



WAIMATE DISTRICT COUNCIL

**LONG TERM PLAN
CONSULTATION
DOCUMENT 2015-25**



Message from the Mayor and Chief Executive



We are excited to present the consultation document which summarises the key issues Council would like to discuss with you. The consultation document sets out the major and important activities, services and projects Council is intending to undertake and importantly, our estimate of their cost.

Managing the infrastructure

Economically, Waimate has been one of the fastest growing districts in the Country. This means that it's important for Council to ensure the infrastructure, such as the roading network, the water, sewerage and storm water systems (3 Waters) within the District can meet the growing demand placed on it by the increased economic activity. Much of this infrastructure is aging (some of it is over 100 years old) and the management of its next life cycle is being planned. An important part of the consultation document is how Council will make sure this infrastructure is fit for purpose now and into the future.

It does mean that Council is looking at spending some more money on its roads and upgrading some of the water and sewerage systems. We'd like you to look at what is proposed and tell us what you think.

As part of managing the infrastructural assets Council has developed a 30 Year Infrastructure Strategy. This strategy is an important tool to assist Council plan how to manage the roading network and 3 waters over the next 30 years.

Changes to rates

Critical to all of Council's decisions is the funding and cost of delivering its services and activities. Council's primary source of income is rates (currently approximately \$8.9 million). We propose some of Council's rates will be collected on the basis of an equal amount for every habitable dwelling rather than the capital value of the property. What this means is that a ratepayer with a low capital value will pay proportionately more towards some services and ratepayers with a high capital value, such as some farms, will pay proportionately less. We are also proposing to remove the remissions that currently exist for the huts at Glenavy and Pareora. To find out what rates are proposed for your property please go to www.waimatedc.govt.nz.

Hunter Downs Irrigation Investment

Council has invested in Hunter Downs Irrigation Limited initially to gauge the feasibility of the scheme. Should the scheme proceed there will be significant economic and social benefits for the District. Council has not yet considered any decision with regard to additional investment for the construction phase. This is because the feasibility has not yet been concluded and the potential investment required has therefore not been valued or assessed by Council. If and when any decision is required Council will consult with the community, if necessary according to our Significance policy.

Other projects that Council is working on or are proposed

Council has a number of other projects as included in this document. These projects include upgrades to the stormwater network, how to improve the public toilets and the investment in Hunter Downs Irrigation Limited.

Business as usual

For a lot of Council's activities and services it is business as usual. In saying this Council is always looking to operate and perform in a smarter and more cost effective way. We want to make sure that the Waimate District is a district of choice for individuals, families and businesses when they think of where best to live, work and play.

What we'd like from you

We hope you make the time to look through this consultation document and tell us what you think of the various activities, services and projects Council has planned. It doesn't matter if it is a short comment on one topic which is important to you, or in depth analysis on many issues – Council wants to hear your views. These views then inform Council as it prioritises the activities and services it intends to deliver over the next 10 years.

Craig Rowley, Mayor

Bede Carran, Chief Executive



I would like to know more

If you would like more information refer to the **Supporting Information** available online at www.waimatedc.govt.nz, ask at the Waimate District Council, or you can phone or email Council to have the information sent out.

How do I submit?

At the end of this document is a separate sheet on which you can write your submission on the consultation document.

Your submission can be posted to:
Waimate District Council, Freepost No. 25
PO Box 122, Waimate 7960

or emailed to: LTP@waimatedc.govt.nz.
Your submissions must reach Council by 4pm,
15 May 2015.

What happens next?

On 3 June 2015 Council will hold public hearings to listen to submitters who wish to speak about their submission. Following the hearings Council will then make its final decision on any changes to the plan.

On 30 June Council will formally adopt the Long Term Plan and set the rates for 2015/16.

Audit Opinion

Council received a clear audit opinion on its consultation document. The full audit opinion can be found on page 29.

Have Your Say!

If you have an interest in any of the content of the consultation document please tell us what you think by making a submission. Your submission may be posted, emailed to LTP@waimatedc.govt.nz, or delivered to our office. Your submission must reach us no later than 4.00pm, 15 May 2015.

KEY DATES FOR THE 2015-25 LONG TERM PLAN

15 April	Consultation document for the Long Term Plan 2015-25 is available and public comment by submissions is sought
20 & 21 April	Mayor and Councillors will be available between 10am - 3pm on 20 April, and 3pm - 7pm on 21 April at the Council Office to speak to residents about any matter within the consultation document. Clarifying an issue may assist you when completing your submission.
28 April 7.30pm	Community meeting for Waihao/Hakataramea/Waihaorunga ward residents at Ikawai Hall
05 May 7.30pm	Community meeting for Pareora/Otaio/Makikihi ward residents at Southburn Hall
15 May 4pm	Close of Submissions to consultation document for Long Term Plan 2015-25
03 June	Council hears submissions
05 June	Council makes decisions on submissions
30 June	Council's adopts Long Term Plan 2015-25

Our plan for the next 10 years

We have been talking with you about what you want from your District. This ongoing conversation includes our discussions with stakeholder groups, meetings with Councillors and previous annual and long term plans.

Two themes stand out from these ongoing conversations:

1. You want your rates bill to be fair and affordable
2. How Council manages the infrastructure

The most important issue we discuss in this document is how we balance the need for significant ongoing investment in public infrastructure with the need for sustainable debt levels and affordable rates. The options and choices we discuss around roading related investment and funding are at the heart of this issue.

Current Level of Services (LoS)

Council has undertaken research through surveys and community meetings to gauge the satisfaction level of residents for the services that Council provide. The results have shown our current level of service is satisfactory in most areas, although an area that has been highlighted is Roothing. Council are looking to address this by increasing the level of expenditure in this area.

Current Financial Situation

As at 31 March 2015 Council is in a very strong financial position with very low debt and good cash reserves. Following the changes to the way some rates were assessed and collected from 2012/13 onwards, Council were of the view that the change to rating some services via SUIP (dwelling/household) was the correct step, however this only went part way to solving the rate issues for the District and more work was needed to address the outstanding issues. The proposed Revenue and Financing Policy changes on pages 18 and 19 reflect the addressing of the outstanding issues.

What we need now is for you to tell us what options you prefer.

Please read through the proposals and options laid out in this document and tell us what you think. In particular, we would like to hear your thoughts on the following six key issues that are summarised in this document, and presented as questions on the submission form.

Key Issue 1. Revenue and Financing Policy Changes (Your Rates)

Key Issue 2. Rates Remission Policy Changes

Key Issue 3. Additional Funding for Roothing

Key Issue 4. Bridge Replacements

Key Issue 5. Mill Road Sewer Extension

Key Issue 6. Library Extension

Key Issue 7. St Andrews Reserve

Other Topics: Urban Water Main , Public Toilets, Hunter Downs Irrigation Scheme Investment and Stormwater Upgrade

Council's preferred option for key issues 1-7 are included in the financial information and rates examples within in the consultation document and Supporting Information.



Draft 10 year budget at a glance

	How operating costs are funded	Rates proportion of total Rates	Rates 2015/16
Water Supply Urban Water Two secure ground water bores and associated reticulation Rural Water Six rural water schemes	■ Rates 92%	18.2%	\$ 1,890,616
	■ Other, including fees and charges 8%		
Waste Management Recycling and refuse collection and disposal services for urban and rural areas	■ Rates 90%	9.3%	\$ 924,323
	■ Other, including fees and charges 10%		
Stormwater Drainage Underground pipe system for the removal of surplus surface water in the urban area	■ Rates 94%	0.6%	\$ 60,993
	■ Other, including fees and charges 6%		
Sewerage and Sewage An urban system comprised of gravity sewer mains, gravity lateral connections, manholes A treatment and disposal facility	■ Rates 95%	4.5%	\$ 459,962
	■ Other, including fees and charges 5%		
Roading and Footpaths A district wide network of sealed and unsealed roads, excluding Transit Highways 1 and 82 Bridges, culverts, footpaths, signage, and street lighting	■ Rates 46%	26.4%	\$ 2,376,633
	■ Other, including fees and charges 54%		
Parks and Recreation Camping grounds and cabins Cemeteries management Managing Parks and Reserves <u>Swimming pool in Waimate</u>	■ Rates 66%	7.9%	\$ 653,269
	■ Other, including fees and charges 34%		
Property and Investments Managing a portfolio of forestry Managing Council's share holdings A collection of land and buildings	■ Rates 23%	3.7%	\$ 247,316
	■ Other, including fees and charges 77%		
Organisation and Governance Operational support of the Council's decision-making Strategic Planning and Reporting District wide governance by the Mayor and Councillors	■ Rates 100%	13.5%	\$ 1,315,653
	■ Other, including fees and charges 0%		
Environmental Services Building Control services Resource Management Emergency Management Health Services and Noise Control <u>Dog and Animal Control</u>	■ Rates 62%	9.0%	\$ 916,688
	■ Other, including fees and charges 38%		
Community Services Economic Development and Promotions Administration of grants District Library service	■ Rates 92%	7.0%	\$ 610,086
	■ Other, including fees and charges 8%		

What about rates? Will they be affordable?

Rates increases

Throughout New Zealand the level of Councils' rate increases has received considerable press from a variety of quarters. Council is aware of these concerns and plans to address these by limiting rates increases in the future. Council proposes that its rates increases be limited to not more than 5.57% in 2015/16 (to account for the increase in roading expenditure), 7.20% in 2016/17 (to account for the targeted rate for the Waimate District Community Complex), and every year thereafter they be limited to the Local Government Cost Index plus 2.50% (see Supporting Information).

The graph below compares actual rates increases for the last 5 years with the projected increases for the next 10 years and shows the limit for that 10 year period.

Like all households and businesses the costs of providing Council services is increasing. Additionally, central government continues to devolve the delivery of services to local government. One of the main issues faced by Council is providing services in a cost effective way that the ratepayers and community can afford, while still meeting its legal obligations and being fair to current and future ratepayers. Rates are directly related to the levels of service provided and how each service will be paid for. It is important to remember that not all services are paid for by

rates. Council has considered the most appropriate way to fund Council services which is shown in the Revenue and Financing Policy.

Council is committed to providing certainty and equity to ratepayers over their rates bills. Council is aware that there is significant income disparity within the District and also that levels within the District are generally lower than the NZ average.

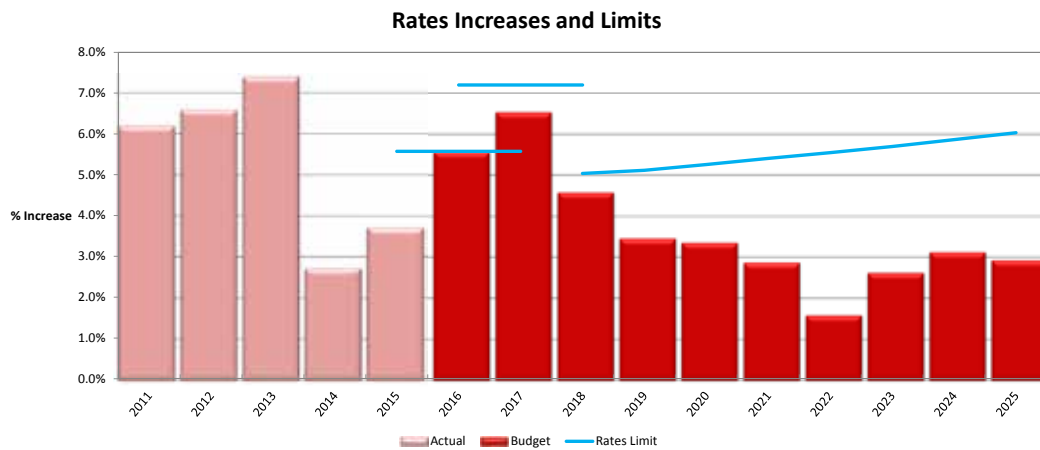
Rates Limits

Council proposes the following limits:

Total rates to be no greater than 0.3% of total capital value of the District. Across the 10 years of the Long Term Plan the maximum value is projected to be no more than 0.25%.

Total rates increase to be no greater than:

- 5.57% in 2015/16,
- 7.20% in 2016/17, and
- Local Government Cost Index plus 2.50% thereafter



Debt Levels and Repayment

Up to 30 June 2014 Council has maintained very low levels of external debt. Council is proposing using additional borrowings across the Long Term Plan period to fund the step-up in Roading and Footpaths expenditure in the 2015/16 year as well as to partly fund the Holme Station Bridge and Crouches Bridge replacements in 2016/17 and 2019/20 respectively. Other projects requiring borrowings are the Community Complex in 2016/17 and 2017/18, and the proposed Library extension in 2018/19.

Repayment of each of these specific borrowings has been allowed for over a 40 year term in part to recognise the intergenerational nature of the projects being funded. Similarly other internal loans for Waimate Urban Water, Waste Management, and Sewerage and Sewage have had interest charged and additional rates to allow repayment of the loans over a similar time period.

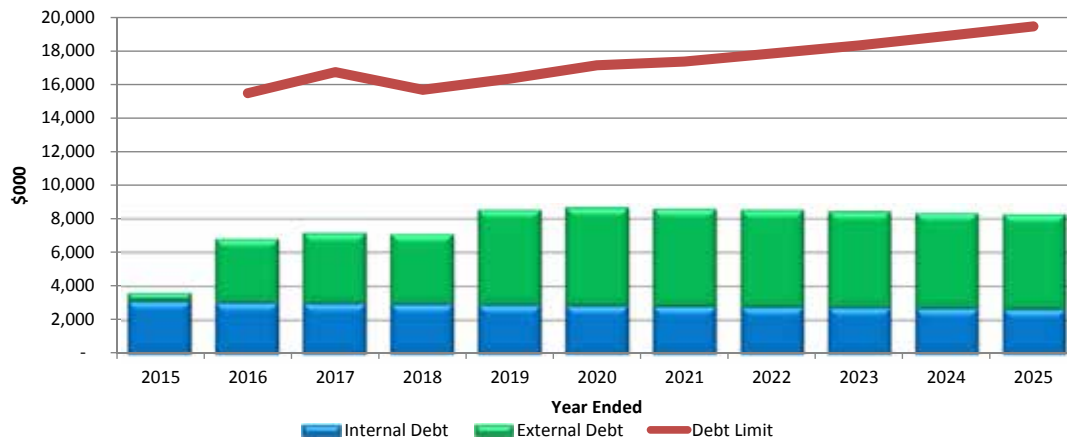
Affordability and Funding - Money Matters

In setting its debt limits Council considers the ability of current and future generations of ratepayers' ability to repay debt. Council considers it important to retain a strong financial position to meet unforeseen emergencies or unexpected calls on its finances. As external borrowings, and the accompanying interest, must be repaid from operating cash flows Council considers a relevant

measure to limit the level of borrowing is total revenue. Council considers that capping its limit on borrowing to be not more than 100% of total revenue is financially prudent.

Refer to the Financial Strategy within the Supporting Information, available on our website.

Total Debt



Balanced Budget Statement

Council has previously decided not to fully fund the depreciation cost of specific assets, this may be for a number of different reasons:

- Council has resolved not to replace the asset;
- it is unfair to existing ratepayers to pay for a new asset and its replacement;
- annual maintenance will maintain the service level;
- Council can fundraise or borrow the funds in the future to replace the asset;
- to smooth the rate impact of revaluations.

The decisions around not fully funding depreciation have the largest impact on the deficit or surplus. There are a number of other items that may have an impact:

- Grants, Subsidies or donations received for Capital Expenditure;
- Self funding activities that do not contribute to the rate or receive a rate allocation which may be funded from reserve funds;
- forestry activity where harvest revenue may be outside the period under review;
- rate funding for contributions to Reserve Funds for use at a time in the future;
- operating expenditure and grants funded by Reserve Funds;
- rates smoothing relative to the nature of the expenditure to spread the funding over more than one year to manage the rating impact.

Over the 10 years of the plan where surplus's are not achieved due to not funding depreciation, Council considers that deficits are prudent given the Council's overall strong financial position.

Why use Debt as a funding tool?

Council uses debt as a funding tool to ensure that the cost of a specific asset/project is paid for by the users over the lifetime of the asset.

This means that everyone who benefits pays their fair share in the long term.

Financial Overview

This section summarises the amount of expenditure Council anticipates it will incur in funding its activities.

Budgets have been prepared based on agreed levels of service for each activity. The total cost of delivering this program is forecasted to be \$170.0 million over the 10 year period. The total cost by activity group is shown on page 8 (note: this table is after internal expenditure has been eliminated and some activities may not necessarily align to the activity sections of the Long Term Plan). More information on what activities are in each group and expenditure details can be found in the activity sections of the Long Term Plan.

Operating Expenditure Increases

Council is forecasting that its operating expenditure will increase from \$14.045 million in 2015 to \$19.655 million in 2025. As Council is not proposing any substantial increase to the services and activities it undertakes these increases largely reflect the effect of our estimation of the impact of inflation. Assuming property value movements are similar, the real effect of rates as a percentage of property values is expected to be quite marginal.

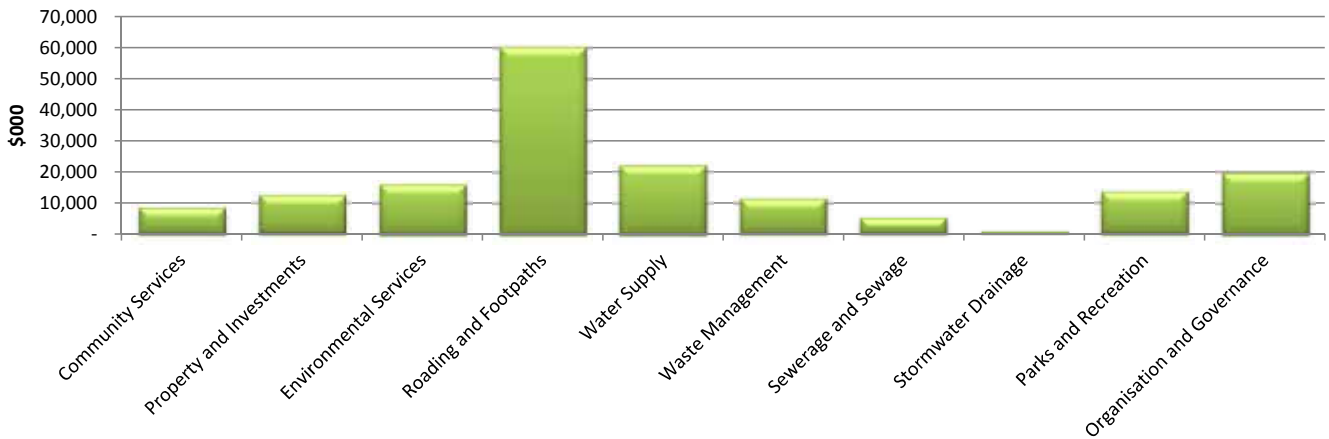
The increase is the result of price increases for goods and services that Council purchases to carry out its activities and services, for example, contract fees, wage increases, price

of materials used, insurance costs and inflation mean it costs more for Council to deliver its activities and services. As well as increased roading expenditure there is the requirement to fund bridge replacements in 2016/17 and 2019/20, the community complex from 2016/17, and the Library extension from June 2019.

Council is constantly reviewing the cost and the way it delivers its operations to ensure it is undertaking the activities in a way that is most cost effective for households and businesses.

Operating Expenditure By Group

Total 2015-2025



Capital Expenditure Requirements

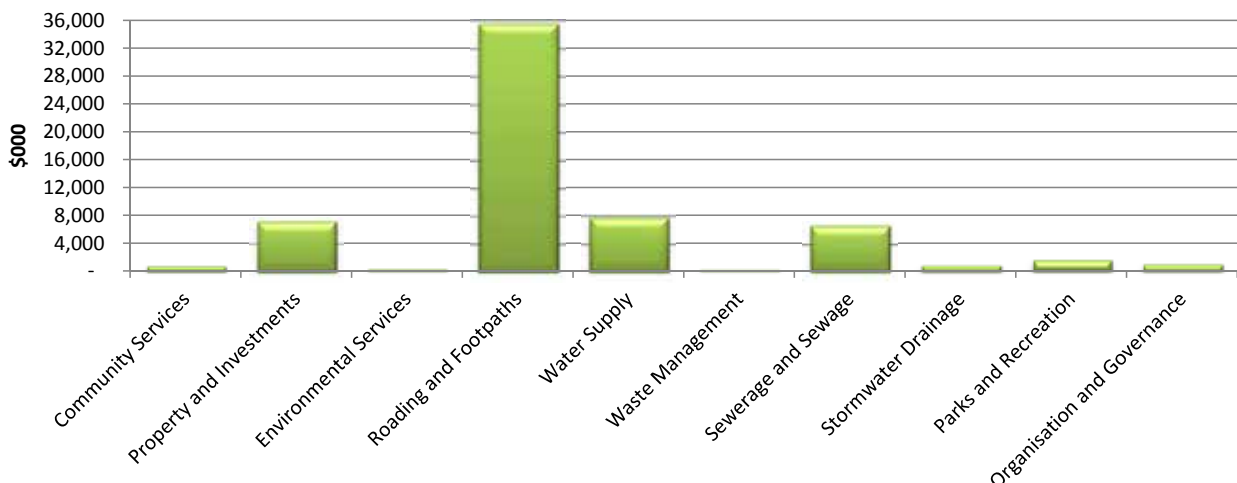
Over the next 10 years, Council is forecasting capital expenditure of \$61.509 million. It should be noted that future depreciation costs as well as on-going operational expenses are tied to the level of capital expenditure Council is committed to.

Council has been mindful of this in committing itself to any further capital works projects.

The graph below shows how capital expenditure is broken down by activity group.

Capital Expenditure By Group

Total 2015-2025



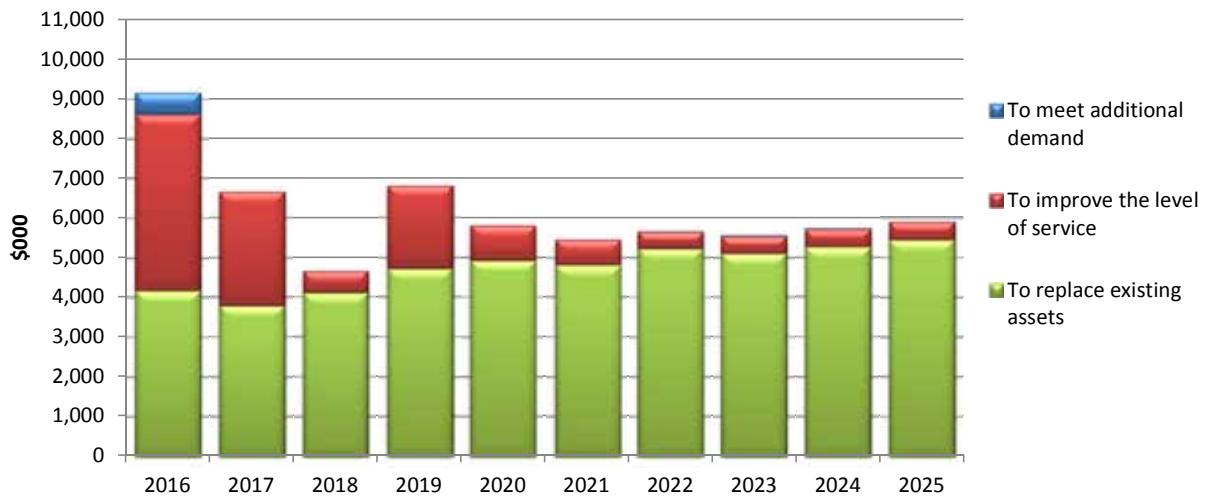
Affordability and Funding - Money Matters Continued

The graph below shows the capital expenditure planned for each of the next 10 years. It shows that the majority of the expenditure is being used to maintain our existing assets and the services we deliver. A very small amount is being spent to meet growth or additional demand. As previously stated we believe that over the next 10 years our existing infrastructure can cope with the small demand for growth we are predicting.

The increased capital expenditure in years 2016, 2017 and 2019 to improve levels of service relate to the following:

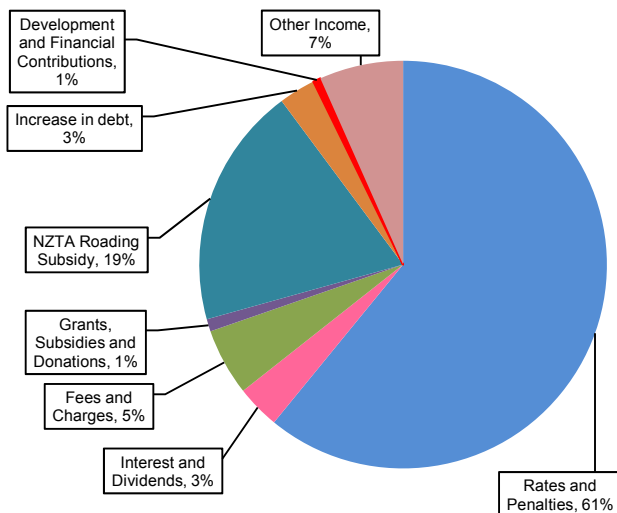
- 2016 - Proposed Mill Road sewer extension \$546,000 and the Waimate District Community Complex \$3.8m
- 2017 - Waimate District Community Complex \$1.4m (total \$5.2m as an estimated valuation) and the Holme Station bridge renewal \$481,000
- 2019 - Proposed Library extension \$1.5m

Capital Expenditure



How will Council Fund its Activities?

Sources of Funds 2015-2025



This section covers how Council intends to fund its activities and the services it delivers.

The total cost of Council activities is funded from a number of sources, the graph shows sources of funding that the Council intends to use to fund this plan. Rates remain the major source of funds for Council.



Note: Other Income includes Petrol Tax Income, Commissions, Forestry revenue, rental income and other Miscellaneous income.

Affordability and Funding - Money Matters Continued

How much are Rates Increasing?

Total rates income is proposed to increase by 5.57% in 2015/16.

What are your Rates going to be?

Increases between individual properties vary due to proposed changes in the way rates are distributed between ratepayers.

Can I see Rates Samples?

A table comparing the rates applicable to various sample properties representing different property types can be found below and in the Supporting Information.

See our website to find out what your rates are proposed to be for the coming rating year.



Proposed Rates changes - sample properties

A selection of properties from throughout the Waimate District have been summarised to provide a guide of the value and percentage change to Rates for that property. It is important to note that these properties are a sample of the total rates database and do not cover all situations for ratepayers in the District. Depending on the effect of specific targeted rates, individual properties will vary from the samples below:

Proposed Rates changes for sample properties in the Waimate District	2014/15 Rates (General, Civic Amenities, Community Complex)	2014/15 Targeted Rates	2014/15 Total Rates	Capital Value - 2015/16	2015/16 Rates (General, Civic Amenities, Community Complex)	2015/16 Roading and Footpaths Targeted Rates	2015/16 Other Targeted Rates	2015/16 Total Rates (Proposed)	Change (Proposed)	% Increase from Proposal
Waimate Residential	\$ 645	\$ 780	\$ 1,426	\$ 99,000	\$ 758	\$ 62	\$ 786	\$ 1,606	\$ 180	12.65%
Waimate Residential	\$ 827	\$ 978	\$ 1,806	\$ 180,000	\$ 802	\$ 113	\$ 992	\$ 1,907	\$ 102	5.64%
Waimate Residential	\$ 984	\$ 978	\$ 1,963	\$ 250,000	\$ 841	\$ 157	\$ 994	\$ 1,992	\$ 29	1.48%
Waimate Residential	\$ 1,497	\$ 713	\$ 2,210	\$ 520,000	\$ 989	\$ 327	\$ 727	\$ 2,042	\$ (168)	(7.60%)
Waimate Commercial	\$ 148	\$ 720	\$ 869	\$ 66,000	\$ 310	\$ 42	\$ 725	\$ 1,076	\$ 208	23.89%
Rural Commercial	\$ 794	\$ 813	\$ 1,606	\$ 326,500	\$ 773	\$ 204	\$ 814	\$ 1,791	\$ 185	11.49%
St Andrews Residential	\$ 679	\$ 915	\$ 1,593	\$ 220,000	\$ 737	\$ 138	\$ 957	\$ 1,832	\$ 238	14.95%
Pareora Farm	\$ 3,033	\$ 2,008	\$ 5,040	\$ 2,502,500	\$ 1,347	\$ 1,567	\$ 2,198	\$ 5,112	\$ 71	1.41%
Hook Farm	\$ 4,543	\$ 1,293	\$ 5,837	\$ 3,663,000	\$ 2,127	\$ 2,293	\$ 1,401	\$ 5,822	\$ (15)	(0.26%)
Hook Lifestyle Block	\$ 889	\$ 362	\$ 1,251	\$ 415,000	\$ 803	\$ 260	\$ 375	\$ 1,437	\$ 186	14.86%
Makikihi Residential	\$ 625	\$ 530	\$ 1,154	\$ 170,000	\$ 720	\$ 106	\$ 535	\$ 1,361	\$ 206	17.88%
Makikihi Farm	\$ 2,924	\$ 744	\$ 3,668	\$ 2,300,000	\$ 1,443	\$ 1,440	\$ 811	\$ 3,694	\$ 26	0.70%
Morven Farm	\$ 2,244	\$ 1,873	\$ 4,117	\$ 1,670,000	\$ 1,229	\$ 1,045	\$ 1,924	\$ 4,199	\$ 81	1.98%
Glenavy Residential	\$ 614	\$ 311	\$ 925	\$ 160,000	\$ 716	\$ 100	\$ 299	\$ 1,115	\$ 191	20.63%
Glenavy Farm	\$ 8,174	\$ 1,511	\$ 9,685	\$ 6,957,500	\$ 3,356	\$ 4,356	\$ 1,641	\$ 9,353	\$ (332)	(3.43%)
Ikawai Farm	\$ 8,086	\$ 2,959	\$ 11,045	\$ 6,672,500	\$ 3,590	\$ 4,177	\$ 3,209	\$ 10,976	\$ (69)	(0.63%)
Hakataramea Residential	\$ 560	\$ 77	\$ 637	\$ 110,000	\$ 598	\$ 69	\$ 88	\$ 755	\$ 118	18.46%
Hakataramea Farm	\$ 4,823	\$ 95	\$ 4,918	\$ 3,650,000	\$ 2,341	\$ 2,287	\$ 214	\$ 4,842	\$ (76)	(1.55%)
Hakataramea Valley Farm	\$ 4,254	\$ 75	\$ 4,329	\$ 3,225,000	\$ 2,059	\$ 2,020	\$ 181	\$ 4,260	\$ (70)	(1.61%)

Note again that depending on the effect of specific targeted rates, individual properties will vary from the samples above. Targeted Rates as they affect individual properties will be shown on Instalment 1 of the 2015/16 Rates Assessments to be issued in August 2015.

Also note that Waimate District Council will be collecting Environment Canterbury Rates on our Rates Invoices from 1 July 2015 - the Environment Canterbury amount is **excluded** from the above values.

Growth and Infrastructure

Waimate District Council's Infrastructure Strategy forms part of the framework of strategy and planning documents that are used to guide Council's sustainable management of assets, while also allowing Council to achieve identified infrastructure objectives over the next 30 years.

The Infrastructure Strategy has direct linkage to Council's Asset Management Plans for each activity, and is used to inform the 2015-2025 Long Term Plan.

The Infrastructure Strategy covers Council's core infrastructure activities of Roothing and Footpaths and 3Waters (Water, Wastewater and Stormwater). The core infrastructure is the largest and most critical area of investment for the Council with 52% of the annual expenditure (2013/14) and 87% of all the asset valuation of all Council's infrastructure assets.

Purpose of Infrastructure Strategy

The purpose of the Infrastructure Strategy is to:

- Provide residents of the Waimate District with a clear view of the state of Council's core infrastructure, priorities for investment over the next 30 years.
- Provide robustness around long term budgets for the Infrastructure Assets of the Roads and Footpaths, Water, Wastewater and Stormwater activities.
- Discuss significant issues for the Core Infrastructure Assets across a 30 year time frame, and provide a strategic direction that reflects the current legislative environment and the communities' priorities across the District.

Core Infrastructural Assets

The core Council Infrastructure Assets that are considered in the Infrastructure Strategy are presented below.

Waimate District Infrastructure Assets

Assets	Description	Replacement Value	% of total
Roads and footpaths	Sealed and unsealed roads, bridges, culverts and footpaths	\$406.7m	88%
Water	Water extraction, treatment and distribution	\$34.6m	7%
Sewerage	Wastewater collection, treatment and discharge	\$19.8m	4%
Stormwater	Stormwater collection and discharge	\$4.1m	1%
TOTAL		\$465.2m	100%

The Council's Priorities

At high level, Council's priorities in respect to 3 Waters and Roads and Footpaths are to:

- Maintain the District's roads to a safe standard and fit-for-purpose.
- Using efficient and effective asset management practices to maximise Roads and Footpaths asset life will provide a resilient network.
- Provide a continuous supply of potable water to meet agreed demands.
- Maintain wastewater disposal and treatment facilities to protect public health through ensuring good sanitary standards and freshwater management.
- Manage the upgrade of the stormwater drainage systems in Waimate, thus reducing the risk of flooding in the long term.
- Manage the impacts of land use change and growth.

Key Drivers

The main drivers which place a demand on the core infrastructure assets are:

- Changing Land Use – Expansion of reliable irrigation will underpin changes to land use within the District, resulting in increased population and demand of the Council's supporting core infrastructure.
- Population Growth – Long term population projects indicated the District population will grow by around 650 residents, with a peak population of 8,265 by 2026, reducing to 8,165 by 2046.

Assessments indicate that the urban waste water network and treatment plant have adequate capacity to cater for the increased population (additional 2,900 persons available) provided stormwater inflow and groundwater infiltration can be reduced.

Hydraulic rearrangement and pressure management for the urban water supply both assists in extending the useful life of the asset and to provide additional capacity to cater for growth.

The rural water supplies will be subject to changing demand profiles as a result of reliable irrigation in the future. It is envisaged that existing use will shift from predominantly stock water (potentially sourced from irrigation water) to domestic use as development occurs in the rural area.

Growth and Infrastructure Continued

Emerging Issues

Council has identified 14 'influences' from which emerging issues in relation to building, operating, maintaining and management of the Core Infrastructure Assets activities have been identified. Of these, seven emerging issues were identified as having a 'significant' impact and these have been listed below:

- Continually changing legislative environmental – e.g. NZTA have indicated that funding will be based on the Level of Service (LoS) set for each road classification under 'One Network Road Classification' (ONRC). The Council's proposed phasing in of the new ONRC classification over the 2015-2018 period may subsequently result in changes (and subsequently possible reductions in LoS) as a result in re-classification of the District's roads. 3Waters LoS will generally have a trend towards more comprehensive monitoring and reporting requirements as a result of Local Government Act 2002 performance measures rules coming into force in July 2014.
- Aging Infrastructure – some infrastructure assets are approaching the end of their useful life and sustainable renewal programmes are required to continue to meet the future needs of the community. Council is undertaking a programme of condition assessment and investigations for the Core Infrastructure Assets to obtain additional knowledge and clarity around actual asset condition. The current renewal budgets over the 1 to 3 year periods have been slightly reduced to reflect this period of data collation and investigation. It is anticipated that revised renewal projections will be confirmed for both the short term (4 to 10 years) and long term (11 to 30 years) periods once clarity on asset condition has been obtained.
- Normalising or harmonising (sharing) of charges – to address affordability in small communities
- Environmental effects – e.g. reduction in ground water and surface water take with subsequent impact on demand management requirements; inflow and infiltration (I&I) into the wastewater network presents design constraints; increased number of rainfall events will challenge the capacity of the wastewater and stormwater networks.

- Resourcing – Issues relating to on-going recruitment and retention of appropriately skilled staff in a rural district in order to manage the Core Infrastructure Asset activities through future demands and regulatory changes.
- Infrastructure resilience – Increasing expectation that Core Infrastructure Assets will maintain functionality and service delivery following significant natural events; need to enhance resilience through infrastructural and procedural improvements. Council will be undertaking a criticality assessment to identify critical assets and will adopt and implement risk mitigation strategies for the operation, maintenance and renewal of all critical assets.
- Population and economic growth – Forecasted population growth will have an effect on demand for service, particularly for Water, Wastewater and Roads and Footpaths. With growing population and economy comes a tendency for high expectations around LoS which may place a greater maintenance burden on the Council. Conversely the demographic projection for the District indicates an aging population which may trigger the need for reducing rates (and subsequently a change in LoS expectations) to an appropriate level and Council will actively review infrastructure requirements to ensure LoS are maintained appropriately against funding through rates, whilst also ensuring there is enough and appropriate infrastructure available in the places it is needed.



Summary of Significant Infrastructure Issues and Key Decisions

As a result of considering all the emerging issues Council has identified significant issues over the 30 years covered in the Infrastructure Strategy. A summary of these significant issues and associated key decisions by Council is provided below:

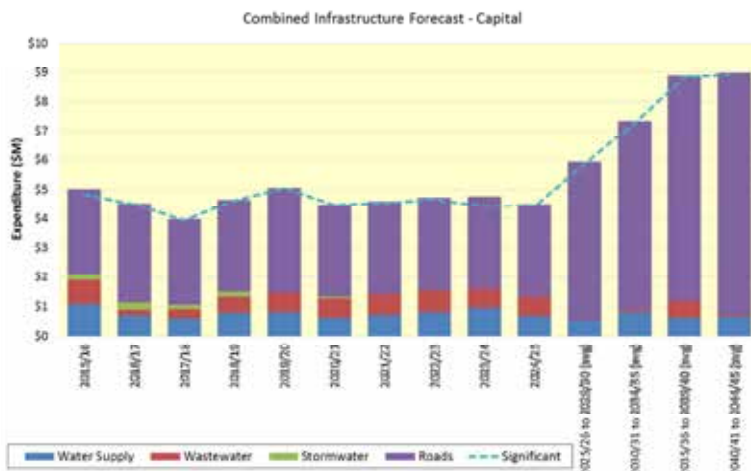
Asset	Summary of Significant Infrastructure Issues and Key Decisions
Roads and Footpaths	<p>NZTA Funding, ONRC implementation (specifically relating to changed Levels of Service and customer expectations), impact of increased heavy vehicle weights, sealed road pavement renewals, sealed surfacing renewals, bridge renewals. Consideration of policy on the renewal of low use seal, roads and bridges.</p>
	<p>Council will implement a transition to the new ONRC classification of roads over the 2015-2018 period. This will include integration of the new LoS for the District's roads, along with consultation with the community with regards to any knock-on funding impacts.</p>
	<p>Historically, there has been under-funding of Roading and Footpath renewals. Council is seeking an increase in funding from both the NZTA and through targeted rates. Currently the NZTA Board has confirmed the Funding Assistance Rates will increase from 54% in 2015/16 to 60% by 2023/24 for subsidising asset maintenance and renewals within the District. However further funding reductions will result from: 1. Government Policy Statement (GPS) - funding allocations are being held to 2009 levels effectively providing no allowance for cost escalation, effectively a diminishing fund; and 2. Funding category changes – a reduction in NZTA funding categories has resulted in reduced funding overall and the need for business cases to be prepared to support national priorities and contestability issues.</p>
	<p>Council maintains 182 bridges throughout the district which date from the early 20th century through to the 1990's. A number of bridges have been identified for replacement to ensure accessibility is maintained to all parts of the network, with the selection of a bridge for replacement being based on a formalised bridge replacement and upgrade strategy. Some bridge stock (circa 1920's) is now reaching the end of its useful life and consequently Council needs to fund their optimised replacement. Factors such as Safety, Load Capacity, Traffic Capacity, Natural Hazards and projected future maintenance costs all help to inform which bridges will be maintained, upgraded and replaced in the future. With useful lives in the order of 70 -120 years, bridge replacements, and their respective funding, will require consideration in the future.</p>
	<p>Historically there has been an underinvestment in both resealing and pavement rehabilitation and has resulted in a backlog of work accumulating (particularly in regards to resealing). Projected budgets make allowance to both clear the backlog and ensure that future reseals occur as age and condition dictate. In terms of pavement rehabilitation, pavements are considered to have a useful life in the order of 75 years and with significant pavement construction (sealing of unsealed roads) having occurred between 1960 and 1970, Council is expecting a corresponding "bow-wave" of renewals from 2035 onwards. It is likely that some of these pavements will fail earlier due to both light construction and changes to vehicular traffic since their installation. Additional asset information / knowledge will be required to inform future investment in both maintenance and renewals, particularly with regard to the pending ONRC.</p>
Water	<p>The reticulation networks for parts of the water supplies are at or approaching the end of their expected lives. Because each of these was installed as a system the pipes within each network are of varying age. For example a large proportion of the rural water scheme pipework was installed in the 1970's, whereas the urban water supply has been progressively installed since the early 1900's. This results in significant urban renewals being programmed between 2015-16 and 2024-25 and rural renewals taking precedence 2025-26 onwards. The cumulative effect is fairly uniform investment in water renewals over the 30 year horizon.. Council are implementing a pipe condition assessment programme to more accurately predict asset failure and further refine renewal projections</p>
	<p>Council are carrying out capital works (new dedicated rising main between township bore and reservoir) for implementing pressure management (reduction in operation pressure) in the urban water network. The aim will be to reduce burst frequency, reduce water loss, and extend remaining life of already aged assets.</p>
	<p>Because work will need to be spread over a number of years, this brings increased maintenance liability and risk of premature failures, although the latter risk can be mitigated through careful planning and consideration of asset condition information.</p>
	<p>Funding the infrastructure requirements within the water services across the districts six water supplies may require normalising or harmonising (sharing) of charges to allow services in small schemes to be more affordable (low rating bases with aging infrastructure).</p>
Wastewater	<p>Progressive upgrades of the rural water supplies have/will occur from 2014-15 through to 2015-16. These upgrades will result in compliance with the Health (Drinking Water) Amendment Act 2007 and/or the New Zealand Drinking Water Standards 2005 (revised 2008). These upgrades are either already rated for or are budgeted in 2015-16.</p>
	<p>The reticulation network for Waimate date from early 1920's and 1930's and an expansion in the period of 1960 – 1980. The existing renewal programme is expected to continue at about the same level for the next 10 years. Council are implementing a pipe condition assessment programme to more accurately predict asset failure and further refine renewal projections.</p> <p>The need to reduce the level of Inflow & Infiltration (I&I) in both private and public assets as there is significant infiltration into the network related to the old earthenware mains installed in the 1920 to 1940 period. Whilst the existing treatment plant has capacity, reduction in I&I will free up additional capacity in the wastewater network. Council will undertake I&I investigations, including CCTV condition assessment, to identify wastewater pipes requiring repair or renewal due to excessive stormwater or groundwater entry.</p> <p>The discharge consents for the Waimate wastewater treatment plant will require renewal: renewal in 2036. Consideration of additional or alternative treated effluent disposal options may be required due to increased environmental requirements.</p>

Growth and Infrastructure Continued

Asset	Summary of Significant Infrastructure Issues and Key Decisions continued
Stormwater	Effective implementation of the Urban Stormwater Management Plan (SMP) is imperative as Council will hold the global resource consent. Council may be responsible for reporting to Environment Canterbury and will be liable for any non-compliances with the resource consent. Where outcomes are not being met, Council requires a set of tools to enforce action and ensure each and every individual/private developer takes responsibility for stormwater management.
	The Assessment of Environmental Effects (AEE) as part of the SMPs is likely to require consideration of waterway health, soils and geology, erosion, contaminant loads, contaminated land, effects on groundwater, industrial sites, hydraulic modelling, rural land drainage and identification of overland flow paths.
	Council will undertake upgrades to the stormwater network to reduce known surface flooding and achieve LoS targets. Flooding issues result from additional kerb and channel discharges due to increased stormwater run-off from development. E.g. Manse St, Harris St and Town Belt, Shearman / Glasgow St intersections.
General	Planning for growth across the district, including monitoring of demand for core infrastructure services resulting from District irrigation schemes. Council will undertake capital works in a timely manner to provide capacity in core infrastructure networks e.g: Wastewater – Mill Road Sewer Main Extension (2015/16) Roading and Footpaths – Footpath Development and ongoing Network Improvements (2015 – 2045), Seal Extension (2025/26).
	Resourcing / staffing (appropriate to needs and requirements).
	Improved asset information (improved decision making) and the implementation of AMIS to allow greater efficiency in the operation and management of Council's infrastructure . This will include utilising improved predictive models for programming and prioritisation of asset renewals.
	Natural hazards – resilience, lifelines and criticality.
	Risk Management improvement (mitigate, isolate or remove) – Council will undertake criticality assessments to identify critical assets, and thereby develop and adopt appropriate mitigation strategies (operation, maintenance and renewal).

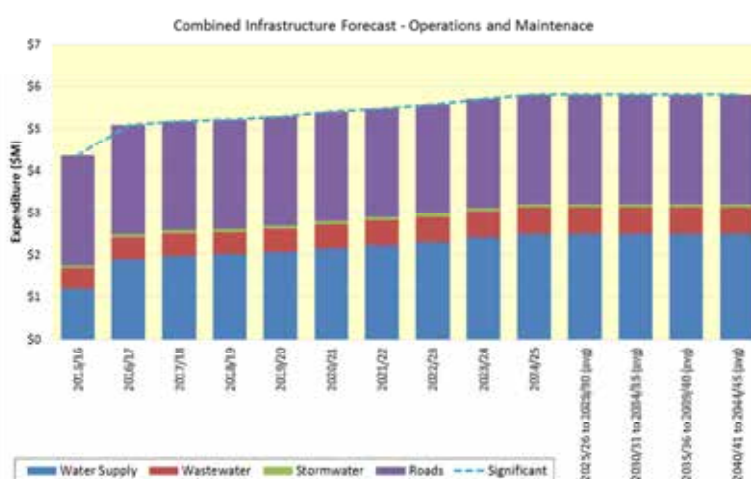
Expenditure 2015-2045

The 30 year projected capital and operational expenditures associated with the Core Infrastructure Assets are graphically represented in the figures below. These expenditures come from Council's planned capital investments, predicted operations and maintenance cost and renewals forecasting. They also take into account of: all 'significant' and 'non-significant' capital and operational expenditure.



The Way Forward

Council is committed to the on going improvement of the quality of its service delivery and management practices for the core infrastructure asset activities. The Improvement Plan (within the supporting information to the consultation document) is integral to continuing the focus on improvement in the following areas: Information management, scheme knowledge, resilience and risk management.



Levels of Service - What changes are proposed

Significant Increases in LOS	
Community Complex - to provide a multi-purpose complex to meet the needs of the community	
Library - to cater for changes to the way people use libraries	
Bridge replacements - Holme Station and Crouches Bridge (Youngs Road)	
Minor increases in LOS	Minor increases in LOS
Queen Street Toilets - to replace an asset which has reached the end of its useful life	Footpath development - urban
Building Control Inspection System - to improve the transfer of information	Roading assets - minor improvements
Rural Fire - purchase of a fire appliance for Cannington	Road sealing for dust suppression
Resource Recovery Park - purchase of compactor and the installation of a weigh bridge	Redevelopment of Timaru Road Bore
Cemetery Extension Investigation	Mill Road Sewer Extension
Stormwater Upgrade to Manse Street, Harris Street	

Proposed Fees and Charges from 1 July 2015

Whats changed?

Council continues to move towards a user pays fee structure. In the two areas described below, the contribution from general rates has increased in recent years and the new structures are proposed to address that imbalance.

Environment (Building Control)

A scaled structure is proposed eight categories of building consents are identified. The fees are based on the average number of inspections required in each category. Travel fees will be charged on a tiered system depending on proximity to services and one-way mileage.

Example

New dwelling valued at \$300,000	Current average fee \$2,720	Proposed fee \$3,180 plus travel costs
Farm Shed valued at \$30,000	Current average of \$1,020	Proposed fee \$1,155 plus travel costs

These changes will ensure the cost of providing building control services is more fully met by the users of the service.

Dog and Animal Control

Last year Council consulted with the public on an amended Dog Control Policy and Bylaw and adopted the same in November 2014. The major changes were: introduction of differential fees, introduction of selected dog owner status, introduction of lesser fees for neutered dogs, the introduction of a requirement for menacing dogs to be neutered and the removal of the lower registration fee for the first dog registered to any owner. The new fee structure reflects the current allocation of staff time to dog and animal control.

Example

Neutered non-working urban dog	Currently \$54	Proposed fee \$60
Entire non-working urban dog	Currently \$54	Proposed fee \$100
Farm dogs	Currently \$54	Proposed fee \$30

These changes to the fees and charges support the new policy were introduced to more fairly distribute the cost of providing animal control to the users of the service and for the general benefit and safety of the public.

For most other fees and charges there have been small increases. To see the full schedule of proposed fees and charges, please refer to Council's Supporting Information to the consultation document, available on our website

Group: Water Supply

Urban Water

- Rising Main Renewals (2015-20)
- Pressure Management (2015/16)
- Pipe Investigation Programme (2015-18)

Rural Water

- Hook Waituna - Filtration / Coagulation Upgrade (2015/16)
- Otaio/Makikihi - New Bore - Redundancy (2021/22)
- Pipe Investigation Programme (2015-18)

Group: Sewerage & Sewage

- Mill Road Extension (2015/16)
- Inflow Investigation (2015/16)
- Pipe Investigation Programme (2015-18)

Group: Parks & Recreation

- Powered camp sites at Victoria Park (2019/20)
- Waitaki Lakes pipe replacement (2015/16)
- Replace old workshop with new workshop/office/toilet (2016/17)
- Cemetery extension - extension of Waimate Lawn Cemetery (2021-25)
- Develop a comprehensive renewal programme for Asset Management Plans (2015-16)
- Critical Asset Study for Asset Management Plans (2015/16)
- Reserve Management Plan (2015/16)
- Replace slide at Belt St playground (2015/16)
- Renew two sets of see-saws at Knottingley Park (2016/17)
- Replace old part of playground at Victoria Park (2016/17)
- Replace Ausplay playground equipment at Victoria Park (2017/18)
- Remove large and old Oak trees located at the Southern end of Victoria Park (2019/20)
- Replace swimming pool boiler (2017/18)
- Upgrade pool changing room and toilets - womens (2015/16)
- Upgrade pool changing room and toilets - mens (2016/17)
- Replace pool covers - 3 (2016/17)

Group: Waste Management

- Weighbridge at Resource Recovery Park (2020/21)
- Compactor at Resource Recovery Park (2020/21)

Group: Stormwater Drainage

- Manse / Harris Street Upgrade (2015-17)
- Manse Street (Town Belt to Harris), New Sumps (2017-19)
- Belt Street to Town Belt (2017-19)
- Pipeline, New Sumps Intersection Shearman/Glasgow (2018/19)
- Consent and Management Plan (2015-17)
- Pipe Investigation Programme (2015-18)

Group: Roading & Footpaths

- Bridge replacement - Holme Station (2016/17)
- Bridge replacement - Crouches Bridge (2019/20)
- Footpath development (2015-25)

Group: Property & Investments

- Waimate District Community Complex (Stadium) (2017/18) - Approved by Council February 2015
- Public Toilets (new) Waimate Town (2016/17)
- Waimate Library extension (2018/19)

Group: Environmental

- District Plan review (2023/24)

All of the projects listed are additional to Council's business as usual work programme.



We want your feedback

What is the Revenue and Financing Policy?

The Revenue and Financing Policy sets out how Council will pay (or as we say “fund”) the activities that Council carry out every year.

The sources of income to carry out these activities can be:

- User charges (as described in our “Fees and Charges” schedule - for example Swimming Pool fees)
- Grants, Sponsorship and Subsidies (for example Land Transport Subsidies)
- Investment Income, dividends and interest
- Rental income
- Rates – general rates (everyone pays) and targeted rates (for specific services like Urban Water).

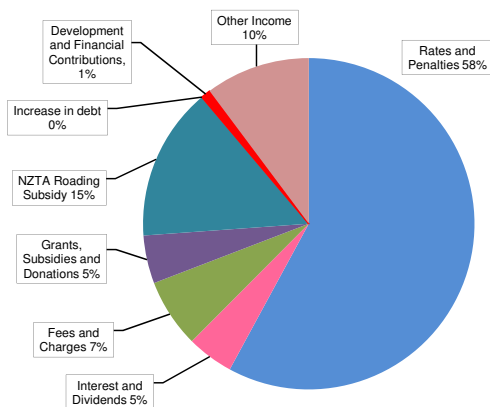
Why does it need reviewing?

Council has reviewed the current two rating boundaries (urban/ rural zones) and categories of rateable land and are proposing that three zones and 5 categories of rateable land (for rating purposes) be established.

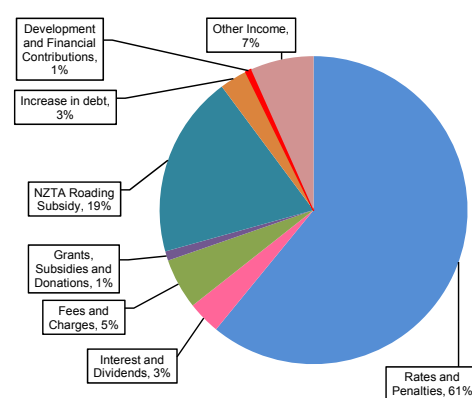
Council are also taking the opportunity to review how we will pay for the services provided to ensure that rates are distributed fairly to ratepayers. Council wish to align certain activities to a more “user pays” system by charging households (where appropriate) rather than capital value. Legal advice has been sought on the proposed changes.

For additional information refer to Funding Policy (LGA - S101) - Funding Needs Analysis in the Supporting Information document.

Sources of Funds 2013/14



Sources of Funds 2015 - 2025

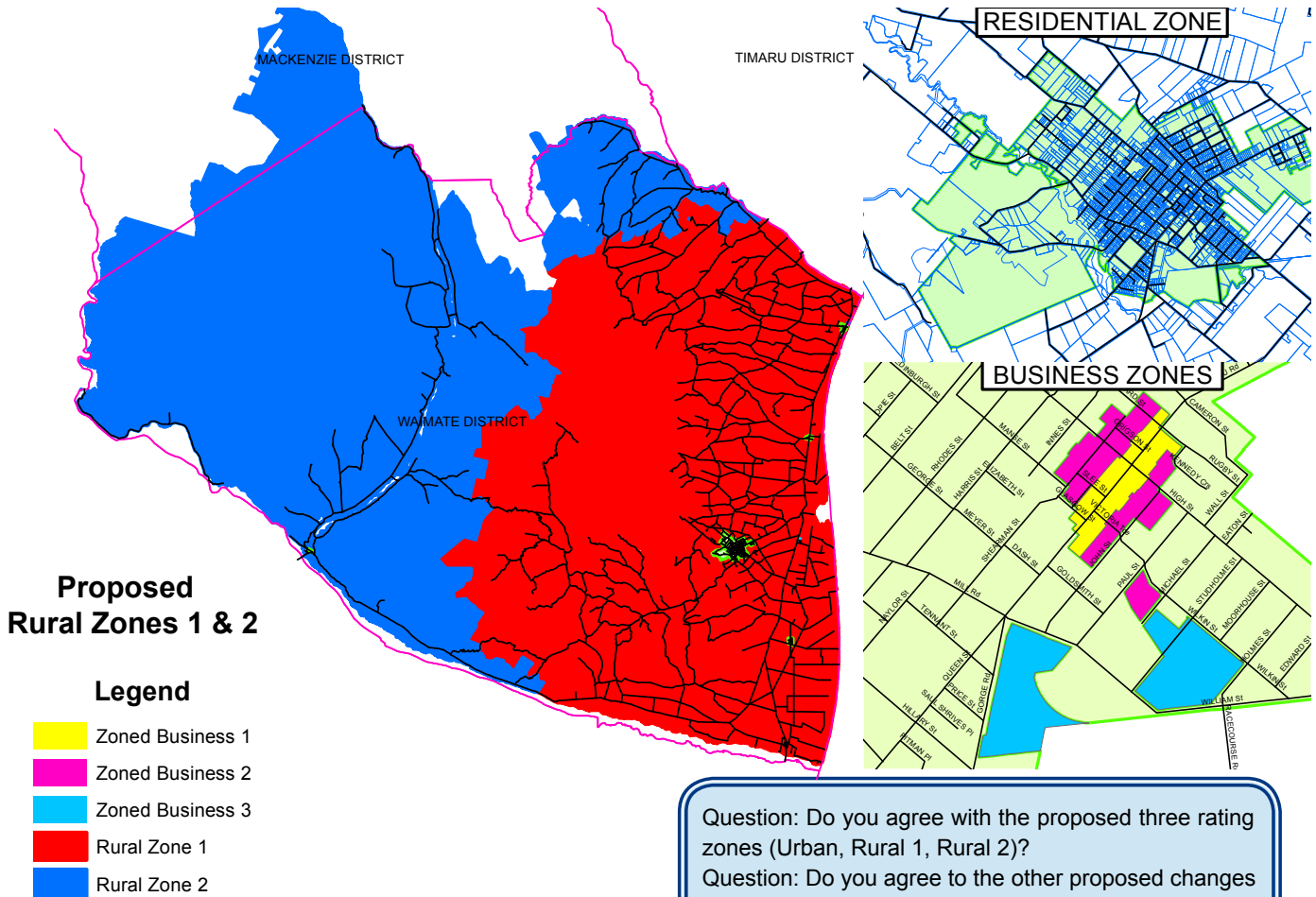


Categories	What has Changed	Why has it changed	Activities the Categories contribute to
Zone - Urban	No change		Investments and Finance, Community Property, Public Toilets, Waimate District Community Complex, Building Control, Regulatory Services, District Planning, Civil Defence, Dog and Animal Control, Community Representation, Strategy, Economic Development, Community Support, Library, Cemeteries, Parks and Recreation, Swimming Pool, Rooding, Urban Water, Urban Sewer and Waste Management
Zone - Rural 1	The current “Rural” rating zone has been split into two zones Rural 1 is within 34km (approx.) to the Waimate township	To ensure that ratepayers that are closer to services pay a fairer portion of the costs based on proximity to service	Investments and Finance, Community Property, Public Toilets, Waimate District Community Complex, Building Control, Regulatory Services, District Planning, Civil Defence, Rural Fire, Dog and Animal Control, Community Representation, Strategy, Economic Development, Community Support, Library, Cemeteries, Parks and Recreation, Swimming Pool, Rooding, Rural Water, Stormwater and Waste Management
Zone - Rural 2	New - Rural 2 is outside a 34km distance (approx.) to the Waimate township	To ensure that ratepayers geographically removed from services pay a lesser portion of the costs	Investments and Finance, Community Property, Public Toilets, Waimate District Community Complex, Building Control, Regulatory Services, District Planning, Civil Defence, Rural Fire, Dog and Animal Control, Community Representation, Strategy, Economic Development, Community Support, Library, Cemeteries, Parks and Recreation, Swimming Pool, Rooding, Rural Water, Stormwater and Waste Management
Electricity generators and other transmission providers	New	To ensure a fair contribution towards activities of Council (for example Rooding, Civil Defence and Governance)	Investments and Finance, Community Property, District Planning, Civil Defence, Rural Fire, Community Representation and Rooding
Forestry operators and forest blocks	New	To ensure a fair contribution towards activities of Council (for example Rooding and Governance)	Investments and Finance, Community Property, Rural Fire, Community Representation and Rooding

What are the main changes to rates?


Revenue and Financing Policy Changes Continued

Activity	What has Changed	Why has it changed	Basis of charge
1 Roading	Removed from the general rate - will be charged as a targeted rate	So that ratepayers can see what they are contributing towards this activity	No change - rates based on the capital value of your property
2 Civil Defence	Removed from the general rate - will be charged as a targeted rate	So that ratepayers can see what they are contributing towards this activity	No change - rates based on the capital value of your property
3 Business Development Fund	This is a new rate charged to businesses within Business Zones 1 & 2 of the District Plan	This targeted rate will fund the enhancement and rejuvenation of the business area and new economic development initiatives whether specific initiatives in Waimate or marketing the town and District at trade fairs or other events. It is also important that there is a strategic and planned approach to how the businesses and Council can promote itself to increase economic activity. To date, Council has had limited resources to facilitate or look at undertaking these sorts of activities. This rate will provide funds to help undertake these projects.	Rates based on the capital value of Business 1 and Business 2 properties Refer to the next page for specific examples of impact on individual ratepayers
4 Community Representation	Removed from the general rate – will be charged in the Civic Amenities rate and on a targeted rate basis to Electricity generators and other transmission providers and Forestry operators and forest blocks	Council believe the costs of community representation should be allocated based on households/dwellings for residential ratepayers (not based on your property value) as all ratepayers have an equal voice or specific land use for Electricity generators and other transmission providers and Forestry operators and forest blocks	Changing from capital value to “per separately used or inhabitable part” (in other words per household/dwelling) for residential ratepayers. For Electricity generators and other transmission providers and Forestry operators and forest blocks the basis will be Capital Value Refer to the next page for specific examples of impact on individual ratepayers



Question: Do you agree with the proposed three rating zones (Urban, Rural 1, Rural 2)?
 Question: Do you agree to the other proposed changes to the Revenue and Financing Policy and rates?

Tell us on pages 31-32



Revenue and Financing Policy Changes Continued

Overall rates impact for various groups of ratepayers

The following table illustrates the overall impact on rates for the various groups of ratepayers with the change proposed for the 2015/16 year.

The 2014/15 values are calculated after applying the groupings to actual rates for that year.

Ratepayer group	Capital Value		Rates for 2014/15		Proposed rates for 2015/16	
	\$	%	\$(incl GST)	%	\$(incl GST)	%
Urban	416,273,855	10.8%	3,368,422	34.9%	3,517,049	34.3%
Rural 1	2,623,750,345	68.1%	5,199,446	53.9%	5,370,638	52.4%
Rural 2	432,879,600	11.2%	659,470	6.8%	667,040	6.5%
Electricity generators and other transmission providers	367,369,000	9.5%	404,955	4.2%	543,800	5.3%
Forestry operators and forest blocks	10,720,500	0.3%	17,444	0.2%	145,243	1.4%
Total	3,850,993,300	100.0%	9,649,736	100.0%	10,243,769	100.0%

Additionally the movement of Community Representation from General Rates to the Civic Amenities Rate and calculating the distribution of the Community Representation amount on separately used or inhabited part, as opposed to Capital value as in General Rates, means that low capital value properties will pay proportionately more towards the service than those with a higher capital value.

This is illustrated in the table on page 10 for Proposed Rates changes - sample properties and those same examples of properties are shown below with proposed change to Community Representation only:

	Capital Value (\$)	"Community Representation" amount that is included within General Rates in 2014/15 (\$)	"Community Representation" amount proposed to be within Civic Amenities Rates in 2015/16 (\$)	Change Increase/ (Decrease)
Waimate Residential	99,000	94.15	235.31	141.16
Waimate Residential	180,000	171.18	235.31	64.13
Waimate Residential	250,000	237.75	235.31	(2.44)
Waimate Residential	520,000	494.53	235.31	(259.21)
St Andrews Residential	220,000	38.52	235.31	196.80
Pareora Farm	2,502,500	438.11	235.31	(202.80)
Hook Farm	3,663,000	641.28	235.31	(405.97)
Hook Lifestyle Block	415,000	72.65	235.31	162.66
Makikihi Residential	170,000	29.76	235.31	205.55
Makikihi Farm	2,300,000	402.66	235.31	(167.35)
Morven Farm	1,670,000	292.37	235.31	(57.05)
Glenavy Residential	160,000	28.01	235.31	207.30
Glenavy Farm	6,957,500	1,218.05	235.31	(982.74)
Ikawai Farm	6,672,500	1,168.16	235.31	(932.84)
Hakataramea Residential	110,000	19.26	235.31	216.06
Hakataramea Farm	3,650,000	639.01	235.31	(403.69)
Hakataramea Valley Farm	3,225,000	564.60	235.31	(329.29)

Similarly the introduction of the Business Development Fund, specifically for Business 1 and Business 2 defined properties results in an increase to the "Waimate Commercial" ratepayers

also as illustrated on the table on page 10 for Proposed Rates changes - sample properties. Some actual values are shown below for various Capital Values:

Capital Value (\$)	"Business Development Fund" Rates proposed in 2015/16 (\$)
50,000	160.45
77,000	247.10
117,000	375.46
160,000	513.45

We want your feedback

What is the Rates Remission Policy?

The Rates Remission Policy sets out how Council will give rates relief through remissions for certain ratepayers each year.

The types of remissions that Council currently provide are:

- Urban and Rural halls, Community Centres and Regent Theatre - general rates currently 50%
- Community Housing – civic amenities rates currently 50%
- Glenavy Fishing Camp and Pareora River Huts – civic amenities rates currently 75%
- Urban over 20ha properties – general rates currently 8%, however not applicable from 2015/16

Why does it need reviewing?

Council are taking this opportunity to review remissions to ensure that rates are distributed fairly to ratepayers.

What are the main changes?

Remission	What has Changed	Why has it changed
1 Urban and Rural Halls and community centres	Introduction of 50% remission for the new roading and civil defence targeted rates	To allow fairer allocation of rates, and applies the same remission (previously available under the General Rate)
2 Regent Theatre	Introduction of 100% remission for the new roading and civil defence targeted rates	To allow fairer allocation of rates, and applies the same remission (previously available under the General Rate)
3 Glenavy Fishing Camp and Pareora River Huts – Civic Amenities	Removal of 75% remission for civic amenities rates	To allow fairer allocation of rates
4 Glenavy Fishing Camp – Glenavy Hall	Introduction of two thirds remission for Glenavy Hall rate	To recognise their special circumstances and uniqueness within the Glenavy District

Remission	What has Changed	Why has it changed
5 Urban over 20ha properties	Introduction of remission for the new roading and civil defence targeted rates	To allow fairer allocation of rates, and applies the same remission (previously available under the General Rate)
6 Waimate District Community Complex (WDCC) Rate	Introduction of 25% remission for WDCC rate where ratepayer contributes towards a Waimate District Rural Community Hall rate from 1 July 2016	To recognise ratepayers contribution towards rural community halls and the WDCC

So what do the changes in remissions mean for you?

When Council provides a remission to certain ratepayers the cost of that remission is covered by all other ratepayers. The proposed reduction in remissions will benefit all other ratepayers charged that particular rate. (However the remission for the Glenavy Fishing Camp for the Glenavy Hall is not to be covered by the other Glenavy Hall ratepayers.)

Total Rates Remission 2013/14 (GST inclusive)	\$95,700
Proposed Rates Remission 2015/16 (GST inclusive)	\$23,200

If you are a ratepayer who currently receives a remission, you are encouraged to visit our website to find out how these changes affect your proposed rates for the 2015/16 year.

Want to read more information on Council's Rates Remission Policy?


To see the full proposed Rates Remission Policy, please refer to Council's Supporting Information to the Consultation Document on our website www.waimatedc.govt.nz

Alternatively you can:

- Talk to a Councillor
- Talk to Council's Chief Financial Officer

Question: Do you agree to the Rates Remission Policy proposals?

Tell us on pages 31-32





We want your feedback

Background

Council is committed in providing a high standard of roading maintenance on the Districts network.

The increasing heavy traffic and wide agricultural vehicles on the Districts roads, originally constructed with minimal structure and foundation, is causing accelerated deterioration of the road network in a number of areas. An increase in maintenance and renewals is required to maintain the current road condition and to ensure that road assets that have reached the end of their life are renewed. Some deterioration is expected as road surfaces reach the end of their useful life, with an increase in required maintenance being expected.

Council has budgeted in this ten year forecast for an increase in expenditure to fund maintenance and renewal of the Roothing Network. For this work Council receives funding assistance (54% 2015-16) from the New Zealand Transport Agency (NZTA). This additional funding is required to maintain the existing levels of service over the next ten years.

Risk

Council submits a three year work programme to the New Zealand Transport Agency for approval. If the increase in NZTA funding assistance is not approved, or is approved in part, some additional options have been investigated. Council will continue to strongly lobby NZTA for funding support that is appropriate to maintain the quality of the roading network.

Council also has an agreement with Councils from South – Mid Canterbury to improve the management and operation of networks by working together.

Option 1 (The preferred option)

Rates income budgeted for roading is \$2,733,128 (including GST) for 2015/16 and includes borrowing totalling \$450,000. All roading expenditure will be funded from the roading rate except for the proposed \$450,000 funded from a loan.

Comparing the previous three years with the next three years roading expenditure has increased 41%. The total spend in 2015-18 will be an additional \$4.7m over the 2012-15 comparable 3 year period.

Proposed roading expenditure (based on Option 1):

Year	Actual 2012/13	Actual 2013/14	Budget 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18
Spend \$000	3,254	4,258	3,957	5,149	5,703	5,336
Three year total			11,469			16,188

Option 2

Council does not increase the proposed funding (work programme) and does not require borrowing in year one. This would result in Rates income of \$2.53 million (including GST) in 2015/16 (7% lower than Option 1) and would result in deterioration of road condition, an acceptance of a lower level of service and potentially a reduction in the extent of the maintained network.

Option 3

Council has considered an example whereby the New Zealand Transport Agency fails to meet the submitted work programme by \$200,000 and this shortfall is funded through elevated borrowing (\$650,000). Whilst this is appropriate in the short term, equivalent additional borrowing would be required in subsequent years and is not considered prudent. This option would result in a Rates income of \$2.75 million (including GST) in 2015/16 (0.1% lower than Option 1).

Option 4

Council has also considered an example whereby the New Zealand Transport Agency fails to meet the submitted work programme by \$200,000 and this shortfall is funded through rates. This option would result in a Rates income of \$2.96 million (including GST) in 2015/16 (8.4% higher than Option 1).

Proposed roading expenditure for the ten years (based on Option 1):

Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Spend \$000	5,149	5,703	5,336	5,723	6,316	6,045	6,214	6,401	6,599	6,817
Three year total			16,188			18,084			19,214	



Question: Do you agree with the level of additional roading expenditure?

Question: If NZTA funding is not received as expected, do you want Council to continue with the planned spend?

Should any shortfall come from rates or debt?

Tell us on pages 31-32



We want your feedback

Holme Station Corner Bridge

This bridge is situated on the Pareora River Road at Holme Station. Built in 1924 it has three spans; is 23metres long and 2.6metres wide. Construction is timber beams and deck, railway iron piles and concrete abutments and weight restricted to 3500kg.

It is prone to blockage due to debris across the short spans during flooding. In winter, water from the ford tracks up the road causing icing problems.

On a heavy freight route there is a considerable detour for heavy traffic when the stream is flowing high.

The sight distance to the bridge is limited on the southern approach by a curve in the road.

Proposal

To replace with a two lane bridge two spans. This replacement will have the advantage of an all-weather heavy freight route. The two lanes will be a safety improvement and clear spans will eliminate blockage of debris. A wider bridge will allow wider farm machinery to use.

Estimated replacement cost 2016/17 - \$481,000. Proposed to be funded from the use of Council borrowings and NZTA funding assistance.

Option 1 (The preferred option)

To replace the bridge as proposed would result in a total roading rate requirement of \$3.005 million (including GST) in 2016/17 and includes borrowing of \$400,000.

Option 2

To maintain the existing bridge, accept the lower level of service, risk of flood damage and associated safety concerns would result in a total roading rate requirement of \$2.987 million (including GST) in 2015/16 (0.6% lower than Option 1) and reflects the impact of increased maintenance costs in part offset by reductions in debt repayment.



Holme Station Bridge



Crouches Bridge

This bridge is on Young's Road in the Hook area. Built in the 1920's it has four spans, is 27metres long and 2.6metres wide. Construction is timber beams and deck, railway iron piles and concrete abutments and weight restricted to 3500kg.

It is prone to blockage by debris during flooding because of the short spans.

On a dairy freight route; a detour is required for heavy traffic when the stream is flowing high, there is a gravel ford.

The sight distance to the bridge is limited due to the brow of a hill on the north side.

Proposal

To replace with a two span single lane bridge. This replacement will have the advantage of an all-weather heavy freight route. The alignment of the new bridge will improve safety and be an alternative route for State Highway 1 in flood conditions. The clear spans will eliminate blockage of debris. The wider bridge will allow wider farm machinery to use. Estimate replacement cost 2019/20 - \$430,000. Proposed to be funded from the use of Council borrowings and NZTA funding assistance.

Option 1 (The preferred option)

To replace the bridge as proposed would result in a total roading rate requirement of \$3.415 million (including GST) in 2019/20 and includes borrowing of \$200,000.

Option 2

To maintain the existing bridge and unsealed ford, accept the lower level of service, risk of flood damage and associated safety concerns would result in a total rate requirement of \$3.419 million (including GST) in 2019/20 (0.1% higher than Option 1) and reflects the impact of increased maintenance costs related to maintaining these structures.



Crouches Bridge



Question: Do you agree to the proposal to replace and upgrade Holme Station and Crouches bridges?
Question: Which option do you prefer?

Tell us on pages 31-32



Background

Over recent years a significant amount of interest / enquiries have been received in relation to extending the Waimate urban sewer network from its existing termination located at the Hayes Street - Mill Road intersection. Council agreed that a preliminary investigation should be carried out to:

- Identify the feasibility of an extension
- Identify the likely command area of the proposal
- Engage a surveyor to provide necessary topographic information
- Produce an in-house preliminary design
- Engage an engineering consultant to produce a scheme plan to form the basis of a consultation document

A Concept Sewer Design has been produced and a preliminary information evening was held late 2014.

Proposal

Council is proposing to install an extension to the existing gravity sewer network that will service Mill Road (between Hayes Street and King Street), Princes Street and King Street. Investigations indicate that 38 rating units are able to connect either now, or in the future, with future sub-division likely to promote development.

Cost Estimate

Council has budgeted \$546,000 for this project and includes all Detailed Design, Manholes, Trunk Sewer, Property Connections (38). For the purpose of this budget, the sewer is assumed to be installed under existing road infrastructure. Cost savings can be realised when pipework is installed beneath grassed berms and this will potentially be addressed if the project proceeds to detailed design.

Proposed Sewer Mill Road - Concept Plan



Mill Road Sewer Extension Continued

Potential Funding Mechanisms

Investigations into the potential increase in the Urban Sewer Rating Area indicate that there are approximately 38 rating units that could potentially connect either now or in the future. Approximately 17 of these already have existing dwellings.

Capital contributions will be sought on the basis that investment in this type of infrastructure has an intergenerational component. Some properties will connect immediately, others will connect on failure of existing septic tanks and some will connect at some point in the foreseeable future. In order to account for the various scenarios, the proposed funding mechanism is:

- No external borrowing is anticipated for this project, the funds will be sourced internally
- Capital contribution no more than \$14,368 on commissioning of proposed extension.
- Future Capital contribution based on \$14,368 +4.5% compounding per year or part thereof (for connections subsequent to commissioning).
- All rateable units that are either connected, or are deemed capable of connecting, to the urban sewer network will be subject to annual targeted rates as either a full (connected, \$275.00 2015/16) charge or an availability (unconnected, \$137.50 2015/16) charge.
- Future sub-division will incur the applicable Capital contribution on a per lot created basis.

Benefits

- Overall increase in Capital Value (CV) for affected rating units.
- Legislative change in the future may mean that septic tanks are no longer a viable option in some cases.
- Promotes development towards the northwest of Waimate, including subdivision.
- Provides greater choice to satisfy demand for differing property types.
- Environmental benefits.

Option 1 (The preferred option)

Complete the extension as proposed.

Option 2

Do not complete the project as proposed. Because of the planned construction timeframe, the full funding impact is not apparent until subsequent years when depreciation costs incurred by the extension (and associated interest charges) can be shown. Total rate requirement in 2016/17 with the extension is \$534,664 as opposed to \$528,385 without the development. This represents a projected decrease of \$6,280 or 1.17%.

Question: Do you agree with the extension of the Mill Road sewer network? with reference to:

- Should Council offer differing payment options for capital contributions?
- Should Council make provision for staging the proposed extension based on submissions received?
- The addition of rateable units effectively acts to drive the overall targeted rate down. Is this enough justification for the existing targeted rate base to absorb, albeit temporarily, the costs associated with borrowing up to \$546,000?

Tell us on pages 31-32



We want your feedback

Background

This item has been on the table since 2000. More library space is needed so that Waimate District has a library that meets the needs of today's and tomorrow's residents and complies with the NZ Standards for Public Libraries.

The current library services continue to be in high demand by residents District-wide with an increasing membership. Circulation and issue figures remain constant. However the lack of adequate space is a hindrance to the provision of resources and services now being expected to be provided by libraries. Previous public consultation undertaken in the Waimate District thus far supports this need for more space.

National guidelines as outlined in the Public Libraries Strategic Framework suggest that work needs to be done before the Waimate District Library can provide for changing service expectations. It is important that the community has greater access to information and ideas including online access to the digital world: access that is either unobtainable or unaffordable for many citizens otherwise. It is important that the library provides the resources and services to support lifelong learning and that facilities are in place to encourage community participation and involvement with the library. This includes our children and young adults.

Proposal

In the 2012-22 Long Term Plan the extension was proposed for the 2015/16 year. Now, due to a number of other significant projects, Council has allocated \$1.5m for the extension in the year 2018/19. Council recognises that because this project has been deferred, it is possible that the extension may have to be of a lesser size to stay within the budgeted figure of \$1.5m.

The proposal is to extend the current library space to the west. This will enable shelving to be at the standard 3 tier height thereby improving safety for users and staff. The additional space will cater for increased provision of modern day technology, in an appropriate dedicated area separate from the reception/service area. Other additional space would be utilised for reading and research and an improved children's area. Overall more space would be provided for school and group activities and working space for staff. Current staff levels are sufficient for the proposed library extension.

How will this be funded?

The extension will be funded by an external loan of \$1.5m. The impact on rates will be \$142,000 in 2019/20. No additional rates are required in 2018/19 or earlier as this is a new project.



Map - Proposed Area for Library extension

Question: Do you agree to the proposed Library Extension?

Tell us on pages 31-32

We want your feedback



St Andrews Reserve

Background

The reserve is currently managed by the St Andrews Domain Board on behalf of the Waimate District Council. A caretaker maintains this reserve and manages the camping area and receives payment from Council for mowing.

Income from the Camping area is forwarded to Council. The reserve does not receive any rates income.

In past times the oval and domain area was widely used by the local and wider community, i.e., cycling, club and social cricket, horse events, greyhound racing, car club events. The oval is currently used as grazing by the Caretaker.

The reserve extends south to Braddon Street. In the below map, there are three sections:

1. Adjoining Land (4.58 hectares)

The adjoining land is on a long-term lease managed through Council's property department. The lease is for \$700 plus GST per year and expires (with the right of renewal) in July 2017. This land is currently used for cropping and grazing.

2. Camping Area & Oval (5.13 hectares)

Camping is permitted all year round. Usage of the camping area has fluctuated over past years; however costs are continuing to exceed income. The St Andrews Reserve camping area receives very little promotion.

The camping fees are:

Non-power site per adult per night	\$11.00
Camping power sites per adult per night	\$12.00
Showers (non-camping) per person	\$ 2.00

The buildings (ablution block and kitchen/lounge) were built in the 1960's and since then have had very little upgrading apart from minor repairs and repainting. Compared to Council's other camping facilities, they are of average condition. The ablution block consists of men's toilets (2 pans, 1 urinal, 1 hand basin, 1 shower) and the women's toilets (2 pans, 1 hand basin, 1 shower). There is also a dump station and septic tank. In addition, there are 10 power sites, numerous non-power sites.

The power boxes need to be brought up to regulation standards, with a cost of approximately \$12,000 - \$15,000.

The toilets are currently available to the public as the St Andrews public toilets.

3. Dosing Strip (0.393 hectares)

The majority of this small area is planted in trees. This land was formally used for dog dosing. This area is gazetted as a "public pound site".

Kitchen/Lounge/Clubroom



The Proposal

The reserve needs to be operating at a self funding level now and into the future.

Options being considered by Council

1. Status Quo with a review of camping fees (**the preferred option**)
2. Reclassify and sell land/buildings
3. Lease
 - (a) Operation of the Camping Ground and paddock for grazing
 - (b) Close the Camping Ground and lease all land for grazing

Question: Do you agree with Option 1 (the preferred option)?

Tell us on pages 31-32

Topics for your information - Urban Water Main

Background

In 1901 the Waimate Township sourced its drinking water from the original Kelcey's Bush intake. As demand increased, provision was made to install a deep bore near Manchester's Road and in more recent times this has been supplemented with a second secure source at Timaru Road. In total Waimate has a consented water take of 65 litres per second. Effectively the scheme has moved from a solely gravity fed system to a situation whereby a series of bore and booster pumps now feed directly into the reticulation and water is either consumed enroute to, or stored at the Mill Road reservoir. Timing of these pumping activities allows for the reservoir to be cycled ensuring that taste and odour issues are kept to a minimum.

The issues

- The current reticulation limits the water available to 44 litres per second which is well below our consented take. During the peak summer months this restriction means that the two sources are just capable of meeting the peak demand. Peak demand is in the order of twice the annual daily average.
- Cycling of the Mill Road reservoir is problematic during times of peak demand.
- Elevated pressures within the distribution network result in increased leakage from our aging pipes and accelerated failures (pipe bursts).

Work Proposed

Council has identified a number of drivers for the extension of a dedicated delivery main as a partial renewal of an aging cast iron pipe running along High street, Allan street and Mill road towards the reservoir. These are:

1. A progressive renewal of aging assets is required to ensure that the urban supply maintains agreed levels of service and is maintained into perpetuity.
2. Capacity is available but is unable to, currently, be utilised.
3. A reduction of pressure within the network will allow smoothing of future renewals over a longer period as leakage is reduced along with pipe burst frequency.
4. A reduction in demand management activities such as water conservation and restriction measures.
5. A reduction in reactive maintenance costs associated with isolated repairs.

Without pressure management, the cast iron main (c.1935) is likely to experience frequent failures and ultimately require full replacement within the next ten years. A reduction in operating pressure is required to protect the remaining cast iron pipes within the network and allow for progressive replacement over a longer timeframe.

Rehabilitation of cast iron pipes in the network (lining, epoxy coating) have been investigated but are not viable options.

Over a period of five years, commencing year 2015/16, Council is budgeting \$1,070,000 (\$200,000 un-inflated per annum) to continue the installation of a dedicated water delivery main to enable better management of the urban scheme and to allow for increased demand in the future.



More topics for your information

Public Toilets, Queen Street, Waimate

The public toilets in Queen Street are located adjacent to the Waimate District Council building and Library. Being centrally situated they record the highest usage of the public toilets within the township.

Erected in 1997, these toilets were upgraded in 2009 in order to extend their useful life. The upgrade was successful and a recent condition assessment has indicated that the current condition of the facilities is above average for their age. Renewal budgeting is forecast for the 2016/17 year. Further condition assessments are required for the remaining public toilets within the District, to align appropriate renewal and upgrade budgets.



Hunter Downs Irrigation Investment

Council has invested in Hunter Downs Irrigation Limited initially to gauge the feasibility of the scheme. Should the scheme proceed there will be significant economic and social benefits for the District. Council has not yet considered any decision with regard to additional investment for the construction phase. This is because the feasibility has not yet been concluded and the potential investment required has therefore not been valued or assessed by Council. If and when any decision is required Council will consult with the community, if necessary according to our Significance policy.



Stormwater Upgrade

A Stormwater Investigation Study was completed in 2009 and included hydraulic modelling of an area within Waimate township that had identified capacity issues resulting in surface flooding. The existing kerb and channel system was noted to lack capacity as a result of development after installation and a likely increase in annual rainfall intensity. A number of upgrades were identified in order of priority.



The issues:

- Increasing the capacity of the kerb and channel is not a viable option.
- Future developments / in-fill housing will compound the surface flooding further.
- Whilst the downstream reticulation has capacity to take these increased flows, there is not currently an efficient means of capturing and conveying the stormwater.

Work Proposed:

Some of the lesser priority upgrades are now commissioned and were completed in conjunction with other programmed infrastructure renewals. There is still a requirement to create efficiency and capacity within the network with proposed upgrades which include larger diameter pipelines and high capacity sumps as detailed below:

1. Manse Street between Harris and Shearman Streets
2. Manse Street between Belt Street and Harris Street
3. Shearman Street
4. Belt Street

Council intends to complete these works over a period of four years with a total budget of \$634,000. (Priority one upgrades represent \$313,000. Priority two upgrades represent \$211,000. Priority three upgrades represent \$110,000.)

**Independent auditor's report on Waimate District Council's
Consultation Document for its proposed 2015-25 Long-Term Plan**

I am the Auditor-General's appointed auditor for Waimate District Council (the Council). Section 93C of the Local Government Act (the Act) requires an audit report on the Council's consultation document. I have carried out this audit using the staff and resources of Audit New Zealand. We completed this audit on 7 April 2015.

Opinion

In my opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2015-25 long-term plan, because it:
 - fairly represents the matters proposed for inclusion in the long term plan; and
 - identifies and explains the main issues and choices facing the Council and district, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

Basis of Opinion

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

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate audit procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long-term plan whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

I am responsible for reporting on the consultation document, as required by section 93C of the Act. I do not express an opinion on the merits of any policy content of the consultation document.

Independence

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



Scott Tobin
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

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

Talk to your Councillors



Back Row, from left: Tom O'Connor, Peter McIlraith, Sharyn Cain, David Anderson.
Front Row, from left: Sheila Paul, Arthur Gavegan, Craig Rowley, Peter Collins, Miriam Morton.

Mayor	Deputy Mayor	Councillor
Craig Rowley Phone: 03 689 7341 Cell: 027 839 7413 E-mail: mayorcraigrowley@waimatedc.govt.nz	Sharyn Cain Phone: 03 689 8519 Cell: 027 2771 973 E-mail: sharyn.cain@waimatedc.govt.nz Waimate Ward	Peter McIlraith Phone: 03 436 0695 Cell: 027 280 3133 E-mail: peter.mcilraith@waimatedc.govt.nz Hakataramea-Waihaorunga Ward
Councillor	Councillor	Councillor
Peter Collins Phone: 03 689 8568 Cell: 027 291 8763 E-mail: peter.collins@waimatedc.govt.nz Waimate Ward	Arthur Gavegan Phone: 03 689 6465 Cell: 027 469 2348 E-mail: arthur.gavegan@waimatedc.govt.nz Waimate Ward	Miriam Morton Phone: 03 689 6042 Cell: 027 778 0781 E-mail: miriam.morton@waimatedc.govt.nz Waimate Ward
Councillor	Councillor	Councillor
Sheila Paul Phone: 03 689 2273 Cell: 027 228 9589 E-mail: sheila.paul@waimatedc.govt.nz Waihao Ward	Tom O'Connor Phone: 03 612 6755 Cell: 027 241 5084 E-mail: tom.oconnor@waimatedc.govt.nz Pareora-Otaio-Makikihi Ward	David Anderson Phone: 03 612 6009 Cell: 021 963 122 E-mail: david.anderson@waimatedc.govt.nz Pareora-Otaio-Makikihi Ward

Submission Form

Waimate District Council Long Term Plan 2015-25

Your Submission:

Name

Address

Contact Telephone

Email

Signature

Please tick which applies:

I do NOT wish to make a personal submission at the hearing, and ask that this written submission be considered.

I wish to talk to the main points in my written submission at the hearings scheduled to be held on 03 June 2015.

Key Issue 1

Question: Do you agree with the proposed three rating zones (Urban, Rural 1, Rural 2)?

Agree Disagree Other

Question: Do you agree to the other proposed changes to the Revenue and Financing Policy?

Agree Disagree Other

Please comment:

Key Issue 2

Question: Do you agree to the Rates Remission Policy proposals?

Agree Disagree Other

Please comment:

Key Issue 3

Question: Do you agree with the level of additional roading expenditure?

Agree Disagree Other

Question: If NZTA funding is not received as expected, do you want Council to continue with the planned spend?

Yes No

Question: Should any shortfall come from rates or debt?

Rates Debt

Please comment:

Key Issue 4

Question: Do you agree to the proposal to replace and upgrade Holme Station and Crouches bridges?

- Agree Disagree Other

Question: Holme Station Bridge - Which option do you prefer?

- Option 1 Option 2

Question: Crouches Bridge - Which option do you prefer?

- Option 1 Option 2

Please comment:

Key Issue 5

Question: Do you agree with the extension of the Mill Road sewer network?

- Agree Disagree Other

Please comment:

Key Issue 6

Question: Do you agree to the proposed Library extension?

- Agree Disagree Other

Please comment:

Key Issue 7

Question: Do you agree with Option 1 (the preferred option) for the St Andrews Reserve?

- Agree Disagree Other

Please comment:

Please provide any additional feedback on other topics relating to this consultation document below.

Sending your submission?

Your submission can be posted

Waimate District Council
Freepost No. 25
PO Box 122
Waimate 7960

or emailed to LTP@waimatedc.govt.nz

Alternatively drop into Council reception at:
125 Queen Street
Waimate