, and benefit gained from the roading network.

## WATER SUPPLY

### Urban Water Supplies

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#### 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

No individuals or groups.

#### 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 rates on connections to each scheme. The rate is a uniform amount, with half rates for those with the ability to connect. From time to time interest from special funds may be used to offset rates.

As a result of operating and funding each scheme individually the costs to consumers can vary significantly. To reduce significant costs to consumers on some schemes, Council caps urban water operating rates at 25% above the average scheme cost, with any costs above this being spread across uncapped urban water rates. This results in greater similarity in urban water pricing between communities.

#### Rationale

User pays facilitates efficient use of resources, with harmonisation (rates capping) to help reduce high costs in some communities.

### Rural Water Schemes

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#### Activity Description

Rural water schemes which provide water primarily for stock but also for domestic consumption.

#### 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 for 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 uniform rate per unit of water supplied.

#### 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 sewerage 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

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

*Operating, Maintenance and Capital costs of existing schemes:* 100% targeted rates on connections to each scheme. Uniform rate per connection to each scheme, half rates for those with the ability to connect.

As a result of operating and funding each scheme individually the costs to consumers can vary significantly. This is despite the fact that the level of service for sewerage is much the same for consumers across the



district's community sewerage schemes, in that sewage is piped away, treated and disposed. In order to reduce significant costs to consumers on some schemes, Council caps (known as harmonisation) sewerage operating rates at 25% above the average scheme cost, with any costs above this being spread across uncapped sewerage rates. This results in greater similarity in sewerage pricing between communities.

*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.

#### **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 and Tokoiti.

## **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.

#### **Costs and benefits of distinct funding**

Each scheme is operated and funded standalone, enabling the cost of each scheme to be paid for by those who benefit from it. The level of expenditure and variable usage in Stirling, Waihola and rural areas does not warrant a separate targeted rate.

#### **Funding methods**

*Urban schemes:* 100% targeted rate set at a uniform amount per connected SUIP. A number of schemes charge half rates for properties with the ability to connect.

*Rural stormwater:* LV based rate, 80%: Rural, 10%: Stirling and 10%: Waihola (Community services rating areas).

#### **Rationale**

Those who benefit from the scheme pay the cost of that scheme. This ensures efficient use of resources with consumers only demanding what is affordable and sustainable.

## **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 Cooee 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.

#### **Funding methods**

70% targeted uniform rate per SUIP (based on availability of kerbside collection service); 30% 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.

## **Landfill Remediation**

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### **Activity Description**

Remediation of the former Kaka Point landfill site to reduce its environmental impacts.

### **Community Outcome**

A sustainable environment that promotes a clean, green image.

### **Who benefits?**

The whole district benefits from having a cleaner, safer environment and protecting our clean, green image.

### **Timeframe of benefits**

Long term.

### **Contribution to need**

Those who used the dumpsite in the past.

### **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**

Funded by an internal loan to be repaid from the UAGC over 25 years.

### **Rationale**

As the landfill was closed in the early 1980's those who contributed to the need for the activity can not be made to fund the cost of the remediation. Protecting the environment is a responsibility of the whole district.

## **COMMUNITY SERVICES**

### **Cemeteries**

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#### **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**

35% Fees and Charges; 65% UAGC.

#### **Rationale**

The funding split recognises direct private benefits along with wider public benefits. Ability to pay is somewhat recognised by keeping burial fees at an affordable level.

## **Community Housing**

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#### **Activity Description**

Provision and maintenance of community housing units throughout the district.

#### **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**

As 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.

**Halls & Community Centres**

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**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; 29-31% UAGC; 53-57% 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.

**Information Centres**

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**Activity Description**

Visitor information and service centres for ratepayers.

**Community Outcome**

Community facilities that sustainably provide benefit to 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.

**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**

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 are also provide a district-wide benefit.

**Libraries**

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**Activity Description**

Provision of library services through the central Balclutha library and four branch libraries.

**Outcome**

Community facilities that sustainably provide benefit to 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 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 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.

### **Parks & Reserves**

#### **Activity Description**

Provision of greenspaces including parks, reserves, playgrounds and sportsgrounds.

#### **Community Outcome**

Community facilities that sustainably provide benefit to 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 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).

#### **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.

### **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 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.

### **Swimming Pools**

#### **Activity Description**

Provision of swimming pools in some of the district's larger towns.

#### **Community Outcome**

Community facilities that sustainably provide benefit to 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 the in 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**

15-25% Fees and charges; 25-30% UAGC; 50-55% 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.

## **Cross Recreation Centre**

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### **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 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.

## **REGULATORY & EMERGENCY SERVICES**

## **Animal Control**

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### **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.

## **Building Control**

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### **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.

## **Civil Defence Emergency Management**

### **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.

## **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.

## **Liquor 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 licenses enabling them to trade. Public benefit from having liquor available in licenses 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, liquor.

### **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, any shortfall on UAGC.

### **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.

## **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 district's natural and physical resources. 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 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**

20-40% Fees and charges; 60-80% district-wide CV based rate.

**Rationale**

Fees for resource consents are set at a level to recover the actual costs involved with processing the consent. The remainder of this activity (including the fixed costs for the District Plan) is a public good and is funded by the district as a whole, based on CV reflecting the level of development and ability to pay.

**Rural Fire**

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**Activity Description**

Fire control activities in rural areas.

**Outcome**

A safe and supportive community.

**Who benefits?**

Residents and ratepayers in rural areas receive the primary benefit, although there is also a benefit in urban areas because equipment is also available to urban fire brigades.

**Timeframe of benefits**

Largely a short term benefit, with longer term benefit from expenditure on fire fighting equipment.

**Contribution to need**

Those in rural areas who have fire-prone land or vegetation and those who use fire as a land management tool.

**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 the Annual and Long Term Plans and on rates assessments.

**Funding methods**

35% UAGC; 65% targeted LV based rate (rural community

services rate).

**Rationale**

The rural area funds the majority of the cost as it contributes towards the need for the activity and receives the greatest benefit. Using a LV based rate reflects the area of land protected. The district-wide benefit is reflected with UAGC funding.

**Overall Impact on the Community**

In considering the appropriateness of the revenue and financing policy Council considered the following factors (among others):

- Selecting the correct funding mechanism to allow capital and operating expenditure to be paid by the beneficiaries, if they can be identified, while balancing current and intergenerational equity issues.
- Ensuring that fees and charges set do not prevent access to services for the less well-off members of the community, but contribute appropriately to funding services that have an element of private benefit.
- Managing changes in Council policies so that the impact of change can be assimilated gradually.
- Keeping business rates competitive, to attract new business and not impede existing business.
- Ensuring that the policies allow Council to generate sufficient funds to meet its current and future needs.
- Balancing a rate based on capital or land values related to asset ownership, to fund services for the public that are not related to property ownership.

## Summary: How Council Services are Funded (after any external funding sources)

Activity Group	Activity	Fees & Charges	District wide rates		Rates based on location or availability of service	
			UAGC	Capital Value	Uniform Charge	Land Value
Community Leadership	Governance Council		100%			
	Community Boards				100%	
	Economic Development		100%			
	Community Development		100%			
Roading	Roading (balance after NZTA subsidy)			37%		63%
	New footpaths				100%	
	Main Street upgrades Balclutha & Milton		20%			80%
	Lawrence & Tapanui		20%		80%	
Water Supply	Urban Water Supply				100%	
	Rural Water Schemes				100%	
Sewerage	Sewerage				100%	
	Treatment Upgrades			10%	90%	
	Benhar & Tokoiti Capital			10%	90%	
Stormwater	Urban Stormwater				100%	
	Rural Stormwater					100%
Solid Waste Management	Waste Collection & Disposal	30%			70%	
	Waste Minimisation		100%			
	Closed Landfill Remediation		100%			
Community Services	Libraries	5-10%	90-95%			
	Service & Information Centres	5-10%	90-95%			
	Swimming Pools	15-25%	25-30%			50-55%
	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%	
Regulatory & Emergency Services	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%



# Policy on Significance

## Purpose

Council is required by Section 90 of the Local Government Act 2002 to have a policy on significance that sets out how it will determine the significance of a decision.

Council is also required by Section 90 of the Local Government Act to provide a list of its strategic assets.

This policy will help guide Council in its decision-making processes by directing the appropriate level of attention, consideration, consultation and disclosure to matters based on their relative importance to the Clutha District.

## Policy

### Significant Decision

A significant decision is one that has a high degree of importance in terms of its impact upon:

- a) the ability of Council to implement the decision without impacting on its ability to achieve community outcomes or other outcomes identified in the Long Term Plan (LTP); and
- b) persons likely to be affected by or interested in the decision; and
- c) the present and future social, economic, environmental and cultural well-being of the Clutha district; and
- d) the level of confidence regarding the outcomes of the decision.

When making a decision as to the significance of the matter under consideration and what level of consultation will be undertaken the criteria used will include, but not be limited to the following chart on the next page.

### Strategic Assets

The assets and groups of assets that Clutha District Council considers to be strategic assets are:

- Rooding Services
  - Rooding and Traffic Network (including footpaths, street lighting and parking).
- Water Services
  - Water Supply Schemes (including treatment, storage, and supply networks).
  - Sewerage Schemes (including reticulation and treatment networks).
  - Stormwater Systems (including reticulation networks).
- Solid Waste Management

- Community Services
  - Libraries
  - Swimming Pools
  - Parks, Reserves and Sportsgrounds
  - Halls and Community Centres
  - Council Community Housing
  - Public Conveniences
  - Cemeteries

For the purposes of this policy Council considers its strategic assets as whole single assets because it is the asset class as a whole that delivers the service. Council will not undertake the special consultation procedure for minor construction or replacement of a part of a strategic asset unless that part substantially changes the cost or level of service to the community.

### Review of Policy

This policy will be reviewed and consulted on as part of the special consultative procedure for adopting the LTP every three years.

The special consultative procedure will also be used at any other time within the three year period an amendment to the policy is proposed.

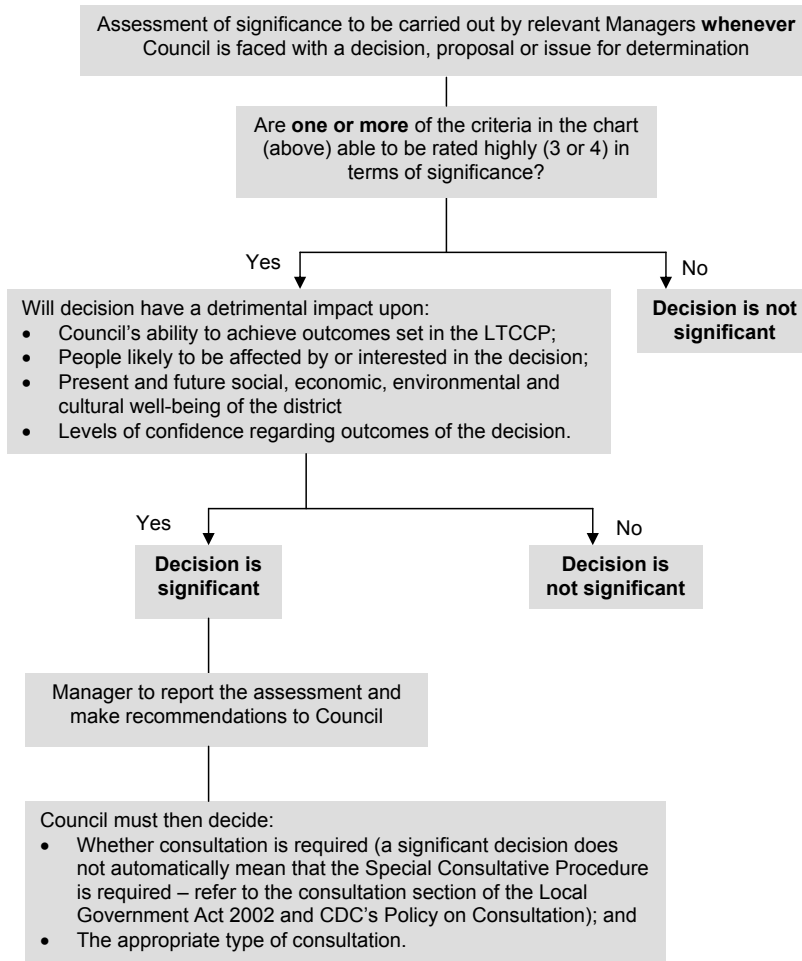


**Increased Level of Significance**

	4	3	2	1	
Not included in an LTCCP					Fully described in an LTCCP
The extent to which the decision flows logically from a decision already made in an LTCCP					
Increase in net annual costs >\$250,000					No net cost
The magnitude of the decision in terms of its net cost to Council					
Significant departure > 15% or > \$250,000					Only minor departure < 15% and <\$250,000
The extent to which the matter under consideration departs from budgets adopted in LTCCP or Annual Plan					
Radically different options					Only minor differences between options
The variation in impact of the options identified (including do nothing) on the community					
Deeply divided community views					Uniformity of views
The extent to which the matter under consideration may be controversial within the community					
Whole district or community					One or two persons
Number of persons who may be affected or may have a view on the matter under consideration					
Significant change to levels of Service					Minor or no change to Levels of service
Extent to which the matter under consideration will change Levels of Service					
High adverse environmental impact					Positive environmental impact
Extent to which the matter under consideration will impact on the physical and natural environment					
Completely irreversible					Outcomes can easily be reversed
Extent to which outcomes from decision can be reversed					
Higher level of uncertainty					Full information available
Extent of uncertainty over outcomes from decision					

# Procedure

## Procedure for Reporting Significance of Proposed Council Decisions



# Statement on Developing Maori Participation in Council Decision-Making

Clutha District Council acknowledges its obligations under the Local Government Act 2002 and Resource Management Act 1991 and has been working with identified Māori groups associated with the district to foster and further develop positive relationships, improved communication and consultation processes and a greater understanding of issues.

Identified groups include Waikoau, Otakou and Hokonui Runanga, Moturata Taieri Whanau, Māori land owners/trustees and nga matawaka (Nga Whanau 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 Kai Tahu ki Otakou as representatives of tangata whenua for their rohe within Clutha District in accordance with the Ngai Tahu Claims Settlement Act 1998 and in accordance with the statutory obligations under the Resource Management Act 1991.
- An informal arrangement for consultation on resource consents with Te Ao Marama as representatives of tangata whenua for their rohe within Clutha District.
- Consideration is given to the Kai Tahu ki Otago Natural Resource Management Plan and the Ngai Tahu ki Murihiku Natural Resource and Environmental Iwi Management Plan in Council's resource consent and planning processes.
- Council commissioned Kai Tahu ki Otago Ltd to undertake background research as part of preparing for the review of the Clutha District Plan, and is consulting with both Kai Tahu ki Otago and Te Ao Marama through a formal contractual arrangement, as well as other Māori groups and individuals as the Plan review proceeds.
- As a matter of practice Council consults, through Te Runanga o Otakou on behalf of Ngai Tahu, on matters that may affect the interests or values of tangata whenua 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, through the Runanga of Kai Tahu ki Otakou, invited the nomination of members representing the interests of the appropriate hapu or whanau to the committee. This is exemplified by the appointment of Hokonui and Otakou Runanga

representatives as members with voting rights, to Council's Wastewater and Solid Waste working parties.

- Direct communications with representatives of the South Otago Runanga and the Trustees of SILNA lands on a case by case basis determined by issues that arise and where statutory requirements exist.

Council continues to look to develop and strengthen its relationships with Māori. This includes strengthening existing relationships with Te Ao Marama and supporting, through the Otago Mayoral Forum, the enhancement of the interface between Nga Runanga and the local authorities of the Otago region through Te Ropu Taiao.

Council acknowledges its obligations under legislation and is committed, through a spirit of community partnership to work with iwi and Māori living in, or with interests in, the Clutha District. Elected members and staff are committed to enhancing relationships for mutual benefit, through a spirit of cooperation and goodwill.

# Policy on Early Payment of Benhar & Tokoiti Sewerage Loan Rates

## Purpose

This policy outlines Clutha District Council's approach to early payment of rates for subsequent years with respect to Benhar and Tokoiti capital sewerage rates. It sets out how affected Benhar and Tokoiti sewerage ratepayers can pay for their capital portion of this rate up front, instead of over a 25 year period.

## Policy

1. Section 56 of the Local Government (Rating) Act 2002 states that local authorities may adopt a policy for the payment of rates in anticipation of rates for subsequent financial years. Council will allow the early payment of Benhar and Tokoiti sewerage capital rates for subsequent financial years.

2. Early payment can only be exercised where ratepayers pay the amount required to fully discharge the sewerage capital rate as calculated under clause 3.

3. The amount payable for each connection shall be calculated by dividing the remaining loan for the relevant rating area by the number of connections to the scheme as at 1 July 2012, for which a lump sum or early payment has not already been made.

4. When an early payment has been received by Council, the payment will be credited against future sewerage capital rates. Any difference between the amount paid, as calculated under clause 3, and the future relevant sewerage capital rates struck, will be remitted.

5. Ratepayers liable for any postponed rates will not be permitted to make an early payment for rates in subsequent financial years.

## Procedures

Ratepayers must notify Council and make payment in full by 31 May in the financial year prior to the rate being due.