

Ten Year Forecast 2015-25

Supporting Information to the Consultation Document 2015

WAIMATE DISTRICT COUNCIL



07 April 2015

Contents of Supporting Information

Message from Chief Executive and Mayor	1
Audit Opinion on the Consultation Document 2015	3
Significant Forecasting Assumptions	5
Financial Management	
Financial Overview	13
Balanced Budget Statement	15
Statement of Accounting Policies	17
Prospective Financial Statements	23
Prospective Ten Year Capital Expenditure	32
Prospective Group Funding Impact Statements	37
Reserve Funds	47
Funding Impact Statement and Rating Information	51
Proposed Rates - Sample Properties	57
Disclosure Statements Prudential Reporting	59
Council Policies	
Revenue and Financing Policy	63
Financial Contributions Policy	69
Rates Remission Policy	73
Significance and Engagement Policy	77
Financial Strategy	85
Infrastructure Strategy	95
Fees and Charges	121
Funding Policy (LGA - S101) - Funding Needs Analysis	135

Message from the Mayor and Chief Executive



Introduction

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 that it is seeking feedback on, and these are set out in this document. These include the best use of the St Andrews Domain, upgrades to the stormwater network and how to improve the public toilets.

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

Audit Opinion



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

Significant Forecasting Assumptions

Assumptions	Source of Information	Risk	Level of Risk	Potential Impact	Activity
Population Change					
Over the last few years our district has experienced some growth which is considered to be the result of increased activity in the dairying industry. A population projection study has been undertaken for the next thirty years based on significant proposed projects such as the Hunter Downs and Waihao Downs Irrigation Scheme and increased dairy processing capacity. The results show that population will steadily increase to a 10% increase in 10 years time and the pace will depend on the number of projects approved and when they occur. It is assumed that this increase in population will have minimal impact on the rates liability for residents.	Statistics NZ / Internal population projections	That population growth increases/decreases significantly.	Low	If population was to significantly accelerate the Council would need to consider additional infrastructure to cope with demand. According to Statistics NZ over the recent years the population of Waimate has had a minor increase, therefore the risk of significant change occurring is low.	All activity groups
Demographic Changes					
Council is aware that for our district the proportion of residents aged 65 years or over is significantly greater than the average for the whole of New Zealand (22.2% Waimate, 14.4% Nationally) and that this trend is likely to intensify in future years. Council is also aware that our residents perceptions and expectations of the calibre of community facilities that should be provided increase over time, as community facilities in other districts are provided to a modern and up to date standard.	Statistics NZ	The demographic make up of the Waimate District changes significantly.	Low	Historic information from Statistics NZ show Waimate's population in the older age groups is increasing. It would take an extremely uncommon event to change the demographic make up.	All activity groups
Climate Change					
Council do not perceive propositions on the reality and effects of climate change to be an issue of significant concern to our residents during the foreseeable future. Council's Long Term Plan 2015-25 does not include any provisions in relation to climate change.	Ministry for the Environment ECan	Environmental changes accelerate.	Low	If environmental change was to significantly accelerate, an amendment would be shown in the next Long Term Plan due for publication in 2018.	Resource Management, Water Supply Urban, Water Supply Rural
Fuel Costs					
It is assumed that there will be no major change in fuel costs over and above those incorporated into the inflation assumption.	BERL/SOLGM	There is a risk that fuel prices will be greater than those assumed	Moderate	Increased fuel costs would have a particular impact on the costs of road maintenance, renewal and improvement. This may affect the Council's ability to carry out planned work without additional funding. It may also increase demand for alternative modes of transport.	Roading and Footpaths

Assumptions	Source of Information	Risk	Level of Risk	Potential Impact	Activity
New Zealand Transport Agency Revenue					
New Zealand Transport Agency subsidies. Roading expenditure comprises a significant portion of Waimate District Council's total expenditure and hence consumes a significant portion of Council's rate take. The bulk of Council's expenditure on our District's roads is eligible to attract a subsidy from New Zealand's national roading funding agency 'New Zealand Transport Agency'. The subsidy rate received by Council for qualifying roading expenditure for maintenance and improvement projects is at 54% 2015/16, 55% 2016/17, 56% 2017/18, 57% for 2018/19, 58% for 2019/20, 59% for 2020/21, 60% for 2021/22, end of transition 60%.	NZTA	Changes in subsidy rate and variation in criteria for inclusion in subsidised works programme. Submitted programme may not be approved	Moderate Moderate	Changes to the funding priorities of New Zealand Transport Agency are outside Council control. Minor variations would impact significantly on forecasted financials. Reduced revenue may need to be sought through rates and/or additional debt.	Roading and Footpaths
Grants and Subsidies					
Council has assumed that all projects funded or partially funded from grants and subsidies will be available in the year the expenditure is planned. If the funding is not received it is most likely the project will not proceed in that year. Examples of projects where funding is assumed; roading maintenance, improvements and a bridge (NZTA).	Council	Subsidy is not received and projects do not proceed.	Moderate	Some projects have a more significant impact than others if they do not proceed in the planned year. The roading projects where we rely on NZTA subsidy may result in reduced level of service.	Roading and Footpaths Property
New Zealand Drinking Water Standards					
Council's planning and budgets including our work with rural water schemes, our statements of levels of service and our Water Asset Management Plan are all predicated on the basis that Council will achieve compliance with NZ Drinking Water Standards.	Central Government	New or amended legislation is introduced without financial support or within an inappropriate time frame.	Moderate	Over recent years Central Government has imposed new or amended legislation on Councils.	Rural Water Supply, Urban Water Supply
Emissions Trading Scheme (ETS)					
The Emissions Trading Scheme became law in September 2008 which resulted in minor rises in costs. As the ETS grows Council anticipates the introduction of new areas will continue to have only minor increases and that those increases are recognised in Councils inflation figures.	Ministry for the Environment	There is a risk of legislative changes that may result in the costs being higher or lower.	Low	Should the impact of the scheme increase significantly from that assumed, expenditure may need to be considered.	Property, Forestry, Roading and Footpaths, Rural Water Supply, Urban Water Supply

Key: Level of Risk

Low - Unlikely to occur

Moderate - Some likelihood of occurring

High - More likely to occur

Assumptions	Source of Information	Risk	Level of Risk	Potential Impact	Activity
Resource Consents					
It is assumed that the conditions of resource consents held by Council will not be changed significantly and that Council will obtain the necessary resource consents for planned projects. eg Global stormwater consent.	Council	That conditions of resource consents are altered significantly.	Low	Advance warning of likely changes is anticipated. The financial effect of any change to resource consent requirements would depend on the change.	Roading and Footpaths, Sewerage and Sewage, Stormwater Drainage, Waste Management, Water Supply - Urban/Rural
Potential Natural Disasters					
Council is aware of the potential for natural disasters to damage, disable or destroy community infrastructure such as our districts roads, bridges and water supplies. Council assumes that if such damage occurs the cost of rapidly remedying it will be met from Council or its insurance providers and possible special government grants. Council's LTP 2015-25, has not provided any Council reserved monies against damage to community infrastructure by natural disasters.	Council	Inability to recover or continue business following a major disaster, should it occur.	Moderate	If a major emergency event did occur Council have some insurance for its infrastructure, and assistance would be offered from Central Government. To pay for additional emergency work not covered by the above, Council would increase borrowings.	Roading and Footpaths, Urban Water Supply, Rural Water Supply, Sewerage and Sewage, Stormwater Drainage, Emergency Management, Property
Legislation					
Council assumes that existing legislation will remain in place and that the structure and responsibilities of the Council will remain the same over the period covered by the LTP.	Council	There is a risk that legislative change will bring about changes to the responsibilities of Council.	Moderate	If legislative responsibilities change, it may increase or reduce the Council's expenditure and income and associated rate levels.	All activity groups
Water Irrigation Schemes					
Council Asset Management Plans take into account the possible impact of the Waihao Downs Irrigation Scheme and Hunter Downs Irrigation Scheme.	Waugh/Opus	There is a risk of the projects not going ahead or changes to projected start dates.	Low	If the projects are delayed or cancelled it will have minimal impact as no major infrastructure development is planned.	Roading and Footpaths, Rural Water Supply, Sewerage and Sewage

Assumptions	Source of Information	Risk	Level of Risk	Potential Impact	Activity
District Economy					
Significant changes in commodity prices could effect the district economy		Significant change in income stream for any sector	Low	Drop in commodity prices - disposable spending cut back, loss of employment, closure of business. Increase in commodity prices - the reverse of the above.	All activity groups
Useful Lives of Significant Assets and Depreciation					
It is assumed that asset lives will be as set out in the Statement of Accounting Policies that takes account of acquisitions and replacement over the next 30 years as noted in the Infrastructure Strategy	New Zealand Asset Management Support	There is a risk that assets will wear out more quickly than forecast and require replacement earlier than planned.	Moderate	If assets require replacement earlier than forecast, capital expenditure projects may need to be brought forward.	Roading and Footpaths, Rural Water Supply, Urban Water Supply
Funds for Future Replacement of Significant Assets					
<p>Councils have some flexibility in the policies they may set with regard to sources of funds for the future replacement of significant assets. Council's flexibility centres on whether we should collect depreciation monies from ratepayers during the lifetime of the asset to build up a reserve that can fund the replacement of the asset when it comes to the end of its useful life or when the asset comes to the end of its useful life, rely on borrowed money to replace it.</p> <p>Council considers that the prudent approach is to collect depreciation during the life of an asset so as to have reserve funds on hand at the time replacement is needed. See Council's Policy 401 'Revenue and Financing' and the Financial Strategy.</p> <p>The 30 year Infrastructure Strategy details timing of replacement of significant assets and Council has taken account of replacements as and when they occur.</p>	Council	Sufficient funds may not be available to pay for planned asset replacement.	Low	Funds may need to be borrowed or rated for which may be a burden to the Council or ratepayers in the future.	Property, Roding and Footpaths, Water Supply, Urban Water Supply, Sewerage and Sewage, Forestry

Key: Level of Risk

Low - Unlikely to occur

Moderate - Some likelihood of occurring

High - More likely to occur

Assumptions	Source of Information	Risk	Level of Risk	Potential Impact	Activity
Revaluation of Non Current Assets					
Council revalues its infrastructure, land and building assets so that carrying values are maintained at fair value. It is assumed that revaluation will take place every three years in line with Asset Management Plans and that the value of the assets will increase in line with construction cost forecasts.	BERL	Revaluations will materially differ from those projected carrying values of the assets and depreciation expense.	Moderate	Variation in values is expected to be low unless valuation methodology changes or changes in actual versus expected indices.	Roading and Footpaths, Rural Water Supply, Urban Water Supply, Sewerage and Sewage, Property
Forestry Asset Values					
Council revalues its forestry assets so that its carrying value is maintained at fair value.	Council	The value of forestry asset may increase or decrease.	Low	A change in the value of the forestry asset will change Council's financial performance in the year it occurs. It will not have a direct impact on the level of rates or expenditure.	Forestry
Return on Investments - Alpine Energy					
It is assumed that Council will continue to receive a minimum dividend of 18.3 cents per share.	Council in conjunction with its advisors	There is a risk that returns on investments will be higher or lower than forecasted.	Moderate	In 2014/15 Council is budgeting \$570,000 from the Alpine Energy dividend. Council is aware the company is seeking more funds to invest in network development this may come from retaining profits. Should the directors choose to retain profits this will reduce dividends. If the dividend were to be 16.5 cents Council would receive \$516,000 which would increase rates by 0.7%	Investments and Finance
Return on Investments - other					
<p>It is assumed that Council's investments will generate a 4.5% return.</p> <p>It is assumed that Council's Forestry investments will generate a 5.2% return during the 10 years. Most of the forests are due for harvest beyond this period, at which time a better return is expected.</p> <p>Council's share in Hunter Downs Irrigation scheme has a knowingly low return however it was seen as a benefit to the district as a whole.</p>	Council in conjunction with its advisors	There is a risk that returns on investments will be higher or lower than forecasted.	Moderate	If investment returns are lower than those assumed, Council may need to increase its rates or reduce expenditure. Conversely, higher investment returns may mean interest rates may be lower than they would have otherwise been. Council's preferred cash balance is \$500,000. Interest on this amount at 4.5% equates to \$22,500 p.a. A 1% reduction in interest to 3.5% would reduce interest to \$17,500 p.a. and is therefore insignificant.	Forestry, Investments and Finance

Assumptions	Source of Information	Risk	Level of Risk	Potential Impact	Activity		
Inflation							
Waimate District Council along with many other New Zealand Councils calculates and applies inflation factors to its 10 year budget forecast, using predictions of future inflation levels from New Zealand economic research company, Business and Economic Research Ltd (BERL).	BERL	Inflation will be higher or lower than anticipated.	Moderate	Inflation is affected by external economic factors.	All activity groups		
Increase Percentage by Type							
	Year	Road %	Property and Parks %	Water %	Staff %	Other %	Wastewater %
	June 2017	1.40	2.40	3.80	1.90	2.50	2.50
	June 2018	2.20	2.50	3.00	2.00	2.60	2.60
	June 2019	2.40	2.60	3.20	2.10	2.70	2.80
	June 2020	2.50	2.80	3.30	2.20	2.90	2.90
	June 2021	2.70	2.90	3.50	2.30	3.00	3.10
	June 2022	2.80	3.00	3.70	2.40	3.10	3.20
	June 2023	3.00	3.20	3.80	2.50	3.30	3.40
	June 2024	3.10	3.30	4.00	2.60	3.40	3.50
	June 2025	3.30	3.40	4.20	2.70	3.60	3.60
Borrowing Costs							
Interest cost are estimated to be 7% after each year of the plan.	Council in conjunction with its financial advisors	Interest rates will differ significantly from those estimated.	Low	If borrowing costs are greater than those assumed Council may need to increase its rates or reduce its expenditure. Conversely, lower costs may mean rates are lower than they would otherwise have been.	Investment and Finance		

Key: Level of Risk

Low - Unlikely to occur

Moderate - Some likelihood of occurring

High - More likely to occur

Assumptions	Source of Information	Risk	Level of Risk	Potential Impact	Activity
Unidentified Liabilities					
It is assumed that Council does not have any unidentified liabilities.	Council	There is a risk of an unexpected liability occurring. For example a claim against Council.	Low	If an unidentified liability arises it may increase Council's expenditure. This risk is mitigated by the Council's Risk Management and Insurance Policies.	N/A
Insurance					
<p>Insurance costs have been included within the Long Term Plan at similar levels to post earthquake (Christchurch) premiums that appear now to have stabilised.</p> <p>Currently Council has secured 100% cover for above ground assets for all perils insured by the policy, while infrastructural assets have limited cover provided by the Local Authority Protection Programme Disaster Fund (LAPP).</p>	<p>Historical data.</p> <p>Insurance renewal details for the 2014/15 year.</p>	<p>Further significant earthquakes.</p> <p>Reinsurance costs escalating beyond forecasted budgets.</p> <p>Insurance cover may not be available for certain assets or risks. LAPP may not be able to secure cover for the 40% balance not assured by government.</p>	Moderate	<p>Any further significant earthquake events in the next 10 years would impact on insurance renewal costs. The cost of insurance may be greater than forecasted, leading to unbudgeted expenditure. Insurance cover may not be available in the event of significant seismic activity and Council may have to reconsider its risk management strategy.</p> <p>Should LAPP not secure cover for the 40%, the cost of reinstating LAPP cover would be significant and need to be funded through rates.</p> <p>Council will need to consider the trade off between taking greater risk (self insurance) or paying higher insurance premiums. Every \$83,000 in premiums adds 1% to rates.</p>	All activity groups
External Funding Community Complex					
<p>Council's total liability for the Waimate District Community Complex project is \$3.8m, including an external fundraising component of \$950,000.</p> <p>It is assumed that the Waimate District Community Complex Fundraising Committee, working through the Waimate District Charitable Foundation, will meet the \$950,000 target by June 2016.</p>	Council in conjunction with the fundraising committee	That the target may not be achieved by the planned date.	Low	An increase in finance costs until such time as the target is met.	Property, Investments and Finance



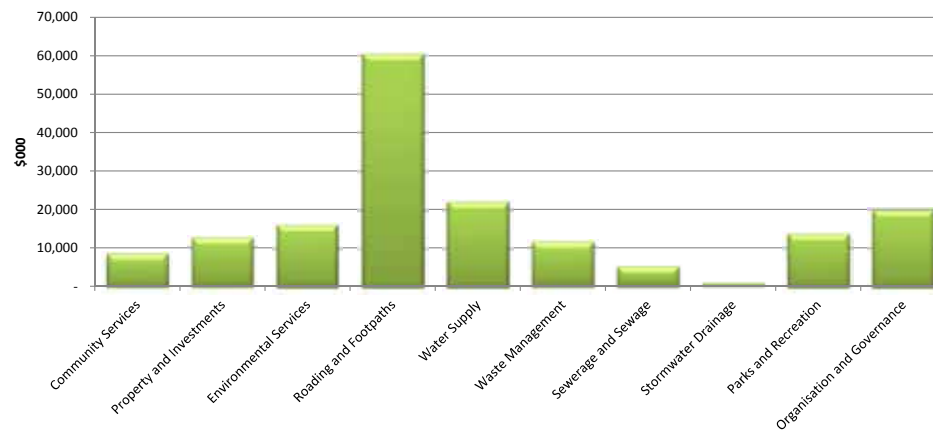
Indicative Financial Statements 2015-25

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, which are set out in detail in the group activity plan. 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 below (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 By Group
Total 2015-2025



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 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.

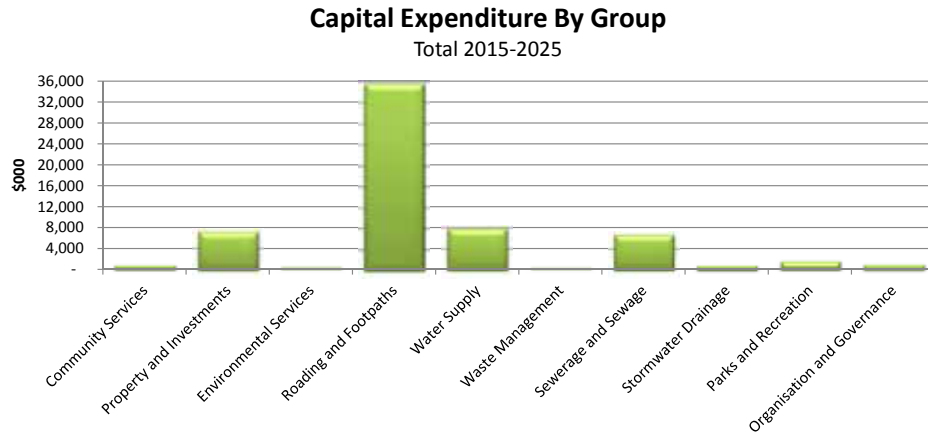
The increase is the result of price increases for goods and services that Council purchases to carry out its activities and services, for example, contract fees, wage increases, price of materials used, insurance costs and inflation mean it costs more for Council to deliver its activities and services. 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. As a result it aims to have no significant increase in operating expenditure as a result of growth related costs.

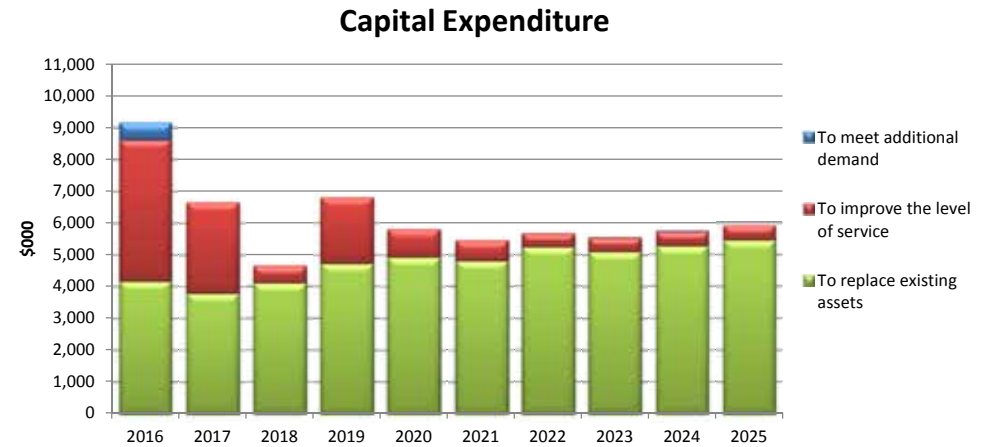
Capital Expenditure Requirements

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 following graph shows how this capital expenditure is broken down by activity group:



The following graph 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.



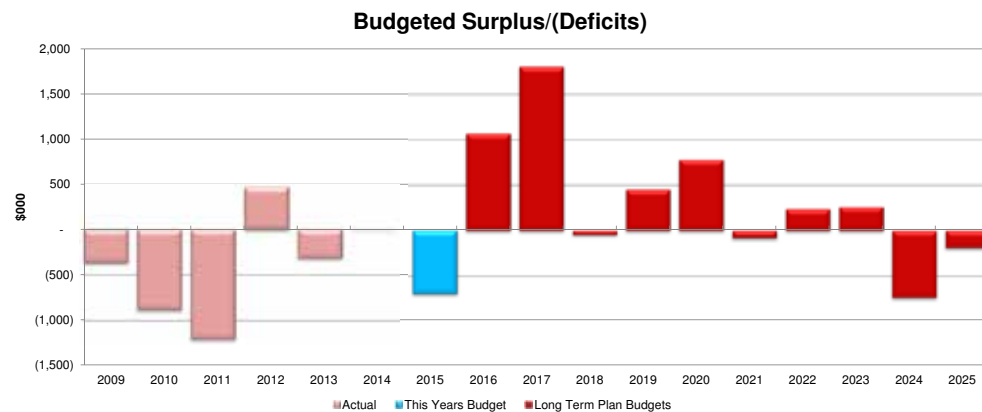
Balanced Budget Statement

Council is required under the Local Government Act 2002 to ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses. Council may set projected operating revenues at a different level from that required, if Council resolves that it is financially prudent to do so.

To assess a financially prudent position, consideration is given to:

- The estimated expenses of achieving and maintaining the predicted levels of service, including the estimated expenses associated with maintaining the service capacity and integrity of the assets throughout their useful life.
- The projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life.
- The equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life.
- The funding and financial policies adopted by Council.

Waimate District Council has budgeted for deficits for the past 6 years and this trend continues over the 10 years of this plan:



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

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

Assets That Council Will Not Cash- Fund Depreciation

Asset Name	Reason for Unfunding Depreciation
Roading	Council will unfund that portion beyond the level of capital expenditure
Bridges	Council will unfund depreciation beyond the level of capital expenditure
Water Supply Schemes	Council has phased in the funding of depreciation over a period of between 2-3 years following increased revaluations in 2012
Waimate District Community Complex	To recognise that Council will not replace the Community Complex at the end of its economic life
Waitaki Lakes – Rubbish Enclosures	To recognise that Council will not replace the enclosures at the end of its economic life
Victoria Park Camp – Caravan	To recognise that Council will not replace the caravan at the end of its economic life
Victoria Park Aviary	To recognise that Council will not replace the Aviary at the end of its economic life
Victoria Park – Scout Hall/Sound Shell	To recognise that Council will not replace this building at the end of its economic life
Victoria Park – Netball/Tennis Courts	To recognise that Council will not replace these facilities at the end of its economic life
Victoria Park – Iron Pavilion/Shed	To recognise that Council will not replace this building at the end of its economic life
Manchester Park – Fencing	To recognise that Council will not replace these improvements at the end of its economic life
John Street Tennis Courts	To recognise that Council will not replace these facilities at the end of its economic life
Southburn Hall	To recognise that Council will not replace this building at the end of its economic life
Bluecliffs Reserve Picnic Shelter	To recognise that Council will not replace this building at the end of its economic life
Bluecliffs Reserve Fencing	To recognise that Council will not replace these improvements at the end of its economic life
Hook Hall	To recognise that Council will not replace this building at the end of its economic life
Cattle Creek Hall	To recognise that Council will not replace this building at the end of its economic life

Other items that affect budgeting for a Surplus or Deficit

The decisions around depreciation have the largest impact on the surplus or deficit. There are however a number of other items which may have an impact:

- Grants, Subsidies and 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 – A deficit is budgeted for the forestry activity over each of the 10 years of this plan as returns from harvesting are forecast in a period beyond the term of this plan which will offset these deficits
- Rate Funding for contributions to Reserves Funds for use at a time in the future
- Operating expenditure and grants funded by Reserve Funds
- Rates Smoothing – the spreading of funding over more than one year to manage the rating impact. The term of this spreading is relative to the nature of the expenditure.
- Loan Principal Repayments

Recognition of Budget Deficits

Referring to the graph in this section and also as stated in this section Council has budgeted for deficits over the past 6 years however this trend is not projected to occur in the future.

Council resolved on 7 April 2015 that it is financially prudent to adopt this approach and is operating with due consideration of the factors outlined in this Balanced Budget Statement.

Statement of Accounting Policies 2015-25

Reporting entity

Waimate District Council is a territorial local body governed by the Local Government Act 2002 (LGA 2002) and is domiciled in New Zealand.

The Council consists of the Council, forestry joint ventures (53% owned) and Downlands joint venture (14.81% owned). Council is a separate legal entity and does not have any subsidiaries.

The primary objective of the Council is to provide goods and services for the community or social benefit rather than making a financial return. Accordingly, the Council is a public benefit entity for the purposes of the International Public Sector Accounting Standards (IPSAS).

The financial forecast of the Council is for the year ended 30 June 2016. The financial forecast was authorised for issue by Council on XX June 2015.

Basis of preparation

Statement of compliance

The financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). These financial statements have been prepared in accordance with NZ GAAP. They comply with IPSAS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Measurement base

The financial statements have been prepared on a historical cost basis, except where modified by the revaluation of land and buildings, certain infrastructural assets, investment property, forestry assets and certain financial instruments (including derivative instruments).

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the Council is New Zealand dollars.

Changes in accounting policies

There have been no changes in accounting policies during the financial year.

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted

There are no standards, amendments and interpretations issued but not yet effective that have not been early adopted.

Significant accounting policies

The following accounting policies which materially affect the measurement of results and the financial position have been applied:

Joint venture

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. For jointly controlled operations, the Council recognises in its financial statements the share of income that it earns from the joint venture.

The Council has a proportionate share in 8 forestry joint venture agreements. This ranges from 34% to 77% and the Council accounts for its share of income and all expenses.

The Council also has a joint venture ownership of 14.81% with Timaru District Council and Mackenzie District Council for the maintenance and operation of the Downlands rural water scheme.

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Rates revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Revenue from water rates by meter is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

Government grants

Government grants are received from the New Zealand Transport Agency, which subsidises part of the costs of maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Provision of services

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Vested assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as income. Assets vested in the Waimate District Council are recognised as revenue when control over the asset is obtained.

Sale of goods

Revenue from the sale of goods is recognised when a product is sold to the customer.

Agency arrangements

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

Interest and dividends

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established. Dividends are recorded net of imputation credits.

Development contributions

Development and financial contributions are recognised as revenue, classified as part of "other revenue", when the Council provides, or is able to provide, the service for which the contributions were charged. Otherwise development contributions and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

Borrowing Costs

The Council has elected to defer the adoption of NZ IAS 23 Borrowing Costs (Revised 2007) in accordance with its transitional provisions that are applicable to public benefit entities.

Consequently, all borrowing costs are recognised as an expense in the period in which they are incurred.

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.

Foreign currency transactions

Foreign currency transactions (including those for which foreign exchange contracts are held) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the operating surplus/(deficit).

Income tax

Income tax expense is the aggregate of current period movements in relation to both current and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable surplus.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Council expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting surplus nor taxable surplus.

Current and deferred tax is recognised against the operating surplus/(deficit) for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly in equity.

Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the operating surplus/(deficit) over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within trade and other payables in current liabilities in the Statement of Financial Position.

Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Derivative financial instruments and hedge accounting

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate risks arising from financing activities. In accordance with its treasury policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date. The associated gains or losses of derivatives that are not hedge accounted are recognised in the operating surplus/(deficit).

Other financial assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through the operating surplus/(deficit) in which case the transaction costs are recognised in the operating surplus/(deficit).

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

Financial assets are classified into the following categories for the purpose of measurement:

- Fair value through the operating surplus/(deficit)
- Loans and receivables
- Held to maturity investments
- Fair value through other comprehensive income

The classification of a financial asset depends on the purpose for which the instrument was acquired.

Financial assets at fair value through the operating surplus/(deficit)

Financial assets at fair value through the operating surplus/(deficit) include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. The current/non-current classification of derivatives is explained in the derivatives accounting policy above.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on remeasurement recognised in the operating surplus/(deficit).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the operating surplus/(deficit).

Loans to community organisations made 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 financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of the expected future cash flows of the loan is recognised in the operating surplus/(deficit) as a grant.

Council's loans and receivables comprise debtors and other receivables, community and related party loans. Loans and receivables are classified as "trade and other receivables" in the Statement of Financial Position.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the operating surplus/(deficit).

Council's investments in this category includes bank term deposits.

Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the share investment within 12 months of balance date or if the debt instrument is not expected to be realised within 12 months of balance date.

Council includes in this category:

- Investments that it intends to hold long-term but which may be realised before maturity
- Shareholdings that it holds for strategic purposes

These investments are measured at their fair value, with gains and losses recognised in other comprehensive income, except for impairment losses, which are recognised in the operating surplus/(deficit).

On derecognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the operating surplus/(deficit).

Impairment of financial assets

Financial assets are assessed for objective evidence of impairment at each balance date. Impairment losses are recognised in the operating surplus/(deficit).

Loans and other receivables

Impairment is established when there is objective evidence that the Council will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For trade and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the operating surplus/(deficit). When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government stock, and community loans, are recognised directly against the instruments carrying amount.

Financial assets at fair value through other comprehensive income

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for the investments at fair value through other comprehensive income, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the operating surplus/(deficit)) recognised in other comprehensive income is reclassified from equity to the operating surplus/(deficit).

Equity instrument impairment losses recognised in the operating surplus/(deficit) are not reversed through the operating surplus/(deficit).

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the operating surplus/(deficit).

Inventory

Inventory held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost, adjusted when applicable, for any loss of service potential. Where inventory is acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the first-in first-out (FIFO) method.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the operating surplus/(deficit) in the period of the write-down.

When land held for development and future resale is transferred from investment property, plant and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost.

Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant and equipment.

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of assets held for sale are recognised in the operating surplus/(deficit).

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have previously been recognised.

Non-current assets held for sale (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Property, plant and equipment

Property, plant and equipment consists of:

Operational assets - These include land, buildings, library books, plant and equipment, and motor vehicles.

Restricted assets - Restricted assets are parks and reserves owned by the Council that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructural assets - Infrastructural assets are the fixed utility systems owned by the Council. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.

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

Revaluation

Land and buildings (operational and restricted) and infrastructural assets are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. All other assets are carried at depreciated historical cost.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Revaluations of property, plant and equipment are accounted for on a class of asset basis.

The net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the operating surplus/(deficit). Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the operating surplus/(deficit) will be recognised first in the operating surplus/(deficit) up to the amount previously expensed, and then recognised in other comprehensive income.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

Property, plant and equipment is recognised at cost. Where an asset is acquired at no cost, or for nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the operating surplus/(deficit). When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land (which also includes the landfill and water races), at rates which will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

		Depreciable life (years)	Depreciable rate (SL%)	
Infrastructural assets	Roading	Land	Not depreciable	
		Road formation - shoulders	Not depreciable	
		Road pavement -sealed and unsealed	100	1.00%
		Road surfacing	10 - 16	6.25% - 10.00%
		Culverts	100	1.00%
		Kerb and channel	50	2.00%
		Footpaths	50 - 70	1.42% - 2.00%
		Bridges	80 - 120	0.83% - 1.25%
	Water	Pipe reticulation	65 - 130	0.77% - 1.54%
		Pumps	25	4.00%
		Reservoir components	20 - 100	1.00% - 5.00%
	Wastewater	Pipe reticulation	100 - 120	0.83% - 1.00%
		Treatment facilities	20 - 100	1.00% - 5.00%
Sanitation	Transfer station	3 - 100	1.00% - 33.33%	
Stormwater	Network	100	1.00%	
	Elephant Hill drainage	40	5.00% DV	
Operational assets	Buildings	5 - 67	1.50% - 20.00% SL	
	Furniture and fittings	5 - 20	10.00% - 40.00% DV	
	Office equipment	5 - 10	20.00% - 40.00% DV	
	Plant and machinery	10 - 20	10.00% - 20.00% DV	
	Motor vehicles	10	20.00% DV	
	Library books	20	10.00% DV	
	Computer hardware	10	20.00% DV	

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

Intangible assets

Emissions Trading Scheme - Carbon credits

Carbon credits received under the Emissions Trading Scheme are assessed at their fair value determined by the value they could be sold for on the tradable carbon credit market as at 30 June.

Software acquisition and development

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

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

Subsequent staff training costs are recognised in the operating surplus/(deficit) when incurred.

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

Easements

Easements are recognised at cost, being the costs directly attributable in bringing the asset to its intended use. Easements have an indefinite life and are not amortised, but are instead tested for impairment annually.

Amortisation

ETS Carbon credits do not attract amortisation as they have an indefinite life. The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when an 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 operating surplus/(deficit).

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

	Useful life (years)	Amortisation rate (DV%)
Computer software	8	20%

Impairment of property, plant and equipment and intangible assets

Intangible assets that have an indefinite useful life, or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date.

When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash flows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the operating surplus/(deficit).

For assets not carried at a revalued amount, the total impairment loss is recognised in the operating surplus/(deficit).

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the operating surplus/(deficit), a reversal of the impairment loss is also recognised in the operating surplus/(deficit).

For assets not carried at a revalued amount (other than goodwill), the reversal of an impairment loss is recognised in the operating surplus/(deficit).

Forestry assets

Standing forestry assets are independently revalued annually at fair value less estimated cost to sell for one growth cycle.

Fair value is determined based on the present value of expected net cash flows discounted at a current market determined rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell are recognised in the operating surplus/(deficit).

Forestry maintenance costs are recognised in the operating surplus/(deficit) when incurred.

Investment property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at cost, including transaction costs.

After initial recognition, all investment property is measured at fair value as determined annually by an independent valuer.

Gains and losses arising from a change in the fair value of investment property are recognised in the operating surplus/(deficit).

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at their fair value net of transactions costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance date or if the borrowings are expected to be settled after 12 months of balance date.

Employee entitlements

Short-term employee entitlements

Employee benefits expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, long service leave entitlements expected to be settled within twelve months, and sick leave.

A liability for sick leave is recognised to the extent that compensated absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences.

A liability and an expense is recognised for bonuses where the Council has a contractual obligation or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

Long service leave

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actual entitlement basis at current rates of pay accrued on the number of years service. Entitlements have not been calculated on an actual basis as this would not be significantly different from the method used. The calculations are based on likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information.

Presentation of employee entitlements

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Superannuation schemes

Defined benefit scheme

Council makes employer contributions to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit plan accounting, as it is not possible to determine from the terms of the scheme the extent to which the scheme's surplus or deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

Defined contribution scheme

Obligations for contributions KiwiSaver, SuperEasy, and other National Provident Fund schemes are accounted for as defined contribution superannuation schemes and are recognised as an expense in the operating surplus/(deficit) when incurred.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

Financial guarantee contracts

A financial guarantee contract is a contract that requires the Council to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value, even if a payment under the guarantee is not considered probable. If a financial guarantee contract was issued in a standalone arms length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, a liability is recognised based on the probability that the Council will be required to reimburse a holder for a loss incurred discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability. Financial guarantees are subsequently measured at the initial recognition amount less any amortisation. However, if it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value for the future expenditure.

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 the following components:

- Public equity - accumulated funds
- Asset revaluation reserves
- Restricted reserves
- Fair value through other comprehensive income reserves

Asset revaluation reserves

These reserves relate to the revaluation of property, plant and equipment to fair value.

Restricted reserves

Restricted 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 the 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 certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Fair value through other comprehensive income reserves

This reserve comprises the cumulative net change in the fair value of fair value through other comprehensive income instruments.

Goods and services tax (GST)

All items in the financial statements are stated exclusive of goods and services tax (GST), except for debtors and other receivables and creditors and other payables, which are stated on a GST inclusive basis. GST not recoverable as input tax is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Cost allocation

The cost of service for each significant activity of Council has been derived using the cost allocation system outlined below: Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner with a significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff time surveys, and floor area.

Statement of cash flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which Council invests as part of its day-to-day cash management. GST is disclosed net as disclosing gross amounts does not provide any further meaningful information.

Operating activities include cash received from all income sources and cash payments made for the supply of goods and services. Agency transactions are recognised as receipts and payments in the Statement of Cash Flows because they flow through the Council's main bank account.

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.

Assumptions Underlying Prospective Financial Information

The financial information contained within these policies and financial statements is prospective information in terms of FRA 42: Prospective Financial Information. The purpose for which the financial statements have been prepared is to enable the public to participate in the decision making processes as to services provided by Council over the financial years 2015/16 to 2024/25 and to provide a broad accountability mechanism of the Council to the community. The prospective information may not be appropriate for purposes other than those described.

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments 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.

Critical judgments in applying Council's accounting policies

Management has exercised the following critical judgments in applying accounting policies for the ten year period 2015-25:

Classification of property

The Council owns a number of properties held to provide rental accommodation. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are accounted for as property, plant and equipment.

Prospective Financial Statements

PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 30 JUNE 2016 - 2025

	Annual Plan 30 June 2015 \$000	LTP 30 June 2016 \$000	LTP 30 June 2017 \$000	LTP 30 June 2018 \$000	LTP 30 June 2019 \$000	LTP 30 June 2020 \$000	LTP 30 June 2021 \$000	LTP 30 June 2022 \$000	LTP 30 June 2023 \$000	LTP 30 June 2024 \$000	LTP 30 June 2025 \$000
Income											
Rates other than targeted rates for Water Supply	6,576	7,055	7,621	8,024	8,343	8,667	8,935	9,081	9,341	9,646	9,960
Targeted rates for Water Supply	1,889	1,881	1,900	1,932	1,959	1,982	2,020	2,048	2,080	2,133	2,164
Development and financial contributions	85	93	95	98	100	104	107	110	114	118	123
Subsidies and Grants	2,021	2,744	3,098	2,947	3,216	3,603	3,445	3,675	3,786	3,903	4,032
Other revenue	2,635	3,617	3,932	2,581	2,634	2,691	2,753	2,819	2,891	2,969	3,053
Other gains	143	143	133	133	133	133	133	133	133	133	133
Total income	13,349	15,533	16,779	15,715	16,385	17,180	17,393	17,866	18,345	18,902	19,465
Expenditure											
Employee benefit expenses	3,302	3,501	3,567	3,639	3,715	3,797	3,884	3,978	4,077	4,183	4,296
Depreciation and amortisation	4,245	4,065	4,278	4,698	4,797	4,857	5,456	5,527	5,566	6,341	6,403
Other expenses	6,467	6,835	6,851	7,145	7,135	7,351	7,743	7,735	8,054	8,735	8,576
Finance costs	29	61	277	275	283	391	389	386	384	381	378
Other losses	2	2	2	2	2	2	2	2	2	2	2
Total expenditure	14,045	14,464	14,975	15,759	15,932	16,398	17,474	17,628	18,083	19,642	19,655
Surplus/(deficit) before tax	(696)	1,069	1,804	(44)	453	782	(81)	238	262	(740)	(190)
Taxation expense	-	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) after tax	(696)	1,069	1,804	(44)	453	782	(81)	238	262	(740)	(190)
Increase/(decrease) in revaluation reserves	1,072	-	16,633	1,009	-	28,547	1,159	-	38,247	1,541	-
Financial assets at fair value through other comprehensive income	-	1,000	-	-	1,000	-	-	1,000	-	-	1,000
Total other Comprehensive Income	1,072	1,000	16,633	1,009	1,000	28,547	1,159	1,000	38,247	1,541	1,000
Total Comprehensive Income	376	2,069	18,437	965	1,453	29,329	1,078	1,238	38,509	801	810

**PROSPECTIVE STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED 30 JUNE 2016 - 2025**

	Annual Plan 30 June 2015 \$000	LTP 30 June 2016 \$000	LTP 30 June 2017 \$000	LTP 30 June 2018 \$000	LTP 30 June 2019 \$000	LTP 30 June 2020 \$000	LTP 30 June 2021 \$000	LTP 30 June 2022 \$000	LTP 30 June 2023 \$000	LTP 30 June 2024 \$000	LTP 30 June 2025 \$000
Equity at start of year	407,278	407,654	409,723	428,160	429,125	430,578	459,907	460,985	462,223	500,732	501,533
Total comprehensive income	376	2,069	18,437	965	1,453	29,329	1,078	1,238	38,509	801	810
Equity at end of year	407,654	409,723	428,160	429,125	430,578	459,907	460,985	462,223	500,732	501,533	502,343
Components of equity											
Retained earnings at start of year	83,367	82,426	83,495	85,299	85,255	85,708	86,490	86,409	86,647	86,909	86,169
Surplus/(deficit) after tax	(696)	1,069	1,804	(44)	453	782	(81)	238	262	(740)	(190)
Transfers (to)/from restricted/council created reserves	(245)	-	-	-	-	-	-	-	-	-	-
Transfers (to)/from revaluation reserves	-	-	-	-	-	-	-	-	-	-	-
Retained earnings at end of year	82,426	83,495	85,299	85,255	85,708	86,490	86,409	86,647	86,909	86,169	85,979
Revaluation reserves at start of year	319,499	320,571	320,571	337,204	338,213	338,213	366,760	367,919	367,919	406,166	407,707
Revaluation gains/losses	1,072	-	16,633	1,009	-	28,547	1,159	-	38,247	1,541	-
Revaluation reserves at end of year	320,571	320,571	337,204	338,213	338,213	366,760	367,919	367,919	406,166	407,707	407,707
Restricted/council created reserves at start of year	1,139	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384
Transfers (to)/from reserves	245	-	-	-	-	-	-	-	-	-	-
Restricted/council created reserves at end of year	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384	1,384
Fair value through comprehensive income reserve at start of year	3,273	3,273	4,273	4,273	4,273	5,273	5,273	5,273	6,273	6,273	6,273
Transfers (to)/from reserves	-	1,000	-	-	1,000	-	-	1,000	-	-	1,000
Fair value through comprehensive income reserve at end of year	3,273	4,273	4,273	4,273	5,273	5,273	5,273	6,273	6,273	6,273	7,273
Equity at end of year	407,654	409,723	428,160	429,125	430,578	459,907	460,985	462,223	500,732	501,533	502,343

Note: The opening 2016 equity balance has been adjusted to reflect the estimated equity movements to 30 June 2015. This does not align with the closing 2015 equity balance.

**PROSPECTIVE STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016 - 2025**

	Annual Plan 30 June 2015 \$000	LTP 30 June 2016 \$000	LTP 30 June 2017 \$000	LTP 30 June 2018 \$000	LTP 30 June 2019 \$000	LTP 30 June 2020 \$000	LTP 30 June 2021 \$000	LTP 30 June 2022 \$000	LTP 30 June 2023 \$000	LTP 30 June 2024 \$000	LTP 30 June 2025 \$000
Assets											
Current assets											
Cash and cash equivalents	555	351	366	401	347	313	346	358	437	416	507
Trade and other receivables	965	844	912	854	801	841	804	826	847	874	900
Inventories	245	152	152	152	152	152	152	152	152	152	152
Total current assets	1,765	1,347	1,430	1,407	1,300	1,306	1,302	1,336	1,436	1,442	1,559
Non-current assets											
Property, plant and equipment	393,747	398,785	417,814	418,797	420,820	450,300	451,475	451,648	489,922	490,893	490,431
Forestry assets	1,408	1,552	1,686	1,819	1,951	2,084	2,218	2,350	2,483	2,616	2,749
Intangible assets	108	137	124	111	99	126	103	81	58	35	13
Other financial assets	12,553	13,550	13,547	13,544	14,541	14,538	14,535	15,533	15,530	15,527	16,524
Total non-current assets	407,816	414,024	433,171	434,271	437,411	467,048	468,331	469,612	507,993	509,071	509,717
Total assets	409,581	415,371	434,601	435,678	438,711	468,354	469,633	470,948	509,429	510,513	511,276
Liabilities											
Current liabilities											
Trade and other payables	958	1,387	1,805	1,943	2,051	2,201	2,442	2,560	2,576	2,906	2,908
Borrowings	500	500	500	500	500	500	500	500	500	500	500
Provisions	6	6	6	6	6	6	6	6	6	5	-
Employee benefit liabilities	410	410	410	410	410	410	410	410	410	410	410
Total current liabilities	1,874	2,303	2,721	2,859	2,967	3,117	3,358	3,476	3,492	3,821	3,818
Non-current liabilities											
Provisions	53	47	41	34	28	23	16	11	5	-	-
Borrowings	-	3,298	3,679	3,660	5,138	5,307	5,274	5,238	5,200	5,159	5,115
Total non-current liabilities	53	3,345	3,720	3,694	5,166	5,330	5,290	5,249	5,205	5,159	5,115
Equity											
Public equity	82,426	83,495	85,299	85,255	85,708	86,490	86,409	86,647	86,909	86,169	85,979
Other reserves	325,228	326,228	342,861	343,870	344,870	373,417	374,576	375,576	413,823	415,364	416,364
Total equity	407,654	409,723	428,160	429,125	430,578	459,907	460,985	462,223	500,732	501,533	502,343
Total liabilities and equity	409,581	415,371	434,601	435,678	438,711	468,354	469,633	470,948	509,429	510,513	511,276

Note: The opening 2016 cash balance has been adjusted to reflect the estimated cash movements to 30 June 2015. This does not align with the closing 2015 cash balance.

**PROSPECTIVE STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED 30 JUNE 2016 - 2025**

	Annual Plan 30 June 2015 \$000	LTP 30 June 2016 \$000	LTP 30 June 2017 \$000	LTP 30 June 2018 \$000	LTP 30 June 2019 \$000	LTP 30 June 2020 \$000	LTP 30 June 2021 \$000	LTP 30 June 2022 \$000	LTP 30 June 2023 \$000	LTP 30 June 2024 \$000	LTP 30 June 2025 \$000
Cash flows from operating activities											
Cash was received from:											
Receipts from rates revenue	7,185	8,936	9,521	9,957	10,302	10,648	10,955	11,128	11,421	11,779	12,124
Interest received	30	30	28	28	29	29	30	31	32	33	34
Dividends received	608	576	577	577	577	577	577	578	578	578	578
Receipts from other revenue	5,963	5,835	5,052	5,080	5,396	5,753	5,734	5,974	6,159	6,353	6,569
	13,786	15,377	15,178	15,642	16,304	17,007	17,296	17,711	18,190	18,743	19,305
Cash was applied to:											
Payments to suppliers and employees	10,103	9,780	10,008	10,654	10,749	11,005	11,396	11,603	12,122	12,598	12,877
Interest paid	29	61	277	275	283	391	389	386	384	381	378
	10,132	9,841	10,285	10,929	11,032	11,396	11,785	11,989	12,506	12,979	13,255
Net cash flow from operating activities	3,654	5,536	4,893	4,713	5,272	5,611	5,511	5,722	5,684	5,764	6,050
Cash flows from investing activities											
Cash was received from:											
Proceeds from sale of property, plant and equipment	25	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of investments	3	3	3	3	3	3	3	3	3	3	3
Proceeds from sale of Eric Batchelor subdivision sections	134	134	-	-	-	-	-	-	-	-	-
	162	137	3	3	3	3	3	3	3	3	3
Cash was applied to:											
Purchase of property, plant and equipment	3,771	9,091	5,262	4,661	6,807	5,767	5,448	5,677	5,570	5,747	5,918
Purchase of intangible assets	-	40	-	-	-	50	-	-	-	-	-
Purchase of silviculture capital expenditure	44	44	-	-	-	-	-	-	-	-	-
Acquisition of investments	250	-	-	-	-	-	-	-	-	-	-
	4,065	9,175	5,262	4,661	6,807	5,817	5,448	5,677	5,570	5,747	5,918
Net cash flow from investing activities	(3,903)	(9,038)	(5,259)	(4,658)	(6,804)	(5,814)	(5,445)	(5,674)	(5,567)	(5,744)	(5,915)
Cash flows from financing activities											
Cash was received from:											
Proceeds from borrowings	-	3,298	400	-	1,500	200	-	-	-	-	-
	-	3,298	400	-	1,500	200	-	-	-	-	-
Cash was applied to:											
Repayment of borrowings	-	-	19	20	22	31	33	36	38	41	44
	-	-	19	20	22	31	33	36	38	41	44
Net cash flow from financing activities	-	3,298	381	(20)	1,478	169	(33)	(36)	(38)	(41)	(44)
Net increase/(decrease) in cash held	(249)	(204)	15	35	(54)	(34)	33	12	79	(21)	91
Add cash at start of year (1 July)	804	555	351	366	401	347	313	346	358	437	416
Balance at end of year (30 June)	555	351	366	401	347	313	346	358	437	416	507
Represented by:											
Cash, cash equivalents and bank overdrafts	555	351	366	401	347	313	346	358	437	416	507
	555	351	366	401	347	313	346	358	437	416	507

**PROSPECTIVE RECONCILIATION OF NET SURPLUS TO OPERATING ACTIVITIES
FOR THE YEARS ENDED 30 JUNE 2016 - 2025**

	Annual Plan 30 June 2015 \$000	LTP 30 June 2016 \$000	LTP 30 June 2017 \$000	LTP 30 June 2018 \$000	LTP 30 June 2019 \$000	LTP 30 June 2020 \$000	LTP 30 June 2021 \$000	LTP 30 June 2022 \$000	LTP 30 June 2023 \$000	LTP 30 June 2024 \$000	LTP 30 June 2025 \$000
Surplus/deficit after tax	(696)	1,069	1,804	(44)	453	782	(81)	238	262	(740)	(190)
Add/(Less) non cash expenses/revenue											
Depreciation and amortisation	4,245	4,065	4,278	4,698	4,797	4,857	5,456	5,527	5,566	6,341	6,403
Donated assets	-	-	(1,400)	-	-	-	-	-	-	-	-
Cost of forestry harvested	43	43	-	-	-	-	-	-	-	-	-
(Gains)/losses in fair value of biological assets	(143)	(143)	(133)	(133)	(133)	(133)	(133)	(133)	(133)	(133)	(133)
	4,145	3,965	2,745	4,565	4,664	4,724	5,323	5,394	5,433	6,208	6,270
Add/(Less) items classified as investing or financing											
Increase/(decrease) in interest swaps accrued	(12)	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of Eric Batchelor subdivision sections	(134)	(134)	-	-	-	-	-	-	-	-	-
	(146)	(134)	-	-	-	-	-	-	-	-	-
Plus/(less) movements in working capital											
(Increase)/decrease in inventories	94	93	-	-	-	-	-	-	-	-	-
(Increase)/decrease in debtors and other receivables	(58)	122	(69)	59	52	(39)	36	(22)	(22)	(27)	(27)
Increase/(decrease) in creditors and other payables	321	427	419	139	109	150	239	118	17	329	2
Increase/(decrease) in provisions	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(5)
	351	636	344	192	155	105	269	90	(11)	296	(30)
Net cashflow from operating activities	3,654	5,536	4,893	4,713	5,272	5,611	5,511	5,722	5,684	5,764	6,050

**PROSPECTIVE RECONCILIATION OF NET SURPLUS/(DEFICIT) TO COUNCIL FUNDING IMPACT STATEMENT
FOR THE YEARS ENDED 30 JUNE 2016 - 2025**

	Annual Plan 30 June 2015 \$000	LTP 30 June 2016 \$000	LTP 30 June 2017 \$000	LTP 30 June 2018 \$000	LTP 30 June 2019 \$000	LTP 30 June 2020 \$000	LTP 30 June 2021 \$000	LTP 30 June 2022 \$000	LTP 30 June 2023 \$000	LTP 30 June 2024 \$000	LTP 30 June 2025 \$000
Operating surplus/(deficit) from cost of service statements											
Community services	-	-	-	-	-	-	-	-	-	-	-
Property and investments	(95)	851	1,203	(198)	(201)	(195)	(205)	(198)	(197)	(212)	(205)
Environmental services	43	89	5	36	36	5	36	36	5	(222)	36
Roading and footpaths	(450)	64	560	258	581	899	245	335	436	(132)	(14)
Water supply	(80)	16	7	(55)	20	26	(35)	13	3	(75)	(27)
Waste management	4	19	17	1	17	18	(1)	18	18	(2)	18
Sewerage and sewage	13	20	20	(10)	20	20	(13)	20	20	(16)	20
Stormwater drainage	(2)	5	5	(10)	6	5	(11)	6	6	(12)	6
Parks and recreation	(48)	(39)	(28)	(26)	(39)	(39)	(27)	(37)	(38)	(35)	(31)
Organisation and Governance	(81)	44	15	(40)	13	43	(70)	45	9	(34)	7
Surplus/(deficit) after tax per Statement of Comprehensive Income	(696)	1,069	1,804	(44)	453	782	(81)	238	262	(740)	(190)
less donated assets and interest on internal borrowing not included in the FIS	-	-	(1,400)	-	-	-	-	-	-	-	-
Surplus/(deficit) before vested assets and internal interest	(696)	1,069	404	(44)	453	782	(81)	238	262	(740)	(190)
less Capital grants, subsidies and donations	(1,148)	(1,666)	(1,986)	(1,790)	(2,011)	(2,353)	(2,161)	(2,307)	(2,376)	(2,451)	(2,530)
less Development and financial contributions	(85)	(93)	(95)	(98)	(101)	(104)	(107)	(110)	(114)	(118)	(123)
less Revaluation (gains)/losses not included in FIS	(49)	(49)	(131)	(131)	(131)	(131)	(131)	(131)	(131)	(131)	(131)
less Depreciation not included in the FIS	4,245	4,065	4,278	4,698	4,797	4,857	5,456	5,527	5,566	6,341	6,403
Surplus/(deficit) of operating funding	2,267	3,326	2,470	2,635	3,007	3,051	2,976	3,217	3,207	2,901	3,429
Balance as per Council FIS surplus/(deficit) of funding	2,267	3,326	2,470	2,635	3,007	3,051	2,976	3,217	3,207	2,901	3,429

**TOTAL RATES
FOR THE YEARS ENDED 30 JUNE 2016 - 2025**

The following table shows the calculation for Total Rates (inclusive of Penalties) that is used in the Council's Financial Strategy for assessing rates limits

	LTP 30 June 2016 \$000	LTP 30 June 2017 \$000	LTP 30 June 2018 \$000	LTP 30 June 2019 \$000	LTP 30 June 2020 \$000	LTP 30 June 2021 \$000	LTP 30 June 2022 \$000	LTP 30 June 2023 \$000	LTP 30 June 2024 \$000	LTP 30 June 2025 \$000
General rates, UAGC and rates penalties	3,310	3,472	3,651	3,821	4,080	4,211	4,373	4,507	4,667	4,834
Targeted rates	5,666	6,089	6,349	6,525	6,613	6,790	6,804	6,962	7,162	7,342
Total Rates	8,976	9,561	10,000	10,346	10,693	11,001	11,177	11,469	11,829	12,176

Rates by type

The total of the rates from the Group Funding Impact Statements will not equal the total rates as outlined above due to any surplus from Property and Investments being used to reduce the overall rate requirement

Water Supply	1,891	1,910	1,945	1,970	1,993	2,032	2,061	2,093	2,146	2,178
Waste Management	924	937	957	982	1,007	1,044	1,073	1,105	1,138	1,176
Stormwater Drainage	61	66	69	67	68	69	71	72	74	76
Sewerage and Sewage	460	465	477	475	480	496	505	515	539	549
Roading and Footpaths	2,377	2,613	2,807	2,936	2,970	3,065	3,014	3,099	3,189	3,291
Parks and Recreation	653	711	792	842	885	897	948	972	1,005	1,043
Environmental Services	916	923	940	965	986	1,005	1,026	1,048	1,071	1,095
Community Services	610	634	651	686	810	828	849	870	892	916
Property and Investment	287	446	452	458	465	472	480	488	497	506
Organisation and Governance	1,316	1,357	1,396	1,437	1,480	1,521	1,562	1,605	1,654	1,701
	9,495	10,062	10,486	10,818	11,144	11,429	11,589	11,867	12,205	12,531
Property and Investment Surpluses	(519)	(501)	(486)	(472)	(451)	(428)	(412)	(398)	(376)	(355)
Total Rates	8,976	9,561	10,000	10,346	10,693	11,001	11,177	11,469	11,829	12,176

**PROSPECTIVE STATEMENT OF DEPRECIATION AND AMORTISATION
FOR THE YEARS ENDED 30 JUNE 2016 - 2025**

	Annual Plan 30 June 2015 \$000	LTP 30 June 2016 \$000	LTP 30 June 2017 \$000	LTP 30 June 2018 \$000	LTP 30 June 2019 \$000	LTP 30 June 2020 \$000	LTP 30 June 2021 \$000	LTP 30 June 2022 \$000	LTP 30 June 2023 \$000	LTP 30 June 2024 \$000	LTP 30 June 2025 \$000
Depreciation and Amortisation by Activity											
Water Supply	692	590	592	622	622	622	654	654	654	698	698
Waste Management	50	50	50	50	50	50	59	59	59	59	59
Stormwater Drainage	29	28	32	33	35	35	35	35	35	35	35
Sewerage and Sewage	198	196	201	210	210	210	220	221	221	237	238
Roading and Footpaths	2,493	2,473	2,495	2,781	2,790	2,808	3,325	3,335	3,345	4,030	4,041
Property	287	290	401	403	441	451	453	461	465	466	481
Camping	70	71	72	73	75	80	81	83	84	85	88
Cemeteries	6	7	16	17	17	23	23	23	23	23	34
Parks and Public Spaces	96	113	134	166	198	199	213	246	248	261	264
Swimming	27	26	29	65	66	66	66	67	67	67	68
Community Representation Strategy	1	1	1	1	1	1	1	1	1	1	1
Managing Services	36	-	-	-	-	-	-	-	-	-	-
Building Control	159	114	137	158	170	189	201	215	236	249	264
Emergency Management	14	18	21	21	21	21	21	21	21	21	21
Dog and Animal Control	29	35	42	42	43	43	43	43	43	43	43
Library	4	2	2	2	2	2	2	2	2	2	2
Total depreciation and amortisation by Activity	4,245	4,065	4,278	4,698	4,797	4,857	5,456	5,527	5,566	6,341	6,403

**TOTAL DEBT
FOR THE YEARS ENDED 30 JUNE 2016 - 2025**

Council's definition of total debt for the purpose of setting debt limits includes both internal and external debt, (except where internal debt is defined as internal but is funded specifically from external sources)

	Annual Plan 30 June 2015 \$000	LTP 30 June 2016 \$000	LTP 30 June 2017 \$000	LTP 30 June 2018 \$000	LTP 30 June 2019 \$000	LTP 30 June 2020 \$000	LTP 30 June 2021 \$000	LTP 30 June 2022 \$000	LTP 30 June 2023 \$000	LTP 30 June 2024 \$000	LTP 30 June 2025 \$000
Internal Debt											
Waimate Urban Water Loan	-	1,344	1,303	1,262	1,221	1,181	1,140	1,099	1,058	1,017	976
Waste Management Loan	-	615	615	615	615	615	615	615	615	615	615
Sewerage and Sewage Loan	-	1,075	1,075	1,075	1,075	1,075	1,075	1,074	1,075	1,075	1,074
Bridge Replacements Loan - note	-	448	844	839	834	1,028	1,022	1,015	1,007	999	991
Library Extension Loan - note	-	-	-	-	1,499	1,492	1,485	1,476	1,468	1,458	1,448
Waimate District Community Complex Loan - note	-	-	2,836	2,820	2,804	2,786	2,767	2,747	2,725	2,702	2,677
Total Internal Loans	-	3,482	6,673	6,611	8,048	8,177	8,104	8,026	7,948	7,866	7,781
External Debt	500	3,798	4,179	4,160	5,638	5,807	5,774	5,738	5,700	5,659	5,615
Total Debt	500	7,280	10,852	10,771	13,686	13,984	13,878	13,764	13,648	13,525	13,396
Total Debt (excluding items as noted)	500	6,832	7,172	7,112	8,549	8,678	8,604	8,526	8,448	8,366	8,280

It should be noted that the Bridge Replacements Loan, Library Extension Loan, and Waimate District Community Complex Loans while Internal are also funded from specific External Debt so are effectively double counted in the above table.

Prospective Ten Year Capital Expenditure

CAPITAL EXPENDITURE

FOR THE YEARS ENDED 30 JUNE 2016 - 2025

Key	Annual Plan 30 June 2015 \$000	LTP 30 June 2016 \$000	LTP 30 June 2017 \$000	LTP 30 June 2018 \$000	LTP 30 June 2019 \$000	LTP 30 June 2020 \$000	LTP 30 June 2021 \$000	LTP 30 June 2022 \$000	LTP 30 June 2023 \$000	LTP 30 June 2024 \$000	LTP 30 June 2025 \$000	
Community Services Group												
Library												
Library - Books	REP	60	60	61	63	65	66	68	70	73	75	78
Library - Shelving	REP	4	4	-	-	-	-	-	-	-	-	-
Total Library		64	64	61	63	65	66	68	70	73	75	78
Total Community Services Group		64	64	61	63	65	66	68	70	73	75	78
Property and Investments Group												
Property												
Library Extension	LOS	-	-	-	-	1,500	-	-	-	-	-	-
Queen St Toilets - Replacement	LOS	-	-	200	-	-	-	-	-	-	-	-
Waimate District Community Centre - Refurbishment	LOS	-	3,800	1,400	-	-	-	-	-	-	-	-
Local Government Centre - Blinds	REP	-	3	5	5	5	6	6	6	6	6	6
Local Government Centre - Vinyl	REP	-	5	-	-	-	-	-	-	-	-	-
Local Government Centre - Sundry	REP	3	3	-	-	-	-	-	-	-	-	-
Local Government Centre - Heat Pumps - Large Cassette	REP	-	-	-	-	11	11	-	-	12	-	-
Local Government Centre - Floor Coverings	REP	-	-	3	3	-	-	-	-	-	-	-
Local Government Centre - Library Extension F&F	REP	-	-	-	-	-	33	-	-	-	-	-
Kennedy Cres Flats - Electric Stoves	REP	-	3	-	-	-	3	-	-	-	4	-
Kennedy Cres Flats - Renewal H/W Cylinders	REP	-	5	5	11	6	6	11	6	6	13	7
Kennedy Cres Flats - Heat Pumps	REP	-	-	-	-	-	9	-	9	9	-	-
Total Property		3	3,819	1,613	19	1,522	59	26	12	33	23	13
Forestry												
Planting Costs - Forestry Reserves	REP	44	44	-	-	-	-	-	-	-	-	-
Total Property and Investments Group		47	3,863	1,613	19	1,522	59	26	12	33	23	13
Roading and Footpaths Group												
Roading and Footpaths												
Roading and footpaths - bridge replacement (Holme Station)	LOS	-	-	481	-	-	-	-	-	-	-	-
Roading and footpaths - bridge replacement (Youngs Road)	LOS	-	-	-	-	-	430	-	-	-	-	-
Roading and footpaths - development	LOS	-	50	51	52	53	54	56	57	59	61	63
Roading and footpaths - minor improvements	LOS	196	322	326	333	341	350	359	369	381	392	405
Roading and footpaths - seal widening	LOS	87	-	-	-	-	-	-	-	-	-	-
Roading and footpaths - resealing	REP	880	1,257	1,275	1,303	1,334	1,367	1,404	1,444	1,487	1,533	1,584
Roading and footpaths - drainage construction	REP	53	116	118	120	123	127	130	134	138	142	146
Roading and footpaths - concrete ford renewal	REP	48	45	46	47	48	49	50	52	53	55	57
Roading and footpaths - culvert replacement	REP	94	108	109	112	114	117	120	124	128	131	136
Roading and footpaths - kerb and channel renewal	REP	133	115	117	119	122	125	128	132	136	140	145
Roading and footpaths - pavement rehabilitation	REP	257	536	543	556	828	849	872	896	923	951	983
Roading and footpaths - structures component replacement	REP	141	173	175	179	183	188	193	198	204	211	217
Roading and footpaths - sign renewal	REP	54	56	57	58	60	61	63	65	66	69	71
Roading and footpaths - lighting renewal	REP	7	-	-	-	-	20	20	21	21	22	23
Roading and footpaths - footpath renewal	REP	83	90	91	93	96	98	101	103	106	110	113
Roading and footpaths - minor improvements (non-subsidised)	REP	10	10	10	10	11	11	11	11	12	12	12
Roading and footpaths - seal extensions	REP	-	50	51	52	53	54	56	57	59	61	63
Total Roading and Footpaths Group		2,043	2,928	3,450	3,034	3,366	3,900	3,563	3,663	3,773	3,890	4,018

CAPITAL EXPENDITURE (continued)

FOR THE YEARS ENDED 30 JUNE 2016 - 2025

Key	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	30 June 2015 \$000	30 June 2016 \$000	30 June 2017 \$000	30 June 2018 \$000	30 June 2019 \$000	30 June 2020 \$000	30 June 2021 \$000	30 June 2022 \$000	30 June 2023 \$000	30 June 2024 \$000	30 June 2025 \$000
Environmental Services Group											
Building Control											
Building Control - Inspections Software	LOS	40	40	-	-	-	-	-	-	-	-
Building Control - Inspections Hardware	LOS	12	12	-	-	-	-	-	-	-	-
Building Control - Motor Vehicles	REP	40	-	-	-	-	-	-	-	-	-
Building Control - General Equipment	REP	1	1	-	-	-	-	-	-	-	-
Total Building Control		93	53	-	-	-	-	-	-	-	-
Emergency Management											
Rural Fire - Cannington Appliance	LOS	-	-	54	-	-	-	-	-	-	-
Rural Fire - St Andrews Tanker	LOS	-	-	108	-	-	-	-	-	-	-
Rural Fire - Ute	REP	-	10	-	-	-	-	-	-	-	-
Rural Fire - Hose	REP	-	2	-	-	-	-	-	-	-	-
Rural Fire - GPS Unit	REP	-	4	-	-	-	-	-	-	-	-
Rural Fire - Radio Upgrade to Digital	REP	-	9	-	-	-	-	-	-	-	-
Rural Fire - General Equipment	REP	3	-	-	-	-	-	-	-	-	-
Civil Defence Mobile Technology Hardware	REP	1	1	-	-	-	-	-	-	-	-
Total Emergency Management		4	26	162	-	-	-	-	-	-	-
Dog and Animal Control											
Dog and animal control - motor vehicle	REP	10	10	-	-	-	-	-	-	-	-
Total Dog and Animal Control		10	10	-	-	-	-	-	-	-	-
Total Environmental Services Group		107	89	162	-	-	-	-	-	-	-
Organisation and Governance Group											
Community Representation											
Corporate and support services - motor vehicle	REP	23	-	-	-	-	30	-	-	-	-
Total Community Representation		23	-	-	-	-	30	-	-	-	-
Managing Services											
Website redevelopment	LOS	-	-	-	-	50	-	-	-	-	-
Support Services - computers/hardware	REP	81	18	18	98	18	18	21	18	18	18
Support Services - Councillors computers	REP	-	-	9	-	-	2	-	2	-	-
Support Services - GPS	REP	-	5	-	-	-	-	7	-	-	-
Support Services - Wireless Network	REP	-	-	-	-	-	7	-	-	-	-
Support Services - PABX Upgrade	REP	-	-	15	-	-	-	-	-	-	-
Utilities Business Unit - Vehicle Replacement	REP	76	38	38	-	38	-	-	38	38	38
Utilities Business Unit - Vehicle Replacement	REP	-	55	-	-	-	-	-	55	-	-
Roading Business Unit - Vehicle Replacement	REP	23	23	-	-	-	-	-	-	-	8
Roading Business Unit - Vehicle Replacement	REP	25	25	-	-	-	8	-	-	-	8
Support Services - software	REP	-	-	-	-	-	-	-	-	-	-
Miscellaneous	REP	-	11	8	8	8	8	8	8	8	8
Total Managing Services		205	175	88	106	64	94	36	71	121	64

CAPITAL EXPENDITURE (continued)

FOR THE YEARS ENDED 30 JUNE 2016 - 2025

Key	Annual Plan 30 June 2015 \$000	LTP 30 June 2016 \$000	LTP 30 June 2017 \$000	LTP 30 June 2018 \$000	LTP 30 June 2019 \$000	LTP 30 June 2020 \$000	LTP 30 June 2021 \$000	LTP 30 June 2022 \$000	LTP 30 June 2023 \$000	LTP 30 June 2024 \$000	LTP 30 June 2025 \$000
Water Supply Group											
Rural Water											
Cannington/Motukaika - NZ drinking water standards compliance	LOS	98	-	-	-	-	-	-	-	-	-
Cannington/Motukaika - Main Renewals - Dwyer 1km + PRV	REP	-	12	-	-	-	-	-	-	-	-
Cannington/Motukaika - Pipe Replacement (Nimrod Stream)	REP	5	-	-	-	-	-	-	-	-	-
Cannington/Motukaika - Various Renewals	REP	-	-	-	-	11	11	12	12	13	13
Cannington/Motukaika - Main Renewals - 100mm Slip Line - 200r	REP	-	-	12	-	-	-	-	-	-	-
Hook/Waituna - SCADA	LOS	1	-	-	-	-	-	-	-	-	-
Hook/Waituna - Te Kit Rebuild	REP	-	13	-	-	-	-	-	-	-	-
Hook/Waituna - Misc Plant Renewals	REP	-	-	10	11	11	11	12	13	13	14
Hook Waituna - Filtration / Coagulation Upgrade	REP	-	100	-	-	-	-	-	-	-	-
Hook/Waituna - Havoc Renewal	REP	-	20	-	-	-	-	-	-	-	-
Hook/Waituna - Bells Renewal - 1600m PE80 40OD	REP	-	-	17	-	-	-	-	-	-	-
Hook/Waituna - Caywood Renewal - 1000m PE80 40OD	REP	-	-	-	11	-	-	-	-	-	-
Lower Waihao - SCADA	LOS	-	-	-	-	-	-	-	-	-	-
Lower Waihao - Rising main renewal - 1600m uPVC 150mm PN1	REP	65	75	-	-	-	-	-	-	-	-
Lower Waihao - Tawai renewal - 2300m PE80 63mm PN12	REP	-	-	42	-	-	-	-	-	-	-
Lower Waihao - Misc Renewals	REP	-	-	-	5	6	6	6	6	7	7
Otaio/Makikihi - SCADA	LOS	1	-	-	-	-	-	-	-	-	-
Otaio/Makikihi - Renewals - Grange Road - 3.5km 40mmOD	REP	-	31	-	-	-	-	-	-	-	-
Otaio/Makikihi - Reinstate Otaio River Redundancy	REP	-	5	-	-	-	-	-	-	-	-
Otaio/Makikihi - Renewals - Gary Skinner - 2.0km 40mmOD	REP	-	-	16	-	-	-	-	-	-	-
Otaio/Makikihi - Sullivan - Tavistock 80AC 1000m- 100mm uPVC	REP	-	-	-	45	-	-	-	-	-	-
Otaio/Makikihi - New Bore - Redundancy	REP	-	-	-	-	-	-	123	-	-	-
Waihaorunga - NZ drinking water standards compliance	LOS	57	-	-	-	-	-	-	-	-	-
Waihaorunga - SCADA	LOS	-	-	-	-	-	-	-	-	-	-
Waihaorunga - 2.1km 40OD	REP	5	17	-	-	-	-	-	-	-	-
Waihaorunga - Pump Replacement WRTU000005	REP	-	4	-	-	-	-	-	-	-	-
Waihaorunga - Pump Replacement TVP000008	REP	-	-	3	-	-	-	-	-	-	-
Waihaorunga - Pump Replacement WRMIG000004	REP	-	-	-	-	-	-	10	-	-	-
Waikakahi - temporary bore source	LOS	60	-	-	-	-	-	-	-	-	-
Waikakahi - Stockdale line	REP	6	-	-	-	-	-	-	-	-	-
Waikakahi - Pipe Renewal - SH82 Crossing - 150mm PN16 100r	REP	22	10	13	-	-	-	-	-	-	-
Waikakahi - Misc Renewals	REP	-	5	5	5	5	6	6	6	7	7
Downlands - various	REP	580	-	-	-	-	-	-	-	-	-
Total Rural Water		900	292	118	77	33	34	35	169	38	40
										41	

CAPITAL EXPENDITURE (continued)

FOR THE YEARS ENDED 30 JUNE 2016 - 2025

Key	Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	30 June 2015 \$000	30 June 2016 \$000	30 June 2017 \$000	30 June 2018 \$000	30 June 2019 \$000	30 June 2020 \$000	30 June 2021 \$000	30 June 2022 \$000	30 June 2023 \$000	30 June 2024 \$000	30 June 2025 \$000
Urban Water											
Urban Water - Redevelop Timaru Road Bore	LOS	-	5	-	-	-	-	-	-	-	-
Urban water supply - SCADA	LOS	2	-	-	-	-	-	-	-	-	-
Urban water supply - utilities/sundry plant	REP	6	-	-	-	-	-	-	-	-	-
Urban Water - AC Water Main Renewals	REP	-	100	104	107	221	228	236	245	254	264
Urban Water - Rising Main Renewals	REP	115	200	207	214	221	228	-	-	-	-
Urban water supply - cast iron main renewals	REP	106	-	-	-	-	-	-	-	-	-
Urban Water - Pressure Management	REP	-	75	-	-	-	-	-	-	-	-
Urban Water - CI Water Main Renewals	REP	-	150	156	160	331	342	354	367	381	396
Urban Water - Painting of AVG Filter	REP	-	-	42	-	-	-	-	-	-	-
Urban Water - Lateral Renewals	REP	-	50	52	53	55	57	59	61	63	66
Total Urban Water		229	580	561	534	828	855	649	673	698	726
Total Water Supply Group		1,129	872	679	611	861	889	684	842	736	766
Waste Management Group											
Waste Management Group											
Weighbridge	LOS	-	-	-	-	-	115	-	-	-	-
Compactor	LOS	-	-	-	-	-	114	-	-	-	-
Total Waste Management Group		-	-	-	-	-	229	-	-	-	-
Sewerage and Sewage Group											
Sewerage and Sewage											
Sewerage and sewage - Mill Road Extension	AD	-	546	-	-	-	-	-	-	-	-
Sewerage and sewage - Waimate Urban - SCADA	LOS	2	-	-	-	-	-	-	-	-	-
Sewerage and sewage - Programmed Renewals	REP	-	200	205	210	-	728	750	774	800	828
Sewerage and sewage - Edward Street Upgrade (Renewal)	REP	-	-	-	-	551	-	-	-	-	-
Smoke Testing Equipment	REP	-	3	-	-	-	-	-	-	-	-
Sewerage and sewage - Aerator 1	REP	-	-	-	33	-	-	-	-	-	-
Sewerage and sewage - Aerator 2	REP	-	-	-	-	34	-	-	-	-	-
Sewerage and sewage - Milliscreen	REP	-	-	-	-	-	-	64	-	-	-
Total Sewerage and Sewage Group		2	749	205	243	585	728	750	838	800	828
Stormwater Drainage Group											
Stormwater Drainage Group											
Stormwater - Manse / Harris Street Upgrade	LOS	-	143	174	-	-	-	-	-	-	-
Stormwater - Manse Street (Town Belt to Harris), New Sumps	LOS	-	-	-	145	39	-	-	-	-	-
Stormwater - Belt Street to Town Belt	LOS	-	-	-	15	40	-	-	-	-	-
Stormwater - Pipeline, New Sumps Intersection Shearman/Glasg	LOS	-	-	-	-	104	-	-	-	-	-
Stormwater - Consent and Management Plan	LOS	-	70	72	-	-	-	-	-	-	-
Total Stormwater Drainage Group		-	213	246	160	183	-	-	-	-	-

CAPITAL EXPENDITURE (continued)

FOR THE YEARS ENDED 30 JUNE 2016 - 2025

Key	Annual Plan 30 June 2015 \$000	LTP 30 June 2016 \$000	LTP 30 June 2017 \$000	LTP 30 June 2018 \$000	LTP 30 June 2019 \$000	LTP 30 June 2020 \$000	LTP 30 June 2021 \$000	LTP 30 June 2022 \$000	LTP 30 June 2023 \$000	LTP 30 June 2024 \$000	LTP 30 June 2025 \$000
Parks and Recreation Group											
Camping											
Waitaki Lakes - Compactor	LOS	40	-	-	-	-	-	-	-	-	-
Waitaki Lakes - Water pipes and joins investigate/replace	REP	-	10	-	-	-	-	-	-	-	-
Victoria Camp - upgrade cabins at Tennant Street	LOS	33	-	-	-	-	-	-	-	-	-
Victoria Camp - Appliances	REP	5	5	5	5	5	6	6	6	6	7
Victoria Camp - Power Sites	REP	-	-	-	-	28	-	-	-	-	-
Total Camping		78	15	5	5	33	6	6	6	6	7
Cemetery											
Cemetery - Extension investigation	AD	10	-	-	-	-	-	12	-	-	-
Cemetery - design, resource consent	AD	-	-	-	-	-	-	-	27	29	-
Cemetery - Mower	REP	32	-	-	-	41	-	-	-	-	-
Cemetery - Replace workshop/office/toilet	REP	-	50	-	-	-	-	-	-	-	-
Cemetery - Small Tip Truck	REP	-	-	45	-	-	-	-	-	-	57
Total Cemetery		42	50	45	-	41	-	12	27	29	57
Parks and Public Spaces											
Morven Reserve - Hall Sewerage System - upgrade	REP	-	30	-	-	-	-	-	-	-	-
Morven Reserve - Kitchen and Floor, Hall	REP	-	40	-	-	-	-	-	-	-	-
Victoria Park - parks officer motor vehicle	REP	18	18	12	-	27	-	-	-	-	-
Victoria Park - sundry plant	REP	6	6	7	8	8	8	9	10	10	10
Victoria Park - Relace old part of playground	REP	-	-	26	-	-	-	-	-	-	-
Victoria Park - Replace Ausplay playground	REP	-	-	-	47	-	-	-	-	-	-
Victoria Park - Mower	REP	32	32	17	122	39	-	155	-	45	-
Victoria Park - Tractor	REP	-	-	-	84	-	-	-	-	-	-
Victoria Park - Trailer	REP	-	-	-	-	-	-	-	-	13	-
Victoria Park - Tip Truck	REP	-	-	-	-	-	58	-	-	-	-
Knottingley Park - driveway upgrade (sealing and stormwater)	LOS	20	10	-	-	-	-	-	-	-	-
Total Parks and Public Spaces		76	136	62	177	158	8	164	10	68	10
Swimming											
Swimming Pool - Upgrade women changing room	REP	-	22	-	-	-	-	-	-	-	-
Swimming Pool - Upgrade mens changing room	REP	-	-	25	-	-	-	-	-	-	-
Swimming Pool - Replace pool covers	REP	-	-	21	-	-	-	-	-	-	-
Swimming Pool - Replace heating system	REP	-	-	-	243	-	-	-	-	-	-
Total Swimming		-	22	46	243	-	-	-	-	-	-
Total Parks and Recreation Group		196	223	158	425	163	82	72	182	43	74
Total Capital expenditure											
Operational		642	4,414	2,082	613	1,812	300	232	334	270	244
Infrastructural		3,173	4,761	4,580	4,048	4,995	5,517	5,226	5,343	5,309	5,674
Total		3,815	9,175	6,662	4,661	6,807	5,817	5,458	5,677	5,579	5,918

Funding Impact Statements by Group 2015-25

Water Supply Group

PROSPECTIVE GROUP FUNDING IMPACT STATEMENT FOR THE YEARS ENDED 30 JUNE 2016 - 2025

	Annual Plan 30 June 2015 \$000	LTP 30 June 2016 \$000	LTP 30 June 2017 \$000	LTP 30 June 2018 \$000	LTP 30 June 2019 \$000	LTP 30 June 2020 \$000	LTP 30 June 2021 \$000	LTP 30 June 2022 \$000	LTP 30 June 2023 \$000	LTP 30 June 2024 \$000	LTP 30 June 2025 \$000
Sources of Operating Funding											
General rates, UAGC, rates penalties	10	10	11	11	12	12	13	13	13	13	14
Targeted rates	1,889	1,869	1,888	1,922	1,947	1,970	2,008	2,036	2,069	2,121	2,152
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	18	19	20	20	21	22	23	23	24	25	26
Internal charges and overheads recovered	22	34	33	42	57	77	97	116	130	152	173
Local authority fuel tax, fines, infringement fees other	104	107	110	114	117	121	125	130	135	140	146
Total operating funding	2,043	2,039	2,062	2,109	2,154	2,202	2,266	2,318	2,371	2,451	2,511
Applications of Operating Funding											
Payments to staff and suppliers	1,137	1,122	1,157	1,232	1,190	1,225	1,312	1,305	1,348	1,451	1,448
Finance costs	10	10	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	281	296	293	296	302	309	315	321	328	334	342
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	1,428	1,428	1,450	1,528	1,492	1,534	1,627	1,626	1,676	1,785	1,790
Surplus/(deficit) of operating funding	615	611	612	581	662	668	639	692	695	666	721
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	25	23	24	25	26	26	27	28	29	31	32
Increase/(decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	25	23	24	25	26	26	27	28	29	31	32
Applications of Capital Funding											
Capital expenditure - to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - to improve level of service	219	5	-	-	-	-	-	-	-	-	-
Capital expenditure - to replace existing assets	910	867	679	611	861	889	684	842	736	766	798
Increase/(decrease) in reserves	(489)	(238)	(43)	(5)	(173)	(195)	(18)	(122)	(12)	(69)	(45)
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding	640	634	636	606	688	694	666	720	724	697	753
Surplus/(deficit) of capital funding	(615)	(611)	(612)	(581)	(662)	(668)	(639)	(692)	(695)	(666)	(721)

Roading and Footpaths Group

PROSPECTIVE GROUP FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	Annual Plan 30 June 2015 \$000	LTP 30 June 2016 \$000	LTP 30 June 2017 \$000	LTP 30 June 2018 \$000	LTP 30 June 2019 \$000	LTP 30 June 2020 \$000	LTP 30 June 2021 \$000	LTP 30 June 2022 \$000	LTP 30 June 2023 \$000	LTP 30 June 2024 \$000	LTP 30 June 2025 \$000
Sources of Operating Funding											
General rates, UAGC, rates penalties	2,165	-	-	-	-	-	-	-	-	-	-
Targeted rates	-	2,377	2,613	2,807	2,936	2,970	3,065	3,014	3,099	3,189	3,291
Subsidies and grants for operating purposes	811	1,011	1,044	1,087	1,131	1,176	1,208	1,289	1,328	1,369	1,415
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	76	50	49	50	52	50	53	56	59	63	64
Local authority fuel tax, fines, infringement fees other	54	46	47	48	49	51	52	53	55	57	58
Total operating funding	3,106	3,484	3,753	3,992	4,168	4,247	4,378	4,412	4,541	4,678	4,828
Applications of Operating Funding											
Payments to staff and suppliers	1,844	2,171	2,202	2,250	2,303	2,360	2,423	2,489	2,562	2,640	2,725
Finance costs	-	31	59	59	59	72	72	71	71	70	70
Internal charges and overheads applied	354	405	417	429	441	452	465	479	494	510	524
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	2,198	2,607	2,678	2,738	2,803	2,884	2,960	3,039	3,127	3,220	3,319
Surplus/(deficit) of operating funding	908	877	1,075	1,254	1,365	1,363	1,418	1,373	1,414	1,458	1,509
Sources of Capital Funding											
Subsidies and grants for capital expenditure	1,148	1,666	1,986	1,790	2,012	2,353	2,161	2,306	2,375	2,449	2,530
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	-	448	396	(4)	(5)	194	(7)	(7)	(7)	(8)	(9)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	1,148	2,114	2,382	1,786	2,007	2,547	2,154	2,299	2,368	2,441	2,521
Applications of Capital Funding											
Capital expenditure - to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - to improve level of service	283	372	858	385	395	835	415	426	440	453	468
Capital expenditure - to replace existing assets	1,760	2,556	2,592	2,649	2,971	3,065	3,148	3,237	3,333	3,437	3,550
Increase/(decrease) in reserves	13	63	7	6	6	10	9	9	9	9	12
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding	2,056	2,991	3,457	3,040	3,372	3,910	3,572	3,672	3,782	3,899	4,030
Surplus/(deficit) of capital funding	(908)	(877)	(1,075)	(1,254)	(1,365)	(1,363)	(1,418)	(1,373)	(1,414)	(1,458)	(1,509)

Parks and Recreation Group

PROSPECTIVE GROUP FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	Annual Plan 30 June 2015 \$000	LTP 30 June 2016 \$000	LTP 30 June 2017 \$000	LTP 30 June 2018 \$000	LTP 30 June 2019 \$000	LTP 30 June 2020 \$000	LTP 30 June 2021 \$000	LTP 30 June 2022 \$000	LTP 30 June 2023 \$000	LTP 30 June 2024 \$000	LTP 30 June 2025 \$000
Sources of Operating Funding											
General rates, UAGC, rates penalties	654	653	711	792	842	885	897	948	972	1,005	1,043
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	303	304	315	323	332	341	351	361	373	385	398
Internal charges and overheads recovered	82	112	112	112	112	112	112	112	112	112	112
Local authority fuel tax, fines, infringement fees other	88	88	90	93	95	98	101	104	107	110	114
Total operating funding	1,127	1,157	1,228	1,320	1,381	1,436	1,461	1,525	1,564	1,612	1,667
Applications of Operating Funding											
Payments to staff and suppliers	856	845	866	883	918	957	953	987	1,021	1,048	1,078
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	97	118	122	126	129	133	136	140	143	147	151
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	953	963	988	1,009	1,047	1,090	1,089	1,127	1,164	1,195	1,229
Surplus/(deficit) of operating funding	174	194	240	311	334	346	372	398	400	417	438
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	-	-	-	-	-	-	-	-	-	-	-
Applications of Capital Funding											
Capital expenditure - to meet additional demand	10	-	-	-	-	-	-	12	27	29	-
Capital expenditure - to improve level of service	93	10	-	-	-	-	-	-	-	-	-
Capital expenditure - to replace existing assets	93	213	158	425	163	82	72	170	16	74	74
Increase/(decrease) in reserves	(22)	(29)	82	(114)	171	264	300	216	357	314	364
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding	174	194	240	311	334	346	372	398	400	417	438
Surplus/(deficit) of capital funding	(174)	(194)	(240)	(311)	(334)	(346)	(372)	(398)	(400)	(417)	(438)

Environmental Services Group

PROSPECTIVE GROUP FUNDING IMPACT STATEMENT FOR THE YEARS ENDED 30 JUNE 2016 - 2025

	Annual Plan 30 June 2015 \$000	LTP 30 June 2016 \$000	LTP 30 June 2017 \$000	LTP 30 June 2018 \$000	LTP 30 June 2019 \$000	LTP 30 June 2020 \$000	LTP 30 June 2021 \$000	LTP 30 June 2022 \$000	LTP 30 June 2023 \$000	LTP 30 June 2024 \$000	LTP 30 June 2025 \$000
Sources of Operating Funding											
General rates, UAGC, rates penalties	768	814	818	832	854	872	888	906	925	945	966
Targeted rates	-	102	105	108	111	114	117	120	123	126	129
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	474	484	496	509	522	537	554	571	590	610	632
Internal charges and overheads recovered	19	21	21	21	21	21	21	21	21	21	21
Local authority fuel tax, fines, infringement fees other	3	3	3	3	3	3	3	3	3	3	3
Total operating funding	1,264	1,424	1,443	1,473	1,511	1,547	1,583	1,621	1,662	1,705	1,751
Applications of Operating Funding											
Payments to staff and suppliers	921	1,031	1,084	1,076	1,101	1,158	1,157	1,187	1,251	1,514	1,293
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	268	295	335	344	358	369	377	386	396	405	416
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	1,189	1,326	1,419	1,420	1,459	1,527	1,534	1,573	1,647	1,919	1,709
Surplus/(deficit) of operating funding	75	98	24	53	52	20	49	48	15	(214)	42
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	21	46	47	48	49	50	52	54	56	57	60
Increase/(decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	21	46	47	48	49	50	52	54	56	57	60
Applications of Capital Funding											
Capital expenditure - to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - to improve level of service	52	52	162	-	-	-	-	-	-	-	-
Capital expenditure - to replace existing assets	55	37	-	-	-	-	-	-	-	-	-
Increase/(decrease) in reserves	(11)	55	(91)	101	101	70	101	102	71	(157)	102
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding	96	144	71	101	101	70	101	102	71	(157)	102
Surplus/(deficit) of capital funding	(75)	(98)	(24)	(53)	(52)	(20)	(49)	(48)	(15)	214	(42)

Community Services Group

PROSPECTIVE GROUP FUNDING IMPACT STATEMENT FOR THE YEARS ENDED 30 JUNE 2016 - 2025

	Annual Plan 30 June 2015 \$000	LTP 30 June 2016 \$000	LTP 30 June 2017 \$000	LTP 30 June 2018 \$000	LTP 30 June 2019 \$000	LTP 30 June 2020 \$000	LTP 30 June 2021 \$000	LTP 30 June 2022 \$000	LTP 30 June 2023 \$000	LTP 30 June 2024 \$000	LTP 30 June 2025 \$000
Sources of Operating Funding											
General rates, UAGC, rates penalties	568	560	583	599	632	754	771	790	809	829	851
Targeted rates	-	50	51	52	54	56	57	59	61	63	65
Subsidies and grants for operating purposes	20	21	22	22	23	24	24	25	26	27	28
Fees and charges	14	12	12	13	13	13	14	14	15	15	15
Internal charges and overheads recovered	2	6	6	6	6	6	6	6	6	6	6
Local authority fuel tax, fines, infringement fees other	29	29	30	30	31	32	33	34	35	36	38
Total operating funding	633	678	704	722	759	885	905	928	952	976	1,003
Applications of Operating Funding											
Payments to staff and suppliers	383	427	436	446	457	469	482	496	511	527	544
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	196	200	215	222	246	358	364	371	378	385	393
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	579	627	651	668	703	827	846	867	889	912	937
Surplus/(deficit) of operating funding	54	51	53	54	56	58	59	61	63	64	66
Sources of Capital Funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	-	-	-	-	-	-	-	-	-	-	-
Applications of Capital Funding											
Capital expenditure - to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - to improve level of service	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure - to replace existing assets	64	64	61	63	65	66	68	70	73	75	78
Increase/(decrease) in reserves	(10)	(13)	(8)	(9)	(9)	(8)	(9)	(9)	(10)	(11)	(12)
Increase/(decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total application of capital funding	54	51	53	54	56	58	59	61	63	64	66
Surplus/(deficit) of capital funding	(54)	(51)	(53)	(54)	(56)	(58)	(59)	(61)	(63)	(64)	(66)

Reserve Funds

Financial Reserves

The following statement of financial reserves concerns Restricted Reserves and council created reserves included in Council's equity.

Council has several types of council created reserves, which are maintained by the council for a specific purpose. These funds are categorised as follows:

- Council created General Reserves
- Council created Civic Amenities Rate Reserves
- Council created Targeted Rate Reserves
- Council created Internal Loan Reserves
- Asset Renewal Reserves

Restricted Reserves

Reserve	Opening Balance 1 July 2015 \$000	Deposits \$000	Withdrawals \$000	Closing Balance 30 June 2025 \$000
Endowment Land	194	188	-	382
Downlands Asset Replacement Reserve	385	-	-	385
Downlands Capital Contributions	17	-	-	17
Perpetual Graves Reserve	70	59	10	119
Esplanade Reserve	79	391	233	237
Subdivision Contribution Reserve	353	341	-	694
Friends of Knottingley Park	5	4	-	9
Library Bequests	187	180	-	367
Waste Minimisation Reserve	60	174	118	116
Te Aka Road Grant - Rockfall Protection	56	54	-	110
Te Aka Road Grant - Recreational	166	161	-	327
Waimate District Community Complex	67	15	-	82
Heritage Grant	6	6	-	12
Ministry of Youth Development Grant	5	5	-	10
Total Restricted Reserves	1,650	1,578	361	2,867

Council Created General Reserves

Separate Accounts are maintained for each activity to ensure that the funds are held and used for the specific purpose intended.

Reserve	Opening Balance 1 July 2015 \$000	Deposits \$000	Withdrawals \$000	Closing Balance 30 June 2025 \$000
General Reserves	(82)	499	2,237	(1,820)
Property Reserve	(205)	2,429	526	1,698
Community Housing	(117)	-	230	(347)
Forestry Reserve	(646)	4	1,153	(1,795)
Camping	291	343	516	118
Rates Smoothing Reserve	231	490	375	346
Total Council Created General Reserves	(528)	3,765	5,037	(1,800)

For each reserve the below specifies the purpose of that Reserve/Fund, and the Council Activity to which it relates.

Restricted Reserves	Purpose	Council Activity
Discretionary		
Perpetual Graves	Future development of cemeteries in the District	Cemeteries
Esplanade	To purchase/develop esplanade strips or reserves	Parks and Public Spaces
Subdivision	Development of recreational reserves in the Waimate district	Parks and Public Spaces
Waste Minimisation	Waste Levy income received to fund waste minimisation initiatives	Waste Management
Restricted		
Endowment Land	Purchase of endowment land	Property
Te Aka Road Grant - Rock fall Protection	Rockfall protection at Te Akatarawa Road	Roading
Te Aka Road Grant - Recreational	Development of public recreational areas adjoining Te Akatarawa Road	Camping
Waimate Community Complex	Investigation and/or refurbishment of the Waimate Community Complex	Property
Heritage Fund Reserve		
Ministry of Youth Development Grant	Youth development in the community	Community Support
Trusts		
Friends of Knottingley Park	Beautification of Knottingley Park	Parks and Public Spaces
Library Bequests	Purchase of Library Books	Library
Non-cash		
Downlands Asset Replacement	Asset Replacement for Downlands Water Scheme	Water Supply
Downlands Capital Contributions	Capital Contributions for Downlands Water Scheme	Water Supply
Council Created General Reserves		
General Reserves	General funds accumulated/borrowed over time	Investments and Finance, Building Control, Emergency Management, Regulatory Services, Dog and Animal Control, Community Representation, Strategy, Managing Services, Economic Development and Promotions, Community Support, Roading, and Stormwater Drainage
Property Reserve	Funds accumulated over time for Council property, including Rental Property, Local Government Centre, Waimate Airport, Waimate District Community Complex and Queen Street Subdivision	Property
Community Housing	Funds accumulated/borrowed over time for Community Housing	Property
Forestry Reserve	Funds accumulated/borrowed over time for Forestry	Forestry
Camping	Funds accumulated over time for Camping facilities at Waitaki Lakes, Victoria Camp, Knottingley Park Camp and St Andrews Recreational Reserve Camp	Camping
Rates Smoothing Reserve	To spread the funding of specific expenditure items over a number of years to smooth the rates impact, e.g. District Plan income and expenditure	Resource Management

Council Created Civic Amenities Rate Reserve

Separate Accounts are maintained for each activity to ensure that the funds are held and used for the specific purpose intended.

Reserve	Opening Balance 1 July 2015 \$000	Deposits \$000	Withdrawals \$000	Closing Balance 30 June 2025 \$000
Council Created Civic Amenities Rate Reserve	972	482	61	1,393

Council Created Targeted Rate Reserves

Separate Accounts are maintained for each activity to ensure that the funds are held and used for the specific purpose intended.

Reserve	Opening Balance 1 July 2015 \$000	Deposits \$000	Withdrawals \$000	Closing Balance 30 June 2025 \$000
Urban Water Scheme	(320)	-	30	(350)
Sewerage	(44)	87	-	43
Waste Management - Collection	117	-	-	117
Rural Water Scheme Operating Reserves				
Cannington / Motukaika	13	4	4	13
Cattle Creek	(12)	-	-	(12)
Hook / Waituna	(84)	48	22	(58)
Lower Waihao	(24)	12	12	(24)
Otaio / Makikihi	92	-	-	92
Waihaorunga	(40)	16	16	(40)
Waikakahi	(41)	14	14	(41)
Total Council Created Targeted Rate Reserves	(343)	181	98	(260)

Council Created Internal Loan Reserves

Separate internal loan accounts are maintained for each activity where a loan is required to fund specific projects. These loans are repaid and funded according to the revenue and financing policy.

Reserve	Opening Balance 1 July 2015 \$000	Deposits \$000	Withdrawals \$000	Closing Balance 30 June 2025 \$000
Waimate Library Extension	-	52	1,500	(1,448)
Community Housing	-	-	-	-
Waimate District Community Complex	-	173	2,850	(2,677)
Bridge Replacements Loan	-	59	1,050	(991)
Urban Water Scheme	(1,385)	409	-	(976)
Waste Management - Disposal	(638)	23	-	(615)
Sewerage	(1,108)	33	-	(1,075)
Stormwater	-	-	-	-
Total Council Created Internal Loan Reserves	(3,131)	749	5,400	(7,782)

Civic Amenities Rate Council Created Reserve

Civic Amenities Rate Reserve	Civic Amenities rates accumulated funds over time for activities subject to the Civic Amenities Rate	Property, Library, Cemeteries, Parks and Public Spaces, Swimming, and Waste Management
------------------------------	--	--

Targeted Rate Council Created Reserves

Urban Water Scheme	General funds accumulated/borrowed for operation of the Waimate Urban Water Supply	Water Supply
Sewerage	General funds accumulated/borrowed for operation of the Waimate Urban Sewerage Network	Sewerage and Sewage
Waste Management - Collection	General funds accumulated for the operation of Waste Management	Waste Management

Rural Water Scheme Operating Reserves

Cannington/ Motukaika	Funds accumulated for operation of the water supply scheme	Water Supply
Cattle Creek	Funds accumulated for operation of the water supply scheme	Water Supply
Hook/Waituna	Funds accumulated for operation of the water supply scheme	Water Supply
Lower Waihao	Funds accumulated for operation of the water supply scheme	Water Supply
Otaio/Makikihi	Funds accumulated for operation of the water supply scheme	Water Supply
Waihaorunga	Funds accumulated for operation of the water supply scheme	Water Supply
Waikakahi	Funds accumulated for operation of the water supply scheme	Water Supply

Internal Loan Council Created Reserves

Urban Water Scheme	Internally borrowed funds for future repayment by the users of the service	Water Supply
Sewerage	Internally borrowed funds for future repayment by the users of the service	Sewerage and Sewage
Waste Management - Disposal	Internally borrowed funds for future repayment by the users of the service	Waste Management

Asset Renewal Reserves

Separate Asset Renewal Accounts are maintained for each activity to ensure that the funds are held and used for the specific purpose intended.

Reserve	Opening Balance 1 July 2015 \$000	Deposits \$000	Withdrawals \$000	Closing Balance 30 June 2025 \$000
General Asset Renewal Reserves				
General Asset Renewal Reserves	604	2,588	1,175	2,017
Property Reserve	319	1,452	6,836	(5,065)
Community Housing	275	348	102	521
Forestry Reserve	(64)	-	44	(108)
Camping	(78)	780	84	618
Stormwater	2	337	802	(463)
Civic Amenities Rate Asset Renewal Reserves				
Civic Amenities Rate Asset Renewal Reserves	58	3,069	2,463	664
Targeted Rate Asset Renewal Reserves				
Sewerage	683	2,131	6,585	(3,771)
Waste Management - Collection	96	378	-	474
Roading Reserve	372	35,644	35,644	372
Urban Water Scheme	381	1,983	6,861	(4,497)
Rural Water Schemes				
Cannington / Motukaika	(79)	175	111	(15)
Cattle Creek	3	9	-	12
Hook / Waituna	203	740	267	676
Lower Waihao	(250)	513	165	98
Otaio / Makikihi	(84)	681	219	378
Waihaorunga	(55)	175	34	86
Waikakahi	133	642	82	693
Total Asset Renewal Reserves	2,519	51,645	61,474	(7,310)

Fair Value through other comprehensive income reserve

Reserve	Opening Balance 1 July 2015 \$000	Deposits \$000	Withdrawals \$000	Closing Balance 30 June 2025 \$000
Fair value through other comprehensive income	3,273	4,000	-	7,273

Total Restricted and Council Created Reserves

4,412 62,400 72,431 (5,619)

Asset Renewal Reserves

General Asset Renewal Reserves

General Reserves	Funds accumulated for future asset replacement	Investments and Finance, Building Control, Resource Management, Emergency Management, Regulatory Services, Dog and Animal Control, Community Representation, Strategy, Managing Services, Economic Development and Promotions, and Community Support
Property Reserve	Funds accumulated for future asset replacement	Property
Community Housing	Funds accumulated for future asset replacement	Property
Forestry Reserve	Funds accumulated for future asset replacement	Forestry
Camping	Funds accumulated for future asset replacement for Camping facilities at Waitaki Lakes, Victoria Camp, Knottingley Park Camp and St Andrews Recreational Reserve Camp	Camping
Stormwater	Funds accumulated for future asset replacement	Stormwater Drainage

Civic Amenities Rate Asset Renewal Reserve

Civic Amenities Rate Asset Renewal Reserve	Funds accumulated for future asset replacement for activities subject to the Civic Amenities Rate	Property, Library, Cemeteries, Parks and Public Spaces, Swimming, and Waste Management
--	---	--

Targeted Rate Asset Renewal Reserves

Sewerage	Funds accumulated for future asset replacement	Sewerage and Sewage
Waste Management - Collection	Funds accumulated for future asset replacement	Waste Management
Roading Reserve	Funds accumulated for future asset replacement	Roading
Urban Water Scheme	Funds accumulated for future asset replacement	Water Supply

Rural Water Schemes

Cannington/Motukaika	Funds accumulated for future asset replacement of the Cannington/Motukaika water supply	Water Supply
Cattle Creek	Funds accumulated for future asset replacement of the Cattle Creek water supply	Water Supply
Hook/Waituna	Funds accumulated for future asset replacement of the Hook/Waituna water supply	Water Supply
Lower Waihao	Funds accumulated for future asset replacement of the Lower Waihao water supply	Water Supply
Otaio/Makikihi	Funds accumulated for future asset replacement of the Otaio/Makikihi water supply	Water Supply
Waihaorunga	Funds accumulated for future asset replacement of the Waihaorunga water supply	Water Supply
Waikakahi	Funds accumulated for future asset replacement of the Waikakahi water supply	Water Supply

Fair Value through other Comprehensive Income Reserve

Fair Value through other Comprehensive Income	Financial assets revaluation gains/(losses), at fair value, through Other Comprehensive Income	Investments and Finance
---	--	-------------------------



Rating Information

The Funding Impact Statement should be read in conjunction with the Revenue and Financing Policy and Rating Policies, which are available, on request, from the Council office, 125 Queen Street, Waimate. Monetary values in this Rating Information statement are GST inclusive.

Setting of Rates for 2015/16

Separately Used or Inhabited Parts (SUIP) of a rating unit

This definition applies to all rates using SUIP as the basis for charging the rate.

Separately used or inhabited parts of a rating unit include only residential units which consists of a single self-contained housekeeping unit, whether for one or more persons. It includes any house, emergency or refuge accommodation and holiday home. Where more than one kitchen facility is provided on the rating unit, other than for a kitchen facility in family flat, there shall be deemed to be more than one separately used or inhabited parts of a rating unit.

A family flat is defined as any self-contained residential unit being part of or located on the same rating unit and occupied by dependent relatives of the household living in the principal residential unit. Dependent relatives do not include family members earning an income from the rating unit.

A rating unit will not be treated as being separately used or inhabited parts where it is a commercial visitor accommodation unit or not capable of being inhabited.

To assist in interpreting this policy the following examples indicate how Council will apply this policy:

Example	SUIP Charges
Rating unit with no house, flat or self-contained residential unit	0
Rating unit with 1 house, flat or self-contained residential unit	1
Rating unit with 2 flats, each being a self-contained residential unit	2
Rating unit with 4 flats, each being a self-contained residential unit	4
Rating unit with 3 dwellings, each being a self-contained residential unit	3
Rating unit operating a commercial activity with no residential unit	0
Rating unit operating a commercial activity with 1 flat attached being a self-contained residential unit	1
Rating unit operating a Hotel/Motel/camping/cabin facility with 1 owner/operator residence	1
Rating unit operating a Hotel/Motel/camping/cabin facility with no owner/operator residence	0
Church / School with a house, flat or self-contained residential unit	1

Council sets the following rates under the Local Government (Rating) Act 2002:

General Rate

Uniform Annual General Charge

Council does not set a Uniform Annual General Charge.

Targeted Rates:

- Civic Amenities Rate
- Roading and Footpaths
- Civil Defence
- Business Development Fund
- Sewer
- St Andrews Sewer
- Refuse Collection
- Recycling
- Rural Water (each scheme)
- Urban Water
- Downlands Water Scheme
- Waimate District Community Complex
- Community Hall Rates

Lump Sum Contributions

Council does not require any lump sum contributions for targeted rates.

Details of the amount of rates to be collected and the categories of who will pay these rates are listed below:

General Rate

A general rate is set as a rate in the dollar on the capital value of every Urban, Rural 1, Rural 2, Electricity generators and other transmission providers, and Forestry operators and forest blocks rating unit in accordance with the Rating Boundary Map for the Waimate District, assessed on a differential basis. The differential is based on land use for Electricity generators and other transmission providers, and Forestry operators and forest blocks or, for Urban, Rural 1, and Rural 2, where the land is situated and is classified as either Urban, Rural 1, or Rural 2. The Rating Boundary Map is available for inspection at the Council office, 125 Queen Street, Waimate.

Differential

The General Rates required from each differential sector is calculated on an activity-by-activity basis as described in the Funding Needs Analysis.

The object of including a differential in the General Rate is to achieve a fair and equitable distribution of the general rate between categories of land having regard to meeting the current and future needs of the community for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by providing infrastructure, services, and performance that are: efficient, and effective, and appropriate to present and anticipated future circumstances.

General Rate	Differential Factor	General Rate per dollar of Capital Value for 2015/16 (GST inclusive)	Revenue 2015/16 (GST inclusive)
Urban	1.00	\$ 0.0005483	\$ 228,230
Rural 1	0.62	\$ 0.0003397	\$ 891,188
Rural 2	0.61	\$ 0.0003339	\$ 144,531
Electricity generators and other transmission providers	0.04	\$ 0.0000235	\$ 8,644
Forestry operators and forest blocks	0.00	\$ -	\$ -
Total Revenue			\$ 1,272,593

Targeted Rates

Civic Amenities Rate

The Civic Amenities Rate contributes towards the funding of the following activities:

- Community Representation
- Community Property (Public Toilets)
- Library
- Cemeteries
- Parks and Public Spaces
- Swimming
- Waste Management (Resource Recovery Park Operation)

The Civic Amenities Rate is set and assessed, for Electricity generators and other transmission providers, and Forestry operators and forest blocks, on land use, for Business 1 and Business 2 rating units, as defined in the Waimate District Plan, or for Urban, Rural 1, and Rural 2 on each separately used or inhabited parts of a rating unit (as defined above).

Differential

The Civic Amenities Rate is assessed on a differential basis. The differential is based on land use for Electricity generators and other transmission providers, and Forestry operators and forest blocks, definition of Business 1 or Business 2 within the Waimate District Plan or, for Urban, Rural 1, and Rural 2, where the land is situated and is classified as either Urban, Rural 1, or Rural 2. The Civic Amenities Rates required from each differential sector is calculated on an activity-by-activity basis as described in the Funding Needs Analysis.

The object of including a differential in the Civic Amenities Rate is to achieve a fair and equitable distribution of the general rate between categories of land having regard to meeting the current and future needs of the community for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by providing infrastructure, services, and performance that are: efficient, and effective, and appropriate to present and anticipated future circumstances.

Civic Amenities Rate	Differential Factor	Civic Amenities Rate for 2015/16 (GST inclusive)	Revenue 2015/16 (GST inclusive)
Urban	1.00	\$ 681.49	\$ 1,155,129
Rural 1	0.94	\$ 639.79	\$ 1,062,055
Rural 2	0.79	\$ 538.94	\$ 149,287
Business 1 and Business 2 (On capital value)	0.00	\$ 0.0009329	\$ 16,716
Electricity generators and other transmission providers (On capital value)	0.00	\$ 0.0002461	\$ 90,407
Forestry operators and forest blocks (On capital value)	0.00	\$ 0.0002461	\$ 2,638
Total Revenue			\$ 2,476,232

Roading and Footpaths Rate

The Roothing and Footpaths targeted rate is set as a rate in the dollar on the capital value of every Urban, Rural 1, Rural 2, Electricity generators and other transmission providers, and Forestry operators and forest blocks rating unit in accordance with the Rating Boundary Map for the Waimate District, assessed on a differential basis. The differential is based on land use for Electricity generators and other transmission providers, and Forestry operators and forest blocks or, for Urban, Rural 1, and Rural 2, where the land is situated and is classified as either Urban, Rural 1, or Rural 2.

Differential

The Targeted Rates required from each differential sector is calculated on an activity-by-activity basis as described in the Funding Needs Analysis.

The object of including a differential in the Roothing and Footpaths Rate is to achieve a fair and equitable distribution of the general rate between categories of land having regard to meeting the current and future needs of the community for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by providing infrastructure, services, and performance that are: efficient, and effective, and appropriate to present and anticipated future circumstances.

General Rate	Differential Factor	Targeted Rate for 2015/16 (GST inclusive)	Revenue 2015/16 (GST inclusive)
Urban	1.00	\$ 0.0006283	\$ 261,553
Rural 1	1.00	\$ 0.0006260	\$ 1,642,514
Rural 2	1.00	\$ 0.0006265	\$ 271,186
Electricity generators and other transmission providers	1.84	\$ 0.0011532	\$ 423,635
Forestry operators and forest blocks	20.29	\$ 0.0127472	\$ 136,656
Total Revenue			\$ 2,735,544

Civil Defence Rate

The Civil Defence targeted rate is set as a rate in the dollar on the capital value of every Urban, Rural 1, Rural 2, and Electricity generators and other transmission providers rating unit in accordance with the Rating Boundary Map for the Waimate District, assessed on a differential basis. The differential is based on land use for Electricity generators and other transmission providers or, for Urban, Rural 1, and Rural 2, where the land is situated and is classified as either Urban, Rural 1, or Rural 2.

Differential

The Targeted Rates required from each differential sector is calculated on an activity-by-activity basis as described in the Funding Needs Analysis.

The object of including a differential in the Civil Defence Rate is to achieve a fair and equitable distribution of the general rate between categories of land having regard to meeting the current and future needs of the community for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by providing infrastructure, services, and performance that are: efficient, and effective, and appropriate to present and anticipated future circumstances.

General Rate	Differential Factor	Targeted Rate for 2015/16 (GST inclusive)	Revenue 2015/16 (GST inclusive)
Urban	1.00	\$ 0.0000287	\$ 11,935
Rural 1	1.00	\$ 0.0000286	\$ 74,947
Rural 2	1.00	\$ 0.0000286	\$ 12,374
Electricity generators and other transmission providers	1.72	\$ 0.0000495	\$ 18,186
Total Revenue			\$ 117,442

Business Development Fund

The Business Development Fund targeted rate is set as a rate in the dollar on the capital value of every Business 1 and Business 2 rating units, as defined in the Waimate District Plan.

Differential

The Targeted Rates required from each differential sector is calculated on an activity-by-activity basis as described in the Funding Needs Analysis.

The object of including a differential in the Business Development Fund Rate is to achieve a fair and equitable distribution of the general rate between categories of land having regard to meeting the current and future needs of the community for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by providing infrastructure, services, and performance that are: efficient, and effective, and appropriate to present and anticipated future circumstances.

General Rate	Differential Factor	Targeted Rate per Capital Value for 2015/16 (GST inclusive)	Revenue 2015/16 (GST inclusive)
Business 1 and Business 2	1.00	\$ 0.0032091	\$ 57,500
Total Revenue			\$ 57,500

Sewer Rate

The Sewer targeted rate is set based on the provision or availability of service provided to the rating unit. The Sewer targeted rate is differentiated based on the connection or the number of water closets available and contributes towards the funding of the Sewerage and Sewage activity as follows:

- Serviced - The number of connections (within each rating unit) to the Council's sewer reticulation system
- Unserviced - Rating units not connected to the Waimate sewer scheme but where the service is available/provided
- Number of water closets within a Rating Unit (with more than 2 but less than 11 water closets) per water closet
- Number of water closets within a Rating Unit (11 or more water closets) per water closet

Sewer Rate	Category	Differential Factor	Sewer charge for 2015/16 (GST inclusive)	Revenue 2015/16 (GST inclusive)
Sewer Serviced	a) Serviced - The number of water closets and urinals (for a residential unit or with 2 or less within each rating unit) to the Council's sewer reticulation system	1.00	\$ 275.05	\$ 459,059
Sewer Unserviced	b) Unserviced - Rating units not connected to the Waimate sewer scheme but where the service is available/provided	0.50	\$ 137.53	\$ 14,578
Sewer Multi 1	c) Number of water closets and urinals within a Rating Unit (with more than 2 but less than 11 water closets and urinals) per water closet and urinal	0.80	\$ 220.04	\$ 38,067
Sewer Multi 2	d) Number of water closets and urinals within a Rating Unit (11 or more water closets and urinals) per water closet and urinal	0.60	\$ 165.03	\$ 18,978
Total Revenue				\$ 530,682

St Andrews Sewer Rate

The St Andrews Sewer targeted rate is set based on the service provided to the rating unit and charged per applicable rating unit. A list of applicable rating units is available for inspection at the Council office, 125 Queen Street, Waimate. The St Andrews Sewer targeted rate contributes towards the funding of the Sewerage and Sewage activity as follows:

Rate	Category	St Andrews Sewer charge for 2015/16 (GST inclusive)	Revenue 2015/16 (GST inclusive)
St Andrews Sewer	Extent of provision of service	\$ 90.00	\$ 5,040
Total Revenue			\$ 5,040

Refuse Collection

The Refuse Collection targeted rate is set based on the provision of service provided to the rating unit. The Refuse Collection targeted rate is differentiated based on the extent of the provision of the service and contributes towards the funding of the Waste Management activity as follows:

- Urban rating units - 80 litre refuse bin (weekly collection)
- Rural rating units - 240 litre refuse bin (fortnightly collection)
- Commercial rating units - 80 litre refuse bin (weekly collection)
- Urban Commercial rating units - 240 litre refuse bin (weekly collection)
- Riverside collective refuse bins (fortnightly collection)

Rate - Bin	Category	Differential Factor	Refuse collection for 2015/16 (GST inclusive)	Revenue 2015/16 (GST inclusive)
Urban 80L	a) Urban rating units - 80 litre refuse bin (weekly collection)	1.00	\$ 203.99	\$ 277,024
Rural 240L	b) Rural rating units - 240 litre refuse bin (fortnightly collection)	1.43	\$ 292.27	\$ 156,073
Commercial 80L	c) Commercial rating units - 80 litre refuse bin (weekly collection)	1.00	\$ 203.99	\$ 5,508
Commercial 240L	d) Urban Commercial rating units - 240 litre refuse bin (weekly collection)	3.00	\$ 611.98	\$ 14,688
Riverside Collective	e) Riverside collective refuse bins (fortnightly collection)	0.46	\$ 93.94	\$ 2,630
Total Revenue			\$	455,923

Recycling

The Recycling targeted rate is set according to the provision or availability of service provided to the rating unit. A map of the recycling route is available for inspection at the Council office, 125 Queen Street, Waimate. The Recycling targeted rate is differentiated based on the extent of the provision or availability of the service and contributes towards the funding of the Waste Management activity as follows:

- Serviced recycling rating units - All rating units on the recycling collection route
- Unserviced recycling rating units - All rating units not on the recycling collection route

Rate	Category	Differential Factor	Recycling charge for 2015/16 (GST inclusive)	Revenue 2015/16 (GST inclusive)
Recycling collection	a) Serviced recycling rating units - All rating units on the recycling collection route	1.00	\$ 119.25	\$ 220,023
Resource Recovery drop off	b) Unserviced recycling rating units - All rating units not on the recycling collection route provided with a recycling drop off point	0.50	\$ 59.63	\$ 98,623
Total Revenue			\$	318,646

Rural Water

on a per litre of water supplied per day and contributes towards the funding of the water supplied to the Cannington, Hook/Waituna, Lower Waihao, Otaio/Makikihi, Waihaorunga and Waikakahi rural water schemes included in the Rural Water activity as follows:

Rural Water Scheme	Water Supply per litre charge for 2015/16 (GST inclusive)	Revenue 2015/16 (GST inclusive)
Cannington-Motukaika	\$ 0.1794	\$ 70,594
Lower Waihao normal supply	\$ 0.2202	\$ 216,516
Otaio-Makikihi	\$ 0.2243	\$ 213,679
Waihaorunga	\$ 0.2987	\$ 93,497
Waikakahi	\$ 0.2750	\$ 306,667
Hook-Waituna domestic supply	\$ 0.1788	\$ 266,964
Hook-Waituna irrigation supply (55%)	\$ 0.0983	\$ 8,074
Total Revenue		\$ 1,175,991

Urban Water

The Urban Water targeted rate is set based on the provision or availability of service provided to the rating unit in the township of Waimate. The Urban Water targeted rate is differentiated based on the connection and contributes towards the funding of the Urban Water activity as follows:

- Serviced - The number of connections (within each rating unit) to the Council's urban water reticulation system
- Unserviced - Rating units not connected to the Waimate urban water scheme but where the urban water reticulation is available for connection

Rate	Category	Differential Factor	Water Supply charge for 2015/16 (GST inclusive)	Revenue 2015/16 (GST inclusive)
Water Scheme Urban	a) Serviced - The number of connections (within each rating unit) to the Council's urban water reticulation system	1.00	\$ 388.47	\$ 732,270
Water Scheme Urban Vacant	b) Unserviced - Rating units not connected to the Waimate urban water scheme but where the urban water reticulation is available for connection	0.50	\$ 194.24	\$ 14,179
Total Revenue			\$	746,449

Downlands Rural Water Supply

The Downlands water scheme is a Joint venture between Timaru, MacKenzie and Waimate District Councils. The scheme is administered by Timaru District Council who determine the charge per connection type. Each Council sets the rate for the connections within its district and collects the revenue on behalf of the Joint Venture. The connections are differentiated by location of the rating unit whether within the St Andrews township where a Domestic charge is rated, as opposed to outside the township where a Service charge on the number of connections and Unit/Point charge on the units of water is charged as follows:

Rate	Water Supply charge for 2015/16 (GST inclusive)	Revenue 2015/16 (GST inclusive)
Domestic	\$ 486.00	\$ 36,450
Unit/Point	\$ 139.00	\$ 111,131
Service	\$ 347.00	\$ 79,116
Total Revenue		\$ 226,697

Waimate District Community Complex

The Waimate District Community Complex targeted rate is set on a uniform basis and is assessed on the district wide number of separately used or inhabited parts of a rating unit (as defined above) and contributes towards investigation and/or refurbishment of the existing stadium and fully funds principal and interest repayments on borrowings on any refurbishment of the existing stadium as follows:

Rate	Category	Rate for 2015/16 (GST inclusive)	Revenue 2015/16 (GST inclusive)
Waimate District Community Complex	Charged per separately used or inhabited parts of a rating unit	\$ 22.16	\$ 80,500
Total Revenue			\$ 80,500

Community Halls

The Hall rates are set on an SUIP basis and are based on where the land is situated in relation to each hall. A map of SUIP's relative to each hall is available for inspection at the Council office, 125 Queen Street, Waimate.

Community Hall	Hall charge for 2015/16 (GST inclusive)	Revenue 2015/16 (GST inclusive)
St Andrews Hall	\$ 23.00	\$ 3,266.00
Ikawai Memorial Hall	\$ 40.25	\$ 4,025.00
Arno Hall	\$ 28.75	\$ 2,932.50
Waihaorunga Hall	\$ 51.10	\$ 2,963.80
Glenavy Hall	\$ 34.50	\$ 9,349.50
Hunter Hall	\$ 35.00	\$ 2,555.00
Southburn Hall	\$ 46.00	\$ 3,450.00
Studholme Hall	\$ 28.75	\$ 2,012.50
Hook Hall	\$ 57.50	\$ 3,450.00
Kurow Memorial Hall	\$ 25.00	\$ 3,050.00
Willowbridge Hall	\$ 34.50	\$ 1,897.50
Waituna Creek Hall	\$ 35.00	\$ 4,410.00
Makikihi Hall	\$ 35.00	\$ 1,680.00
Otaio Hall	\$ 25.90	\$ 1,683.50
Lyalldale Hall	\$ 23.00	\$ 736.00
Bluecliffs Hall	\$ 46.00	\$ 2,392.00
Maungati Hall	\$ 35.70	\$ 2,106.30
Cattle Creek Hall	\$ 34.50	\$ 1,518.00
Total Revenue		\$ 53,477.60

Proposed Rates - Sample Properties

Proposed Rates changes - sample properties

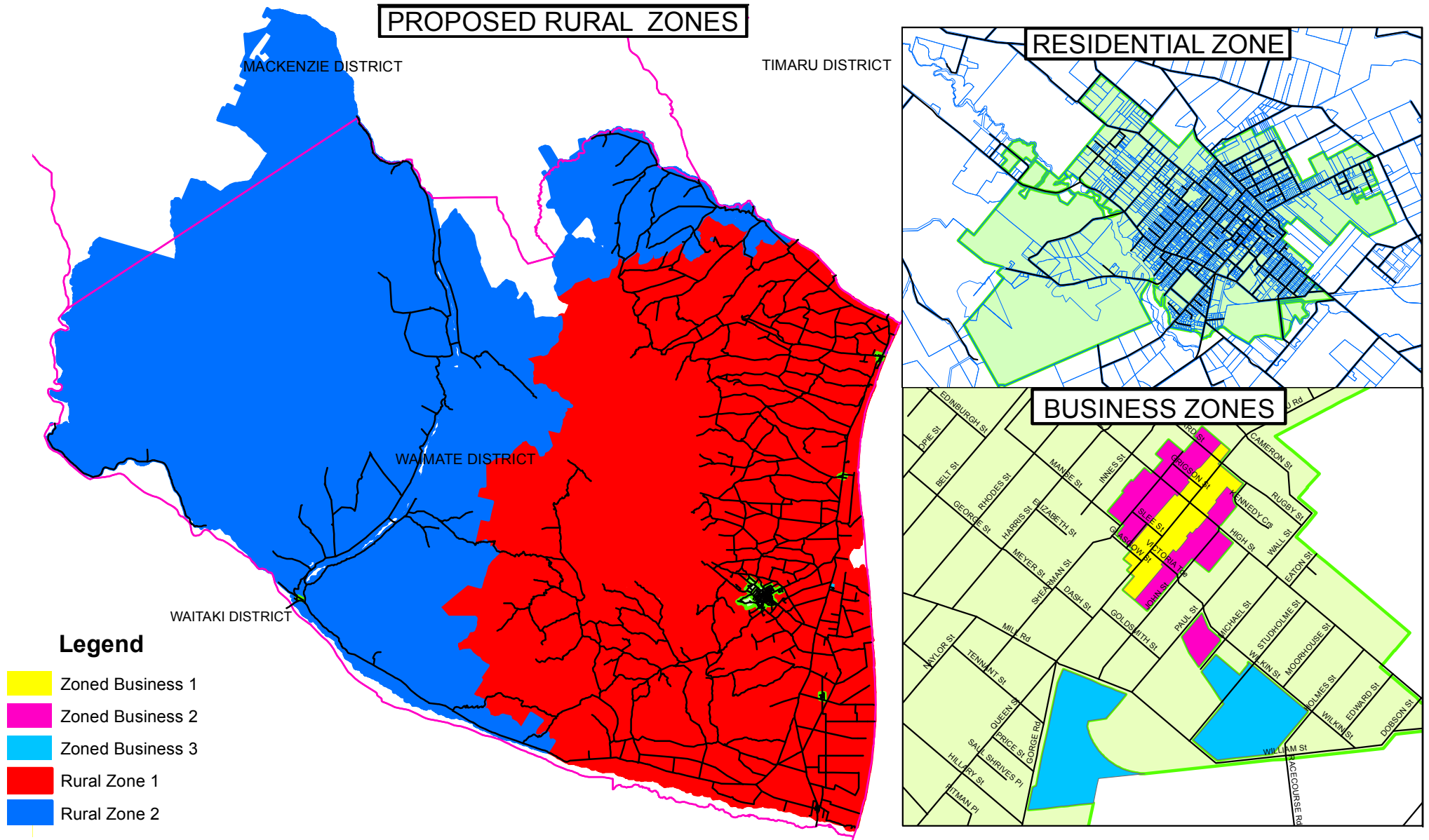
A selection of properties from throughout the Waimate District have been summarised to provide a guide of the value and percentage change to Rates for that property. It is important to note that these properties are a sample of the total rates database and do not cover all situations for ratepayers in 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 Rooding 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 **excluded** from the above values.

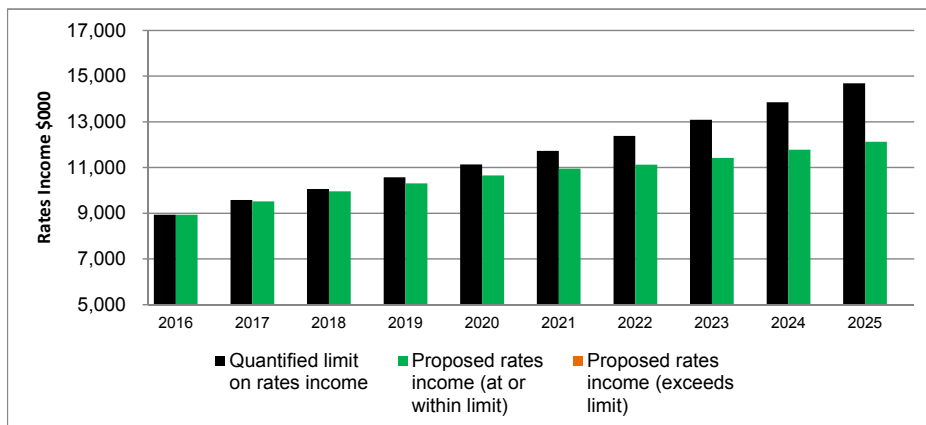
Proposed Rating Boundaries 1 July 2015



Disclosure Statements Prudential Reporting

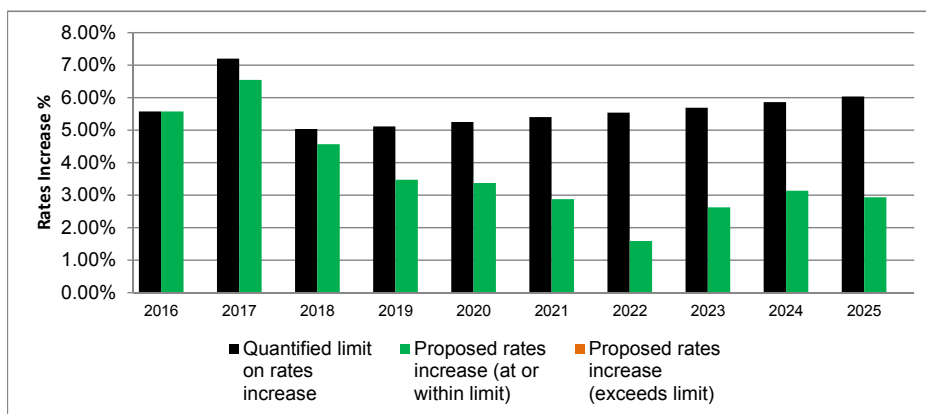
Rates (income) affordability

The following graph compares Council's planned rates income with the quantified limit on rates income contained in the Financial Strategy section within this Long Term Plan.



Rates (increases) affordability

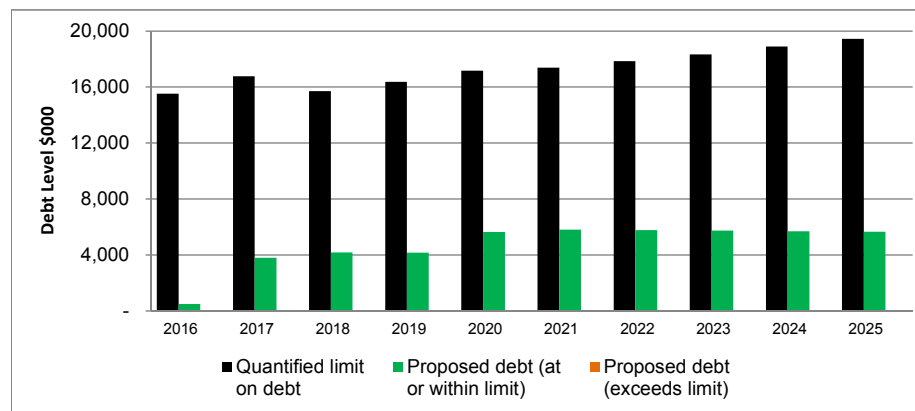
The following graph compares Council's planned rates increases with the quantified limit on rates increases contained in the Financial Strategy section in this Long Term Plan.



Debt affordability benchmark

Council meets the debt affordability benchmark if planned borrowing is within each quantified limit on borrowing.

The following graph compares Council's planned borrowing with the quantified limit on borrowing contained in the Financial Strategy section in this Long Term Plan.

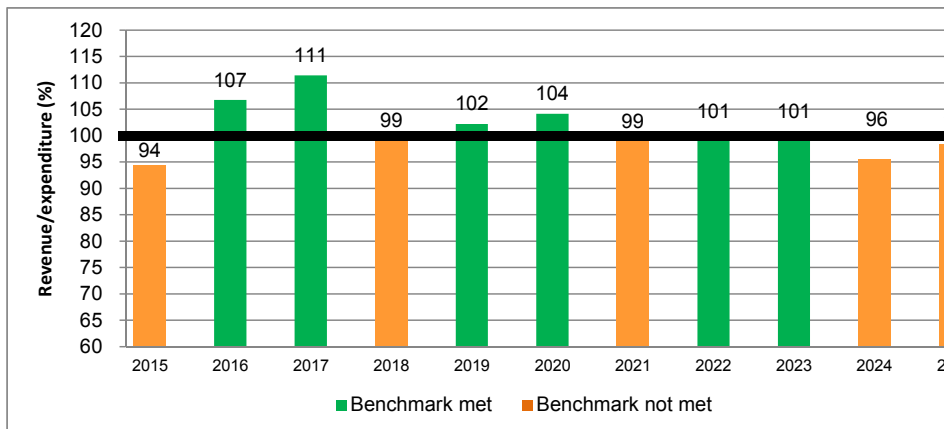


The quantified limit on debt that has been used is the projected Public debt (or Borrowings) levels for each year as contained within the Prospective Statement of Financial Position.

Balanced budget benchmark

Council meets the balanced budget benchmark if planned revenue is equal to or is greater than planned operating expenses.

The following graph displays Council's planned revenue (excluding development contributions, contributions, vested assets, gains on derivative financial instruments and revaluations of property or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment):



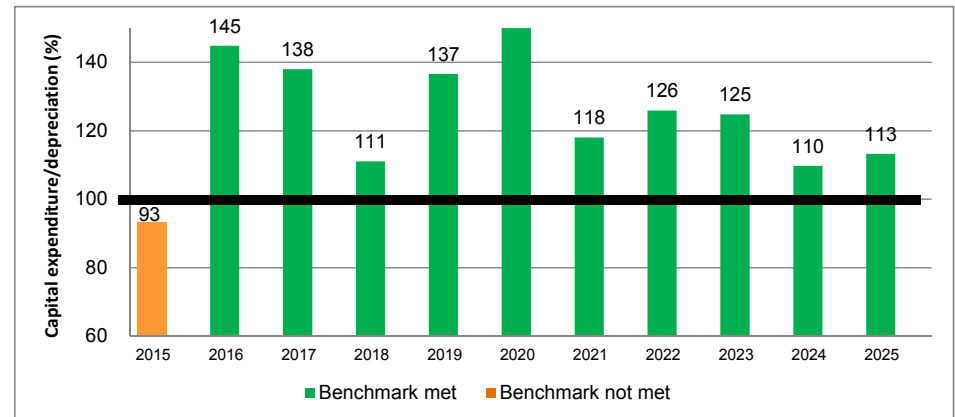
Council has previously decided not to fully fund the depreciation cost of specific assets. This may be for a number of different reasons: that Council has resolved not to replace the asset; that it is unfair to require ratepayers to pay for a new asset and its replacement; that annual maintenance will maintain the asset at a certain level; that Council can fundraise or borrow the funds in the future to replace the asset; that Council can 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 related to Capital Expenditure; Self funding activities that do not contribute to the rate or receive a rate all of which may be funded from reserve funds; forestry activity where harvest revenue may be outside the current 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 natural rate of expenditure to spread the funding over more than one year to manage the rating impact.

Essential services benchmark

Council meets the essential services benchmark if planned capital expenditure on network services (infrastructure related to: water supply; sewerage and treatment and disposal of sewage; stormwater drainage; flood protection and control works; and provision of roads and footpaths) is equal to or is greater than depreciation on those network services.

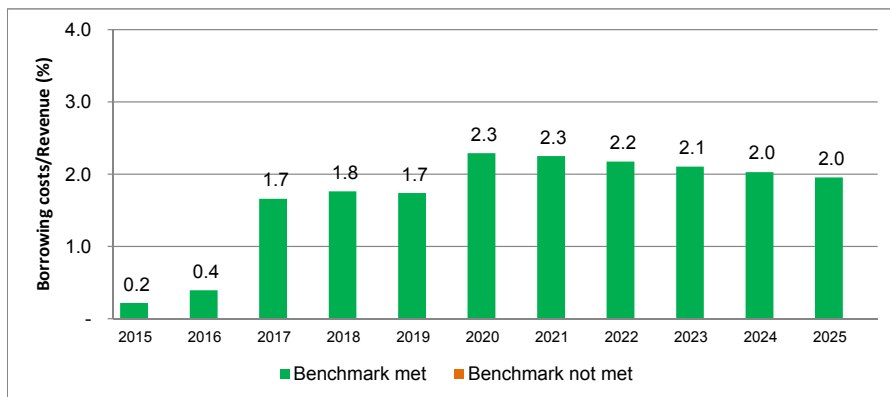
The following graph displays Council's planned capital expenditure on network services as a proportion of expected depreciation on those network services:



Debt servicing benchmark

Because Statistics New Zealand projects the district's population will grow more slowly than the national population growth, Council meets the debt servicing benchmark if planned borrowing costs are equal to or are less than 10% of planned revenue.

The following graph displays Council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant, or equipment):



Revenue and Financing Policy

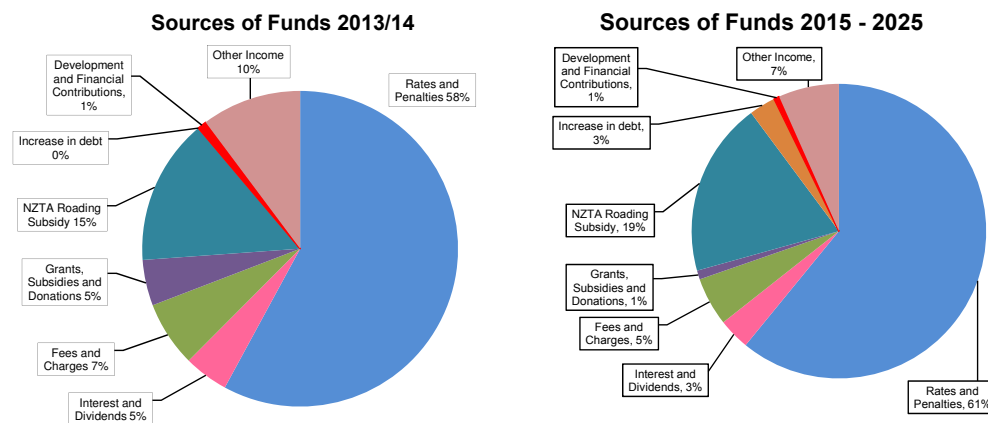
1. Purpose

The Revenue and Financing Policy summarises Council's view on the equitable funding of Council's activities. It addresses all potential revenue and funding sources open to Council and how and when Council uses these sources. In choosing funding sources Council takes account of many factors including community outcomes, benefit, affordability, equity, simplicity, efficiency, transparency, accountability and overall community wellbeing. It addresses Council's assessment of equity between current and future generations.

In Council's assessment this policy represents the fairest and most equitable use of the funding sources available to meet operating expenses.

The following table shows the sources of funds for the year ended 30 June 2014 compared with all 10 Years (2015/25) of this 10 Year Plan. It demonstrates that Council will get most of its revenue from rates, although is highly reliant on subsidy. The changes shown in the charts are not significant and reflect Council's business as usual approach.

Table 1. Overall Sources of Funds



2. Funding Principles

Council has determined the following basic principles to guide the assessment of fairness and equity in choosing funding sources:

1. Each generation of ratepayers should pay for the services they receive
2. Rates are the funding source of last resort
3. Rates increases should be within the limits as set in the financial strategy
4. User charges are preferred whenever a private benefit can be identified and it is efficient to collect the revenue
5. Subsidies, grants and other income options are fully explored prior to rates being used, and
6. Borrowing should be within the limits as set in the financial strategy

Complying with these principles can at times be challenging. Council must apply judgment in assessing many options to determine fairness in its development of budgets and the choice of funding sources to implement these budgets.

3. Operating Costs

Operating costs are the day to day spending that maintains the services delivered by Council. This includes a contribution to the wear and tear on assets used. Principle 1 (above) requires that operating costs should be met from operating income; a balanced budget. This ensures fairness, in that the users of the service pay for their use.

4. Operating Costs Funding Sources

User Charges

User charges are used for services where there is a benefit to an individual or group. The price of the service is set taking account of a number of factors. These could include:

- The cost of providing the service
- The estimation of the users' private benefit from using the service
- The impact the cost has to encourage or discourage behaviours
- The impact the cost has on demand for the service
- Market pricing, including comparability with other councils
- The impact of rates subsidies if competing with local businesses
- The cost and efficiency of revenue collection mechanisms
- The impact of affordability on users
- Other matters as determined by Council

Grants, Sponsorship and Subsidies

Grants, sponsorship and subsidies are used wherever they are available. Council expects to continue receiving substantial subsidies for road maintenance. Some services can only be continued so long as funding from this source continues. Council rarely budgets for grants income unless it has determined a likelihood of success in reaching the budget goal.

Investment income; Dividends, Interest

This includes income from investment activities such as dividends, interest, forestry returns and reserve funds. The income from these activities is generally used to offset the costs of the investing activity. Surplus revenues will be allocated by Council to operating or capital costs at each Annual Plan. For some activities Council applies funds from a Reserve Fund in order to reduce the rates contribution in that activity.

Investment income; Rents

Income from Council owned properties is recorded in the Community Property Activity. Income offsets the cost of operating these properties and should a surplus be achieved any portion of that surplus not required for reinvestment is distributed to general rate. Pensioner Housing surplus are placed in a reserve for Asset Renewal.

Rates

Having exhausted all other funding sources, Council funds its remaining operating expenses from rates. For many activities this is the main funding source (see Table 2), reflecting Council's view that the collective benefit to the District is greater than any identifiable individual benefit.

To assess the allocation of rates Council has reviewed each activity of Council and considered the following factors to determine the fairness of that allocation:

- Community outcomes
- Distribution of benefits to individuals, groups or the district as a whole
- When the benefit will occur
- The impact of individuals or groups on the need to undertake the activity
- The costs and benefits of funding the activity separately
- Affordability, transparency, accountability and overall community wellbeing

Having considered these factors Council recognises that rates are a tax on property owners and each property will use a different mix of services than represented by the rate charge.

In considering the overall impact of the liability to pay rates Council is of the view that it is not possible or fair to allocate the cost solely on individuals' benefits (i.e. as if rates replicated user pays). It is through the collective contribution of the whole district that the District is best able to develop and prosper.

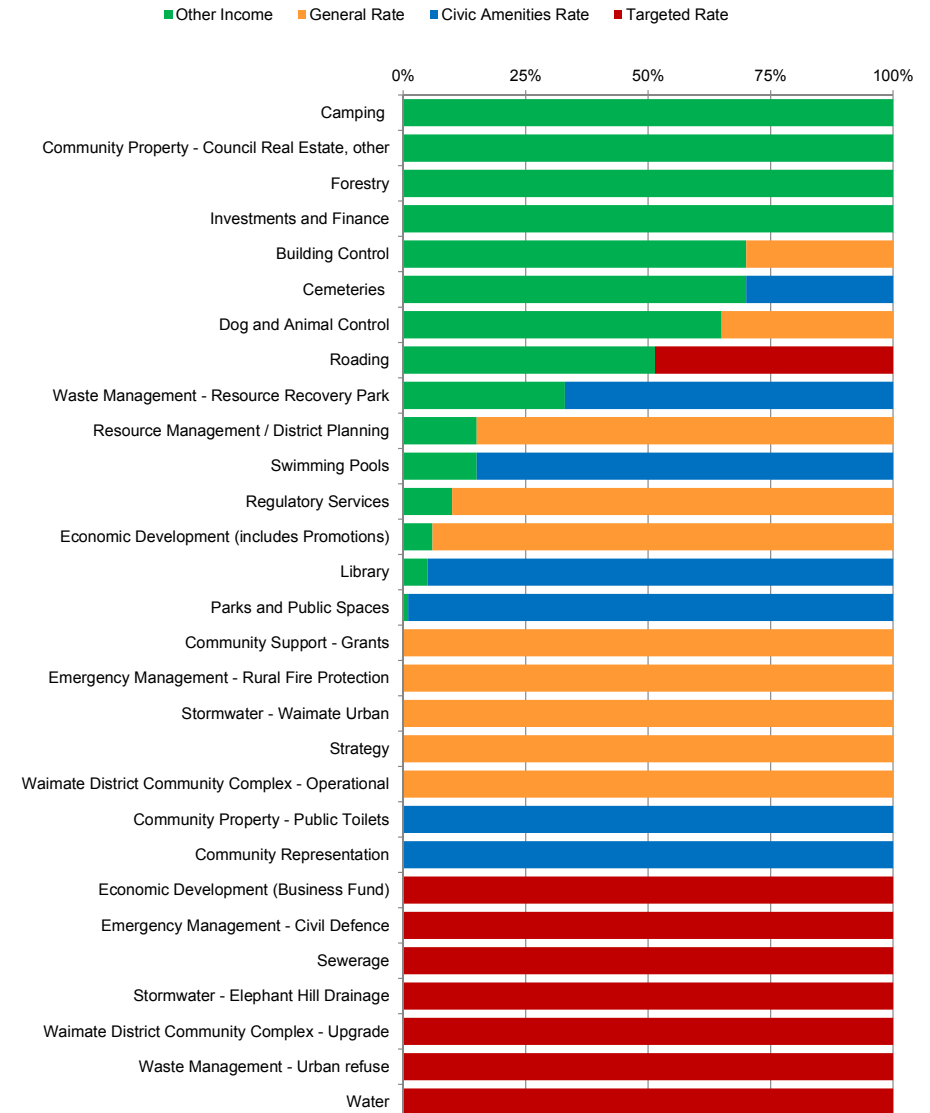
For these reasons Council prefers a general rate based system, supported by differentials between urban area and rural areas to provide a degree of balance to the imposition of the tax on rural properties with the perceived benefit that urban properties receive, mainly through proximity to services or to higher levels of service.

Council considers that a rating structure that fairly attributes user pays on appropriate activities and is also relatively easy for ratepayers to understand is preferable. To this end Council uses three main rates to fairly and equitably distribute the rate:

1. General rate - allocated on capital value,
2. Civic amenities rate - allocated as a uniform targeted rate, and
3. Targeted Rates - allocated based on usage or capital value as appropriate.

These rates are modified following a funding needs analysis of the share of each activity the Urban area and Rural areas should fairly pay.

Table 2 - List of Activities and Summary of Funding Sources



Targeted Rates

Council uses targeted rates to fund services where Council has determined the cost of the service should be targeted to the group that benefits much more than the general benefit most ratepayers receive. Targeted rates may be set on a uniform basis and/or a value basis (either land or capital).

Council uses “separately used or inhabited parts” of rating units for charging some rates. Council’s definition of this term is contained within the Funding Impact Statement.

Council does not set a Uniform Annual General Charge rate.

Details of the rates charged are included in the Funding Impact Statement.

Capital Costs

Capital costs, for the purpose of this policy, is spending on assets that provide the community with a service over a longer period of time than operating expenditure. Council owns \$395 million worth of assets and plans to spend \$59.2 million (between \$4.6 million and \$10.4 million each year) over the next 10 years on asset improvement.

Council has a mix of funding tools available to purchase and improve assets.

5. Capital Cost Funding Sources**User Charges**

User charges are used for services where there is a benefit to an individual or group. Generally user charges are not used to pay for asset purchases, as the amount to pay is unaffordable and generally the beneficiaries are many and change over the long period of the asset’s life. This makes user charges impractical and unfair. As such borrowing and charging users annually for financing costs using rates is often a more affordable method of charging users contribution.

Grants, subsidies, and other income

Grants and subsidies are used wherever they are available. Council expects to continue to receive substantial subsidies for the development of new and existing roads. Council looks to maximise the subsidies and grants that are available, at all times.

Grants are often available for capital projects. Council rarely budgets for grants income unless it has determined there is a strong likelihood of success in reaching the budget goal. Some capital projects are dependent on successful grant income for these projects to be undertaken.

Development and Financial Contributions

Council has adopted a development and financial contributions policy. The funds collected under this policy will be applied to the projects as identified by those policies or where not identified as resolved by Council. Funds are held in reserve should they be received in advance of a project.

Proceeds from the Sale of Assets

From time to time Council sells assets.

Property Reserve

When major asset sales are made Council will determine the best allocation of those funds taking account of the Financial Strategy. Some assets have restrictions on how the proceeds may be used; for example endowment property proceeds must be placed in the District Endowment Reserve Fund.

Borrowing

For larger capital costs that provide a long term benefit to the community Council may determine that borrowing the funds is the fairest method of allocating the costs of a project over time to users. The financing costs (including principal and interest) are charged as operating expenses and funded under the operating expense funding policy unless funded otherwise as determined by this policy.

Council will manage its borrowing within Council’s rate and debt limits as defined in the Financial Strategy.

Reserves

From time to time Council will have reserve funds accumulated specifically for the purchase of assets. Council allocates portions of the funds to asset purchase in accordance with the purpose of the fund. In making the allocation Council will have regard to current and future calls on the fund and make allocations that are fair to current and future ratepayers.

Rates

Rates are used firstly to fund the day to day expenses of Council. This normally includes funding an annual amount (depreciation) toward the ongoing replacement of existing assets, and the funding of its financing costs on debt created to purchase assets.

As a last resort, rates may be required to fund the balance of the capital cost of a new asset. Council will make an assessment on each major project and determine:

- How much the rates contribution will be
- Which group of ratepayers should pay
- Whether to include that in the General Rate or some other targeted rate as determined by Council

Council may consider the establishment of targeted rates to collect funds to repay loans. In doing so Council will also consider the options for remission, postponement, early repayment or lump sum repayment that are available to assist with the fair allocation of the rates.

6. Additional Information

This policy represents the high level revenue and financing policies of Council. Council has separately completed a Funding Needs Analysis (S101 (3) LGA) for each activity and major capital project. Further information relevant to this policy is contained in the Financial Strategy, Rating Policies and Funding Impact Statement.

The current S101 analysis giving rise to the rates allocation by activity and differential is attached in the next table.

2015-16 LONG TERM PLAN

Proposed Funding Civic Amenities charges per rateable property	User Pays	Rate payer Funded	General Rate				Roading/Civil Defence/Business Development - Targeted Rate						Civic Amenities Target Rate				Services Target Rate			Flat Rate-Community Complex	Total			
			Urban	Rural 1	Rural 2	Electricity generators and other transmission providers	Forestry operators and forest blocks	Urban	Business 1 and Business 2	Rural 1	Rural 2	Electricity generators and other transmission providers	Forestry operators and forest blocks	Urban	Business 1 and Business 2	Rural 1	Rural 2	Electricity generators and other transmission providers	Forestry operators and forest blocks	Urban		Rural	Both Urban and Rural	UAC
Property and Investments																								
Forestry	100%	0%																						0%
Investments and Finance	0%	100%	40.0%	45.9%	7.6%	6.4%	0.2%																	100%
Community Property - Council Real Estate, other	0%	100%	40.0%	45.9%	7.6%	6.4%	0.2%																	100%
Community Property -Public Toilets	0%	100%												34.0%	15.0%	46.4%	4.6%	0.0%	0.0%					100%
Waimate District Community Complex - operational	0%	100%	40.0%	57.2%	2.8%	0.0%	0.0%																	100%
Environmental Services																								
Building Control	70%	30%	10.0%	77.3%	12.7%	0.0%	0.0%																	100%
Regulatory Services	10%	90%	40.0%	51.5%	8.5%	0.0%	0.0%																	100%
District Planning	15%	85%	10.0%	64.4%	10.6%	15.0%	0.0%																	100%
Emergency Management - Civil Defence	0%	100%						10.1%	0%	63.8%	10.5%	15.5%	0%											100%
Emergency Management - Rural Fire Protection	0%	100%	0.0%	76.4%	12.6%	10.7%	0.3%																	100%
Dog and Animal Control	65%	35%	10.0%	77.3%	12.7%	0.0%	0.0%																	100%
Governance and Leadership																								
Community Representation	0%	100%												42.1%		41.2%	6.9%	9.5%	0.3%					100%
Strategy	0%	100%	30.0%	60.1%	9.9%	0.0%	0.0%																	100%
Managing Services	100%	0%																						0%
Community Services																								
Economic Development (includes Promotions)	6%	94%	40.0%	51.5%	8.5%	0.0%	0.0%																	100%
Econ Dev (Business Development Fund only)	0%	100%						100%																100%
Community Support - Grants	0%	100%	40.0%	51.5%	8.5%	0.0%	0.0%																	100%
Waimate District Community Complex - refurbishment	0%	100%																						100%
Library	5%	95%												49.3%		48.3%	2.4%	0%	0%					100%
Parks and Recreation																								
Camping - Waitaki Lakes	100%	0%																						0%
Camping - All except Waitaki Lakes	100%	0%																						0%
Cemeteries	70%	30%												46.7%	45.7%	7.6%	0%	0%						100%
Parks and Public Spaces	1%	99%												46.7%	45.7%	7.6%	0%	0%						100%
Swimming Pools	15%	85%												50.0%	45.4%	4.6%	0%	0%						100%
Roading																								
Roading	48%	52%						9.5%	0%	60.1%	9.9%	15.5%	5.0%											100%
Utilities																								
Sewerage and Waste Water treatment Waimate Urban	0%	100%																		100%	0%			100%
Stormwater- Waimate Urban	0%	100%	95.0%	4.3%	0.7%	0%	0%																	100%
Stormwater- Elephant Hill Drain	0%	100%																		0%	100%			100%
Waste Management - Urban refuse/Refuse Collection	n/a	100%																				100%		100%
Waste Mgt - Greenwaste																								
Waste Management - Recycling	n/a	n/a																						
Waste Management - Resource Recovery Park	33%	67%												60.0%	34.3%	5.7%	0%	0%						100%
Rural Water Supplies Managed by Council																								
Hook/Waituna - Irrigation is 55% of Domestic Supply	100%	0%																		0%	100%			100%
Otaio/Makikihi	100%	0%																		0%	100%			100%
Waihaorunga	100%	0%																		0%	100%			100%
Cannington/Motukaika	100%	0%																		0%	100%			100%
Lower Waihao	100%	0%																		0%	100%			100%
Waikakahi	100%	0%																		0%	100%			100%
Cattle Creek Water Supply	0%	100%	0%	85.8%	14.2%	0%	0%																	100%
Downlands Water Supply	100%	0%																						100%
Hakataramea Water Supply	0%	100%	0%	85.8%	14.2%	0%	0%																	100%
Waimate Urban Water Supply	100%	0%																		100%	0%			100%

Supporting information to these funding allocations can be found in the Funding Needs Analysis document

Financial Contributions Policy

Council has reviewed opportunities to rationalise contributions payable towards provision of services such as sewerage, water supply, roading stormwater, open space and recreation and has decided that:

- Contributions associated with new development and subdivision, are to continue to be obtained through financial contributions provisions in the Waimate District Plan which became operative on 28 February 2014.
- Connection fees to existing services such as sewerage, water supply and stormwater are listed in the Schedule of Fees and Charges
- Council does not collect development contributions

1. Purpose

To outline the approach Council uses for assessing any financial contributions to help provide appropriately for reserves, network infrastructure, and/or community infrastructure.

2. Background

Development contributions are set under the Local Government Act 2002. Financial contributions are set under the Resource Management Act 1991 and are stipulated in the District Plan. The provisions in this plan are unchanged provisions from the current operative District Plan.

Council has considered its options for funding new assets under its Revenue and Financing Policy and applied that through the Long Term Plan. This policy summarises the assets that are proposed to be purchased or developed in the Long Term Plan 2015-25 and how they are funded.

The revenue expected to be collected over the next 10 years is reconciled to the Financial Statements in the Long Term Plan as are the movements in the Financial Contributions Reserves.

3. Scope

The policy is applied by Council's Community, Planning and Development Department, in order to assess if any contributions are required, according to the District Plan.

4. Responsibility

Responsibility to implement this policy lies with Council's Community, Planning and Development Department.

5. Policies

5.1 Capital Expenditure for Growth

The following table lists the capital expenditure for growth, for each Activity Group. The table also shows the funding sources for these assets which Council has budgeted for in the Long Term Plan 2015-25.

Activity	Description	2015-25 Total Amount	Funding Source
Cemetery	Cemetery Extension	\$55,000	Rates
Sewerage and Sewage	Mill Road Extension	\$546,000	Rates

All financial contributions collected are placed in one of the RMA contributions Reserves and are allocated by Council resolution or through a Long Term or Annual Plan.

5.2 Funding Needs Analysis

These projects have been funded in accordance with Council's Revenue and Financing Policy, as contained in the Long Term Plan 2015-25.

Section 101(3) of the LGA 2002 requires that the following be considered:

The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of,-

- a) *in relation to each activity to be funded,-*
 - (i) *the community outcomes to which the activity primarily contributes; and*
 - (ii) *the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and*

- (iii) *the period in or over which those benefits are expected to occur; and*
- (iv) *the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and*
- (v) *the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and*

b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.

Responses to these requirements in relation to the Financial Contributions Policy are:

Community outcomes

This policy contributes to:

- District assets that provide recreation and leisure choice
- Our services, infrastructure and environment maintains quality of life
- A District that provides infrastructure for economic activity.

Distribution of benefits

Council apportions all capital expenditure into the classifications of growth, renewal, and level of service, by the areas of benefit. This apportionment represents the distribution of benefit to the community as a whole, to identifiable parts of the community and to individuals.

Period over which the benefits are expected to occur

Once a financial contribution has been paid in relation to a subdivision or development, the benefits of the asset, service, or environmental enhancement is expected to be on going and should occur indefinitely.

Action or inaction that contributes to the need for this activity

The provision of assets, services, or environmental standards that promote the community outcomes may not be willingly provided by the development community. In addition Council is often the only viable supplier (often legally required to provide services) of these services and therefore Council has a moral and legal obligation to supply additional assets, services to meet the new community needs.

Costs and benefits of funding this activity

The benefits to the existing community are significantly greater than the cost of policy making, calculations, collection, accounting and distribution of funding for development and financial contributions.

Allocation of liability for revenue needs

The liability for revenue falls directly with the development community. At the effective date of this policy, Council does not perceive any impact on the social, economic, environmental and cultural well-being of this particular sector of the community. At any stage in the future where there may be impacts of this nature, Council may revisit this policy.

5.3 Overview of financial, open space and esplanade provisions

The terms by, and for, which financial contributions are charged are specified in the District Plan. The following provides a high level summary of those most common provisions. For full understanding of these provisions they must be read in the context of District Plan and Resource Management Act 1991.

Extracted from the Waimate District Council District Plan which became operative from 28 February 2014.

References are to the District Plan document.

Activity Development	Subdivision	Residential, Commercial, Industrial, Recreational, Community, Visitor Accommodation, Valued over \$2 million	Utilities (excluding network Utilities) valued over \$2 million
Financial Contributions			
Provision and Maintenance of Land and Facilities for Open Space and Recreation	Cash contribution for residential subdivision: <ul style="list-style-type: none"> • 5% in residential zones • \$1,500 per lot in rural zones Process: Specified as a condition of the subdivision consent. If wish to pay less then a discretionary activity.	Cash contribution: <ul style="list-style-type: none"> • 1% of value up to \$100 million • then 0.5% thereafter Process: Payable at time of up-lifting building consent. If wish to pay less then a discretionary activity.	Cash contribution: <ul style="list-style-type: none"> • 0.3% of value up to \$100 million • 0.025% between \$100 million and \$600 million • then 0.02% thereafter Process: Payable at time of up-lifting building consent. If wish to pay less then a discretionary activity.
Stormwater Disposal	Financial contribution can be required for stormwater disposal including connection fees (Rules 1.4.2 and 1.5.2) Process: Conditional on subdivision consent.		Contributions required if exceed existing coefficient. Process: Determined through separate Controlled Activity resource consent
Water Supply	Financial contribution for water supply including connection fee but excluding capital contributions (Rules 1.4.1 and 1.5.1) Process: Conditional on subdivision consent.		Contributions required if connecting to reticulated supply with pipes > 25mm. Process: Determined through separate Controlled Activity resource consent.

Activity Development	Subdivision	Residential, Commercial, Industrial, Recreational, Community, Visitor Accommodation, Valued over \$2 million	Utilities (excluding network Utilities) valued over \$2 million
Sewage Disposal	Financial contribution for sanitary sewage provision including connection fees, but excluding capital contributions (Rules 1.4.3 and 1.5.3) Process: Conditional on subdivision consent.		Contribution required if need connection to reticulated system (other than from staff ablutions). Process: Determined through separate Controlled Activity resource consent.
Property Access	Financial contribution for property access other than as provided in rules (Rules 1.4.4 and 1.5.4) Process: Conditional on subdivision consent.		Contribution required for road widening, construction and/or formation where access doesn't meet standards in District Plan. Process: Determined through separate Controlled Activity resource consent.
Esplanade Provision	Esplanade strip of 20m required in Rural Zone on listed rivers (Rule 9.3). Esplanade strip or reserve may be required for lots > 4ha depending on volumes (Rule 9.3) Esplanade strip of 20m required in Rural Zone where lot less than 4ha and adjoining coast, lake or river (Rule 9.3) Process: Specify as a condition of subdivision consent		Possible esplanade provision for lots less than 4ha adjoining coast, lake or rivers. Process: Controlled Activity resource consent (Rule 4).



Rates Remission Policy

1. Qualification

The Rates Remission policy of Council is adopted pursuant to sections 102 (5), and 109 of the Local Government Act 2002.

2. Purpose

The purpose of this policy is to provide rates relief through remissions to enable a fairer allocation of rates having regard to the districts social, cultural, environmental and economic wellbeing. Parts of this policy extends the non-rateable provisions of schedule 1 of the Local Government (Rating) Act 2002.

This policy applies to the following types of rating units:

- Community and Cultural organisations
- Halls and Community Centres
- Sporting Clubs
- Land upon which the occupier has voluntarily preserved or enhanced natural, historical or cultural features
- Deceased estates
- Civic Amenities Rate on Glenavy River Camp and Pareora River Huts
- Rural land within the Urban Differential boundary
- Community Housing
- Natural Calamity or Fire
- Penalties upon rates in circumstances where the ratepayer has agreed to and abided by the terms of an arrangement acceptable to Council
- Rates Penalty

3. Scope

This policy applies to any rate charges remitted by Council.

4. Responsibility

This policy shall be implemented by Council's Chief Financial Officer and Rates Officer. Council may from time to time resolve to confirm the applicability of a new applicant in terms of this policy.

5. Specific Policies

5.1 Halls and Community Centres - Waimate Urban Ward

Council will remit 50% of the General Rates, 50% of the Targeted Rate Roading and Footpaths, 50% of the Targeted Rate Civil Defence, and 50% of the Sewer Charge for all qualifying Halls and Community Centres within the Waimate Urban Ward. These Halls and Community Centres are identified as follows:

Churches

Presbyterian Church and Hall	Shearman Street.
Jehovah's Witness Church and Hall	Leonard Street.
Assembly of God Church and Hall	Queen Street.
Salvation Army Church and Hall	Queen Street.
Methodist Church and Hall	Glasgow Street.
Catholic Church	Timaru Road
Anglican Church	John Street
Catholic Church	St Andrews

Halls

Vintage Car Club	Harris Street.
Waimate Bridge Club	Augustine Street.
Waimate Croquet Club	Shearman Street.
Waimate Senior Citizens Club	Shearman Street.

Public Halls

Silver Band Hall	High Street.
Highland Pipe Band	Paul Street.
St Augustine Masonic Lodge Hall	Leonard Street.
St John Hall / Rooms	Shearman Street.

Liquor Licences

Council will not provide any remission of rates on clubs and organisations holding a liquor licence(s).

This remission will be funded from within the General Rate Urban, Targeted Rate Roading and Footpaths Urban, Targeted Rate Civil Defence Urban, or Sewer Rate as appropriate.

5.2 Halls and Community Centres Outside of the Waimate Urban Rating Area Qualifying for Rates Remissions

Council will remit 50% of the General Rates, 50% of the Targeted Rate Roading and Footpaths, and 50% of the Targeted Rate Civil Defence on the following qualifying Halls and Community centres outside of the Waimate Urban rating area:

Arno Hall	Arno
Atwill Park Scout Camp	Kelceys Bush
Blue Cliffs Hall	Blue Cliffs
Cattle Creek Hall	Cattle Creek
Glenavy Hall	Glenavy
Hook Hall	Hook
Hunter Hall	Hunter
Ikawai Hall	Ikawai
Lyalldale Hall	Lyalldale
Makikihi Hall	Makikihi
Maungati Church and Hall	Maungati
Otaio Hall	Otaio
St Andrews Hall	St Andrews
Southburn Hall	Southburn
Studholme Hall	Studholme
Waituna Hall	Waituna
Waihaorunga Hall	Waihaorunga
Willowbridge Hall	Willowbridge

This remission will be funded from within the General Rate Rural 1, General Rate Rural 2, Targeted Rate Roading and Footpaths Rural 1, Targeted Rate Roading and Footpaths Rural 2, Targeted Rate Civil Defence Rural 1, or Targeted Rate Civil Defence Rural 2 as appropriate.

5.3 Regent Theatre

Council will remit all rates on the Regent Theatre excluding that portion which is leased to a private concern.

This remission will be funded from within the General Rate Urban, Targeted Rate Roading and Footpaths Urban, Targeted Rate Civil Defence Urban, Water Scheme Urban, or Sewer Rate as appropriate.

5.4 Land Upon which the Occupier has Voluntarily Preserved or Enhanced Natural Historical or Cultural Features

Council will grant full remission of the General Rate, Targeted Rate Roading and Footpaths, and Targeted Rate Civil Defence where application is made to Council and Council is satisfied that the owner of the land has voluntarily preserved or enhanced natural, historical or cultural features of the land. Council may also consider the extent to which public access to the land is provided by the landowner and the extent to which commercial gain is derived by the landowner.

This remission will be funded from within the General Rate Urban, Targeted Rate Roading and Footpaths Urban, Targeted Rate Civil Defence Urban, General Rate Rural 1, General Rate Rural 2, Targeted Rate Roading and Footpaths Rural 1, Targeted Rate Civil Defence Rural 1, Targeted Rate Roading and Footpaths Rural 2, and Targeted Rate Civil Defence Rural 2 as appropriate.

5.5 To Provide for Remission of Rates Penalties in Certain Circumstances where the Ratepayer is a Deceased Estate

In order to codify a reasonable and long standing custom and practice, Council resolves that in the case of a deceased estate, upon receipt of a letter from a Solicitor who has been granted probate, that while the winding up of the affairs of the estate are in progress and that Council may expect full payment of rates charges outstanding within three months from the date of the letter, Council may remit rates penalties from time of death.

This remission will be funded from within the rate type where the remission is granted.

5.6 Civic Amenities Rates Remission on Glenavy Fishing Camp and Pareora River Huts

This remission provides relief to Glenavy Fishing Camp and Pareora River Huts recognising their special circumstances and uniqueness within the District.

Council shall remit 0% of Civic Amenities Charges (per separately used or inhabitable part) at the Glenavy Fishing Camp, 449 Fisheries Road, Glenavy and Pareora River Huts, 1538 Pareora River Road. The level of remission will be reviewed at each LTP.

This remission will be funded from within the Civic Amenities Rate Rural 1, or Civic Amenities Rate Rural 2, as appropriate.

This remission is being removed from and including 1 July 2015.

5.7 Glenavy Hall Rate Remission for Glenavy Fishing Camp

This remission provides relief to the Glenavy Fishing Camp for the Glenavy Hall Rate as the Glenavy Fishing Camp have their own communal Hall at the Camp.

For the 2013/14, and 2014/15 financial years Council shall remit 100% of the Glenavy Hall Rate for the Glenavy Fishing Camp, 449 Fisheries Road, Glenavy and from 1 July 2015 Council shall remit two-thirds of the Glenavy Hall Rate for the Glenavy Fishing Camp, 449 Fisheries Road, Glenavy. This remission will not be funded from other Glenavy Hall rate ratepayers.

5.8 General Rate Remission – Urban Differential

This remission provides relief to large property owners within the general rate urban area boundary that would otherwise make an unfair contribution to the rates allocated to the urban area. This relief is given by remission to approximate the general rate rural differential.

Rating Units liable to be assessed on the General Rate Urban Differential that are greater than 20 hectares shall receive a partial remission of the general rate.

The remission will be calculated:

- A. Capital value of rating unit divided by area of land.
- B. Area of land greater than 20ha multiplied by A.
- C. General Rate Urban Differential less General Rate Rural Differential.
- D. Remission equals B multiplied by C.

This remission will be funded from within the General Rate Urban.

5.9 Targeted Roding and Footpaths Rate Remission – Urban Differential

This remission provides relief to large property owners within the Targeted Roding and Footpaths Rate Urban area boundary that would otherwise make an unfair contribution to the rates allocated to the urban area. This relief is given by remission to approximate the Targeted Roding and Footpaths Rate Rural 1 differential.

Rating Units liable to be assessed on the Targeted Roding and Footpaths Rate Urban Differential that are greater than 20 hectares shall receive a partial remission of the Targeted Roding and Footpaths Rate.

The remission will be calculated:

- A. Capital value of rating unit divided by area of land.
- B. Area of land greater than 20ha multiplied by A.
- C. Targeted Roding and Footpaths Rate Urban Differential less Targeted Roding and Footpaths Rate Rural 1 Differential
- D. Remission equals B multiplied by C.

The remission will be funded from within the Targeted Roding and Footpaths Rate Urban.

5.10 Targeted Civil Defence Rate Remission – Urban Differential

This remission provides relief to large property owners within the Targeted Civil Defence Rate Urban area boundary that would otherwise make an unfair contribution to the rates allocated to the urban area. This relief is given by remission to approximate the Targeted Civil Defence Rate Rural 1 differential.

Rating Units liable to be assessed on the Targeted Civil Defence Rate Urban Differential that are greater than 20 hectares shall receive a partial remission of the Targeted Civil Defence Rate.

The remission will be calculated:

- A. Capital value of rating unit divided by area of land.
- B. Area of land greater than 20ha multiplied by A.
- C. Targeted Civil Defence Rate Urban Differential less Targeted Civil Defence Rate Rural 1 Differential
- D. Remission equals B multiplied by C.

The remission will be funded from within the Targeted Civil Defence Rate Urban.

5.11 Waimate District Community Complex Rate Remission – Waimate District Rural Hall

This remission provides relief to Rural Hall Ratepayers, where the Rural Hall is within the Waimate District Boundary, recognising that they are contributing to both their Hall and the Waimate District Community Complex.

This remission applies from when the Waimate District Community Complex rate is increased to provide funding for the repayment of principal and interest on the refurbished Waimate District Community Complex.

Council shall remit 25% of Waimate District Community Complex Charges (per separately used or inhabitable part) where a Rural ratepayer is contributing to both their local Hall (that must be within the Waimate District Boundary) and also to the Waimate District Community Complex. The level of remission will be reviewed at each LTP.

This remission will be funded from within the Waimate District Community Complex Rate.

5.12 Community Housing – Waimate District Council

This remission provides relief to Community Housing recognising their special circumstances and uniqueness within the District.

Council shall remit 50% of Civic Amenities Charges (per separately used or inhabitable part) at the Community Housing, 8 – 16 Kennedy Crescent, Waimate. The level of remission will be reviewed at each LTP.

This remission will be funded from within the Civic Amenities Rate Urban.

5.13 Rating Units affected by Natural Calamity or Fire

This remission provides relief to the ratepayer where there is significant loss incurred due to a natural calamity, such as earthquake, flood or wildfire, and fire (not deliberately lit by the owner, occupier or related party).

Council may, on written application, remit wholly or in part, any rate or charge, where in the opinion of Council or its delegate it is fair and reasonable to do so, taking account of the individual ratepayers circumstances and the impact on the district.

This remission will be funded from within the rate type where the remission is granted.

5.14 Penalties on Rates in Circumstances where the Ratepayer has agreed to and abided by the Terms of an “Arrangement” acceptable to the Waimate District Council

While any Ratepayer who has a repayment plan acceptable to Council and continues to make regular payments over defined periods of not greater than 18 months, Council will:

Hold the charging of any further penalties and on completion of the payments as agreed between Council and the Ratepayer, remit in total the penalties as charged by Council.

This remission will be funded from within the rate type where the remission is granted.

5.15 Rates Penalty

That once every 5 years, a Ratepayer, provided he or she pays rates within ten working days of the instalment penalty due, be allowed automatic remission of penalties.

This remission will be funded from within the rate type where the remission is granted.

Significance and Engagement Policy

1. Purpose

Waimate District Council has developed the Significance and Engagement Policy (the Policy) to determine the significance of issues within the District, and how to align our engagement with the public based on the degree of significance of the issue. The Policy aligns with the provisions of the Local Government Act 2002 (the Act).

This policy exists to:

- Inform you about what you, the public, can expect from the Waimate District Council regarding community engagement and the ways you can influence and participate in the decision-making of the Council.
- To provide Council with a tool that guides the assessment of significance during decision-making. A decision on significance and engagement provides direction on the level of community engagement that might be desirable to enable Council to develop a clearer understanding of community views and preferences on an issue or proposal.

2. Determining Significance

In considering whether any issue, proposal, decision or other matter is of significance under this policy Council will be guided by the following matters:

Criteria	Measure
The degree to which the issue affects the District	Major and long term effect on one or more town/ward/District
The degree to which the issue affects the community	Major and long term effect a Demographic/Community/District
The degree to which the issue affects the level of service of a significant activity	Results in isolation or limited access to core services
The degree to which the issue has a financial impact on Council or the rating levels of its communities	>10% of Council revenue (exclusive of investment assets)
The degree to which the issue has cultural relevance	Major and long term effect on an ethnicity, religion or culture

A matter will be considered significant when one or more of the above criteria are met.

If an issue exceeds one or more of the above criteria measures, the matter is more likely to have a high degree of significance. Similarly, other matters to take into account when determining significance can include the reversibility of the decision; the degree to which the decision promotes the vision, mission and/or values of Council; and the impact on rates and/or debt.

While this Policy sets out distinct financial thresholds, there may be financial decisions that do not trigger these thresholds but need to be considered as significant due to triggering some or all of the other criteria listed.

Decisions will be made with sensitivity to a decisions potential impact on, and interest held within, the community.

Generally the greater the amount of money concerned the higher the impact on the community, a higher degree of public interest, and therefore a higher degree of significance. However, this is not necessarily definitive. There may be some cases in which small financial transactions may attract great public interest, while some large financial transactions may accrue very little attention at all.

Council may take into account knowledge it has previously gained about community opinion eg, community plans, community outcomes, previous public debate, media coverage and public submissions to assess significance.

3. Strategic Assets

In respect to “strategic assets”, a key consideration is whether the assets are essential to the continued delivery of an “outcome” that Council considers important for the well being of the community. Decisions to transfer ownership or control of a strategic asset to or from Council or to construct, replace or abandon a strategic asset cannot be made unless they are first included in the Long Term Plan.

For the purpose of section 76AA(3) of the Act, Council considers the following assets to be strategic assets:

Strategic Assets	Strategic Assets
Cemeteries	Regent Theatre
Community Housing	Sewerage Networks and Treatment Plants
Local Government Centre	Stormwater Networks
Norman Kirk Memorial Pool	Waimate Public Library - building and collections
Parks and Reserves	Waimate Sports Stadium
Public Toilets	Water Treatment, Storage and Supply Networks

4. Procedure for guiding the determination of significance and engagement

Procedure for guiding the determination of significance and engagement

The following will be applied:

- If the decision is considered to be significant, reports will include a statement indicating why the matter is considered to be significant. This statement will include an explanation of which assessment criteria had been triggered, the potential implications of the decision, the range of community views that might exist and whether there is a need for a further degree of community engagement before a final decision is made. Where the proposal or decision is considered to be significant, the report will also include a statement addressing the appropriate observance of sections 77, 78, 80, 81, 82 and 82A of the Act as applicable, together with the corresponding degree of community engagement considered.
- Assessments will be conducted in accordance with the relevant section of this Policy and will require the application of professional judgement.
- Council staff will be responsible for assessing and recommending to Council whether or not engagement is required and if so the degree of engagement that will be undertaken. These staff will be guided firstly by legislation and secondly by the significance of the matter.

4.1 Engagement

The level of engagement undertaken will reflect the level of significance Council applies to an issue. For example, an issue that has a high degree of significance will require a high level of engagement with the public. The method of engagement will differ for each issue depending on location, level of significance, and community preferences.

Engagement provides an opportunity for the public to express a view on the decision or proposal being considered by the Council. The community views expressed through an engagement process will be considered and taken into account, along with other information such as costs and benefits, legislative requirements and technical advice. Engagement may not necessarily result in a win/win situation, complete agreement or consensus. However, engagement should allow all relevant views and options to be identified and then considered before a decision is made.

Community engagement can allow for an exchange of information, points of view and options for decisions between affected and interested people and decision-makers before a decision is made.

It does not mean that the decision will be delegated to those involved in the engagement process. It means that the decision made will have been informed and improved by the public's involvement

4.1.1 Methods of Engagement

Many methods of engagement can be used by Council, subject to the degree of significance of the issue. It is essential that Council does not use a homogenous approach to engagement, and utilises engagement tools appropriate to the location, significance of the issue, and community affected. A broad spectrum of engagement is found in Appendix 2: Community Engagement Spectrum; however, this is a guideline to approaching engagement and does not limit Council to these methods or degree of engagement. Similarly, Appendix 3: Toolbox for Engagement guides methods of engagement currently undertaken; however, Council is not limited to these methods of engagement.

When engaging with the community, Council should consider the varied interest groups within society, including but not limited to: cultural and ethnic groups, the whole District, specific communities, wards, youth, older generations, businesses, and specific interest groups.

Committees of Council and elected bodies are to be used as part of Council's engagement network, to advocate on behalf of their communities to Council on Council issues including policy and decision-making.

They are also the first point of call for Council and Council staff to assess the degree of interest and engagement a community may have with an issue, as part of determining the significance of the issue.

Council should be informing, consulting with, involving, collaborating and/or empowering residents and ratepayers to be engaged with Council decision-making.

Council will be open to new and developing methods of engagement through the use of technology and innovation.

4.1.2 When Council will Engage

Council will apply the principles of section 82 of the Act when determining engagement.

See Appendix 1: Significance and Engagement Flowchart for process guidelines.

- (a) When legislation requires that consultation be undertaken:

The Council will consult when it has a legislative requirement to consult (as set out by the Local Government Act 2002, Resource Management Act 1991, Reserves Act 1977, Land Transport Management Act 2003). Examples of these areas are: the adoption and amendment/s to the Long Term Plan; adoption and amendment/s to a deemed significant bylaw; transfer of ownership of a significant strategic asset; and changes to financial policies. The Council will undertake these consultation processes in accordance with the legislative requirements guiding them, as a minimum. The Council may choose to consult further depending on the degree of significance of the matter being considered and notwithstanding the legislative requirements.

- (b) When a significant proposal or decision is being considered:

Subject to consideration of factors under section 2.0 of this policy, the Council will look to undertake what it considers to be an appropriate form of engagement whenever a significant decision needs to be made.

A significant decision is one which has been identified as such under this Policy.

Note: a significant decision will not automatically trigger application of the Special Consultative Procedure (SCP). For more information about the SCP refer to sections 83, 86, 87 and 93A of the Act.

- (c) For some matters that are not considered significant:

In general, where a matter is not considered significant under this Policy, formal consultation will not be undertaken. However, in some situations where Council staff deem community involvement or notification is appropriate, informal feedback or notification processes may be followed.

4.1.3 When Council may not Engage

Information is always necessary for the decision making process. However, there are times when it is not necessary, appropriate or possible to engage the community on a matter or decision. The Council may also choose not to consult on a matter and if so will make this determination in accordance with the criteria below and not withstanding any legislative requirements.

The Council will not engage when:

- (a) The matter is not of a nature or significance that requires consultation (s82(4)(c) of the Act); or
- (b) The Council already has a sound understanding of the views and preferences of the persons likely to be affected by or interested in the matter (section 82(4)(b) of the Act); or
- (c) There is a need for confidentiality or commercial sensitivity (section 82(4)(d) of the Act); or

- (d) The costs of consultation outweigh the benefits of it (section 82(4)(e) of the Act); or
- (e) The matter has already been addressed by the Council's policies or plans, which have previously been consulted on; or
- (f) An immediate or quick response or decision is needed or it is not reasonably practicable to engage; or
- (g) Works are required unexpectedly or following further investigations on projects, already approved by the Council; or
- (h) Business as usual - the works required are related to the operation and maintenance of a Council asset and responsible management requires the works to take place; or
- (i) When Council has consulted on the issue in the last 24 months.

Where the above listed circumstances apply and consultation is not to be undertaken, the Council is still required to give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter (section 78 (1) of the Act). The Act requires that this consideration be in proportion to the significance of the matters affected by the decision (section 79 (1)).

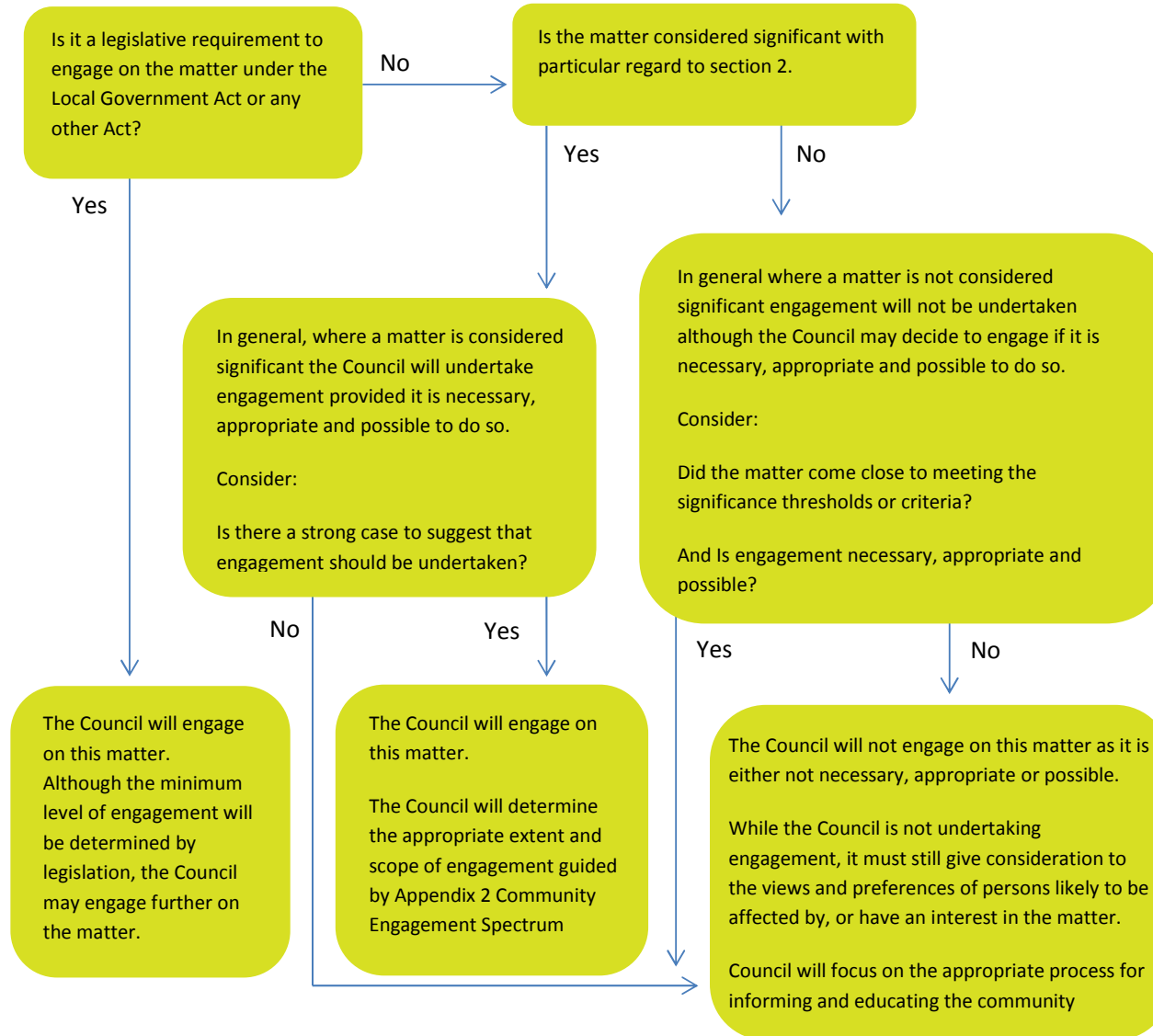
4.2 Special Consultative Procedure

1. Where this Act or any other enactment requires a local authority to use or adopt the Special Consultative Procedure, that local authority must—
 - (a) prepare and adopt—
 - (i) a statement of proposal; and
 - (ii) if the local authority considers on reasonable grounds that it is necessary to enable public understanding of the proposal, a summary of the information contained in the statement of proposal (which summary must comply with section 83AA of the Act); and

- (b) ensure that the following is publicly available:
 - (i) the statement of proposal; and
 - (ii) a description of how the local authority will provide persons interested in the proposal with an opportunity to present their views to the local authority in accordance with section 82(1)(d) of the Act; and
 - (iii) a statement of the period within which views on the proposal may be provided to the local authority (the period being not less than 1 month from the date the statement is issued); and
 - (c) make the summary of the information contained in the statement of proposal prepared in accordance with paragraph 4.2 (1) (a) (ii) of this policy (or the statement of proposal, if a summary is not prepared) as widely available as reasonably practicable as a basis for consultation; and
 - (d) provide an opportunity for persons to present their views to the local authority in a manner that enables spoken English, Maori, and/or New Zealand sign language interaction between the person and the local authority, or any representatives to whom an appropriate delegation has been made in accordance with Schedule 7 of the Act; and
 - (e) ensure that any person who wishes to present his or her views to the local authority or its representatives as described in paragraph 4.2 (i)(d)
 - (i) is given a reasonable opportunity to do so; and
 - (ii) is informed about how and when he or she may take up that opportunity.
2. For the purpose of, but without limiting, paragraph 4.2 (1)(d), a local authority may allow any person to present his or her views to the local authority by way of audio link or audio visual link.

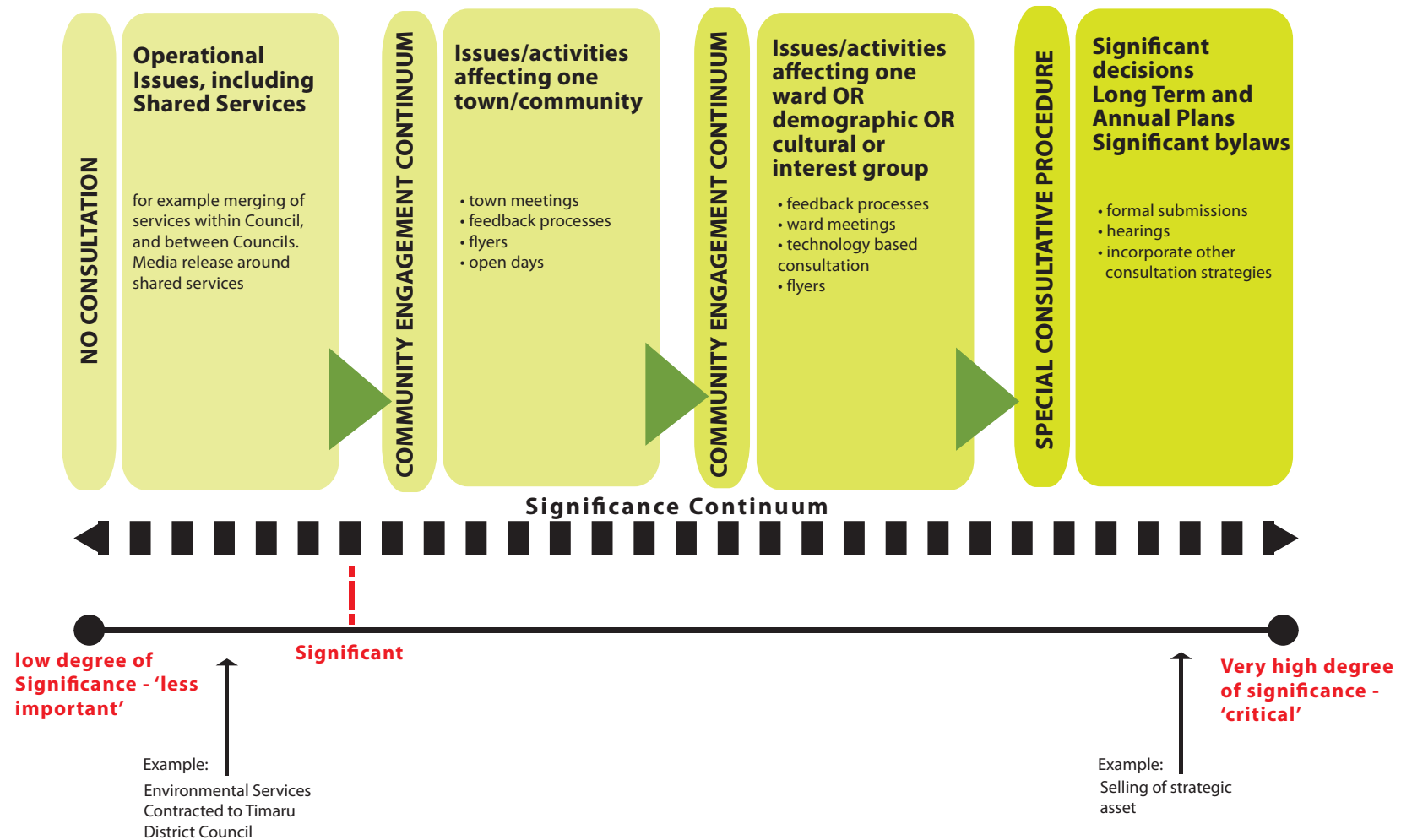
4.3 When Council makes a decision that is inconsistent with this policy, the steps identified in section 80 of the Local Government Act 2002 will be undertaken.

Appendix 1: Significance and Engagement Flowchart



Appendix 2: Community Engagement Spectrum

This diagram details how Council may engage with the public based on the level of significance. Both significance and engagement are flexible along the spectrum, and Council is not limited to these methods of engagement with the public.



Appendix 3: Toolbox for Engagement

INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
<p>Goal: to provide the public with balanced and objective information to assist them in understanding the problems, alternatives, opportunities and/or solutions.</p>	<p>Goal: to obtain public feedback on analysis, alternatives and/or decisions.</p>	<p>Goal: to work directly with the public throughout the process to ensure that the public concerns and aspirations are consistently understood and considered.</p>	<p>Goal: to partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.</p>	<p>Goal: to place final decision making in the hands of the public.</p>
<p>Promise: we will keep you informed.</p>	<p>Promise: we will keep you informed, listen to and acknowledge concerns and provide feed-back on how public input influenced the decision.</p>	<p>Promise: we will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feed-back on how public input influenced the decision.</p>	<p>Promise: we will look to you for direct advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.</p>	<p>Promise: we will implement what you decide.</p>
<ul style="list-style-type: none"> • newsletters • daily newspapers • weekly newspapers • community papers • electronic messages • flyers • websites • open days 	<ul style="list-style-type: none"> • submissions • hearings • feedback process • surveys • focus groups • open days 	<ul style="list-style-type: none"> • ward meetings • workshops • targeting existing organisations and clubs 	<ul style="list-style-type: none"> • talking with communities • key partnerships 	<ul style="list-style-type: none"> • delegated decisions • council committees with full powers to act



Financial Strategy

1. Introduction

The Financial Strategy is a requirement of the Local Government Act 2002. It forms part of the 10 Year Plan. The Financial Strategy sets out how Council intends to manage its financial performance and finance its activities and services throughout the 10 Year Plan and identifies, at a macro level, funding of the 30 year Infrastructure Strategy. It also provides Council with a guide for considering and approaching expenditure and funding proposals.

The financial strategy outlines the key financial parameters and the limits that the Council will operate within. Council must be financially sustainable to continue delivering services to its communities. This involves a balancing act of keeping the services it delivers affordable, ensuring equity between current and future generations, fairly sharing the costs of delivering the services across different users and maintaining a strong financial position, which means ensuring it does not have too much debt. The Financial Strategy sets out how Council plans to fund its activities and capital projects over the next 10 years. The Council will report against the Financial Strategy when preparing its various annual reports and pre-election report in 2016.

In the preparation of this 10 Year Plan, Council have been mindful of the balance between levels of service, a balanced budget and the resulting rate increases.

Growth within the Waimate District

Economic activity and changes in population are major drivers of the demand for Council's activities and services. Council services and the associated cost of these services are directly impacted by the district population and the levels of service expected by the community, central government and other regulators. These factors in turn affect operating and capital expenditure requirements.

Waimate District, like other areas in rural New Zealand, has experienced significant changes in land use, much of this driven around conversion of existing sheep and beef farms or cropping operations to dairy units.

The population of the Waimate District is forecast to increase by 10% over the next 10 years. Council believes the District's infrastructure capacity is well placed to accommodate this increase over the 10 year period.

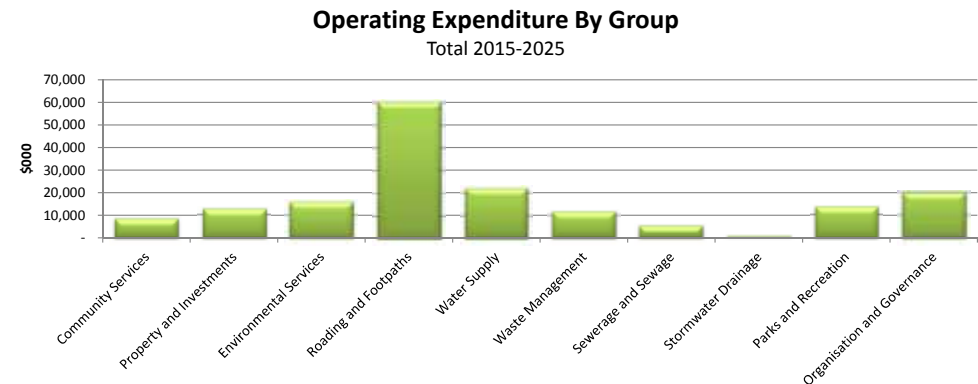
There is potential for significant continued economic development within the Waimate District over the next 10 years. These include the economic activity arising from the potential expansion of the two dairy factories already operating within the District (the Oceania Dairy Plant at Glenavy and Fonterra's Dairy Plant at Studholme). In addition, there is the Waihao Downs Irrigation Scheme which is currently under construction, while the feasibility of the Hunter Downs Irrigation Scheme is being investigated. Collectively the investment in these projects and the consequential economic activity has the potential to create more than 2,000 new jobs in the South Canterbury and North Otago regions.

Council believes that its existing infrastructure has sufficient capacity to meet the demand that may arise from significant continued economic development. However, it may mean that there is an increased demand for improved levels of service and greater use may mean that some renewals occur sooner than is currently forecast.

2. 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, which are set out in detail in the group activity plan. 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 below (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 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.

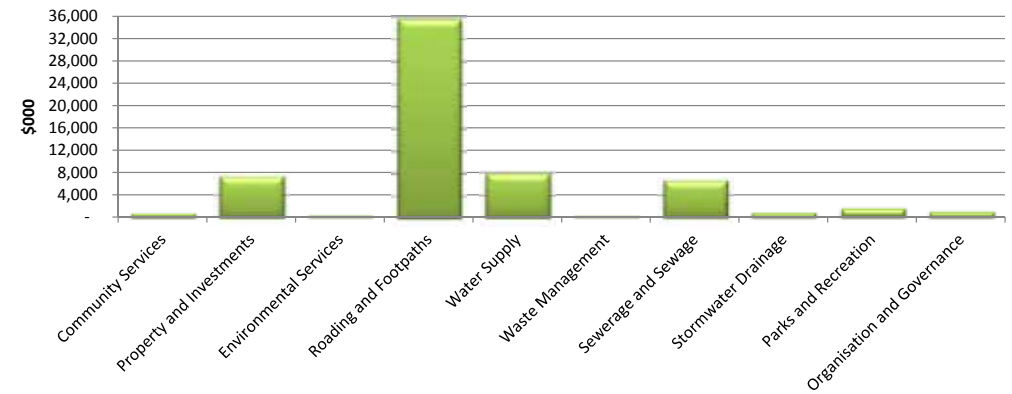
Capital Expenditure Requirements

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 following graph shows how this capital expenditure is broken down by activity group:

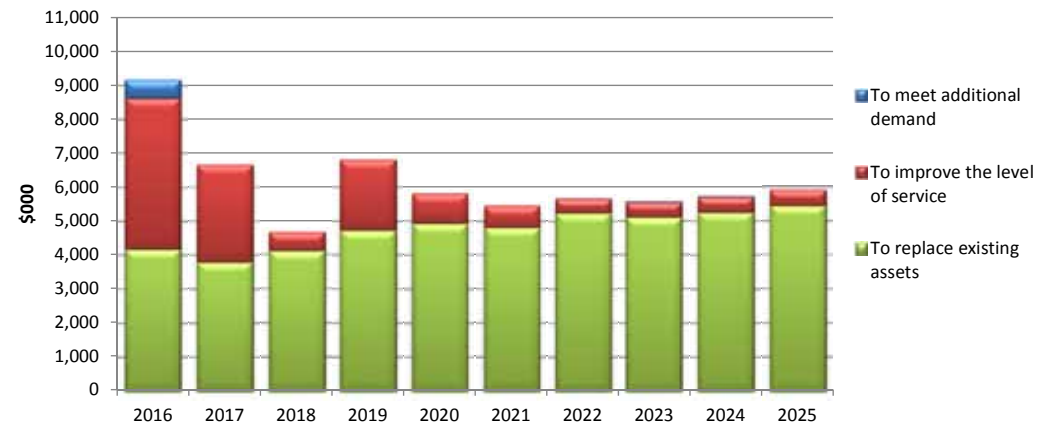
Capital Expenditure By Group

Total 2015-2025



The following graph 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.

Capital Expenditure

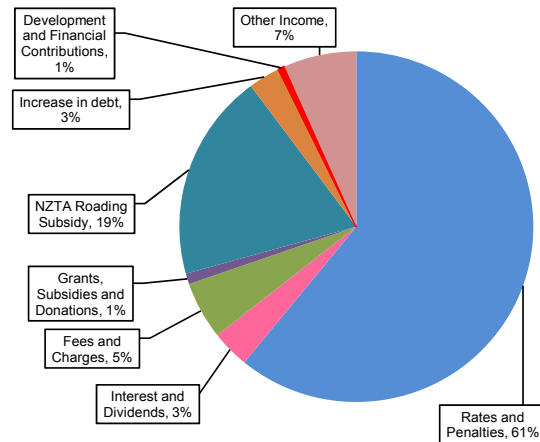


3. How will Council Fund this Plan?

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 below shows sources of funding that the council intends to use to fund this plan. Rates remain the major source of funds for Council.

Sources of Funds 2015-2025



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

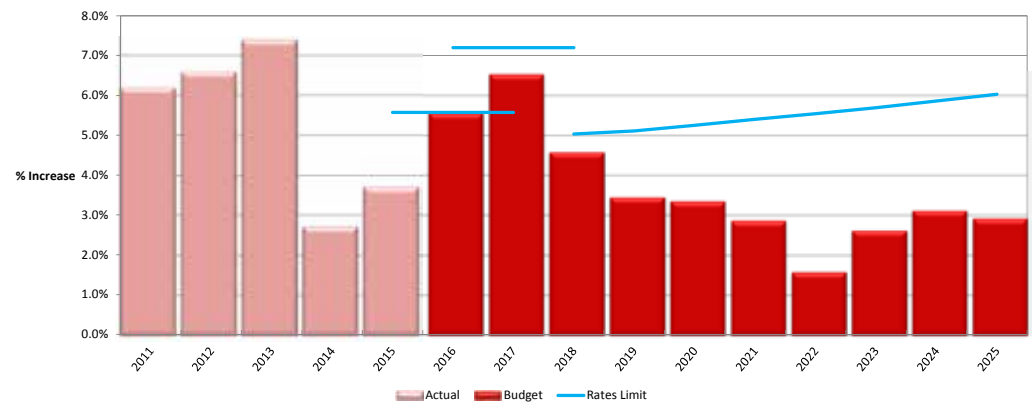
What about rates? Will they be affordable?

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 Appendix 1 for the Local Government Cost Index data).

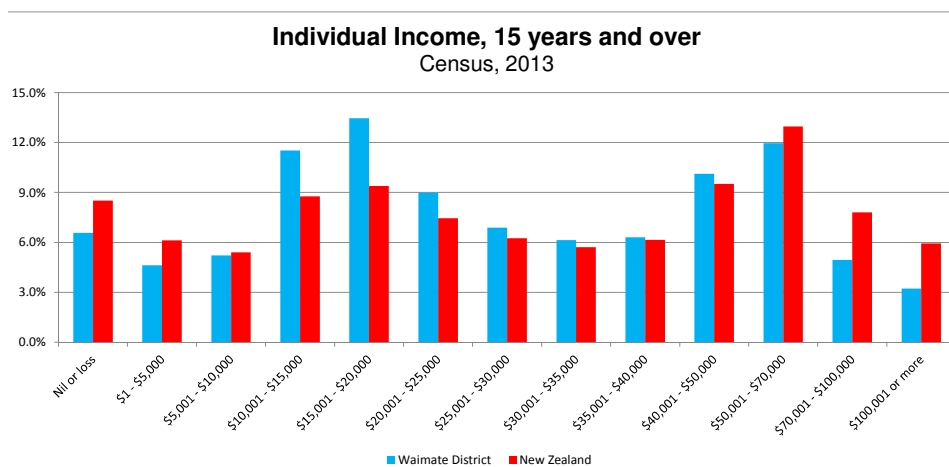
The following graph compares actual rates increases for the last 5 years with the projected increases for the next 10 years and shows the limit for that 10 year period:

Rates Increases and Limits



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 as shown in the following graph - Income for individuals aged 15 Years and Over, Waimate District and New Zealand, 2013 Census



Council continues to focus on affordability issues in developing the Long Term Plan. In particular, it has sought to:

- Use targeted rates where the direct beneficiaries can be clearly identified.
- Closely scrutinise and reprioritise both its operating and capital expenditure programmes in light of their potential impacts on rates where it is prudent to do so.
- Not fully fund depreciation where it is considered prudent to do so.
- Use borrowing to match the costs of providing the service with the benefits that ratepayers will receive i.e. benefits may occur over a large number of years and borrowing across a similar timeframe matches the benefit to the cost of borrowing.
- Minimise finance charges by repayment of any borrowings as and when available funds permit us to do so.

Council will continue to maintain a focus on rates affordability and look to use these other sources of funding wherever possible.

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 no more than 0.25%.

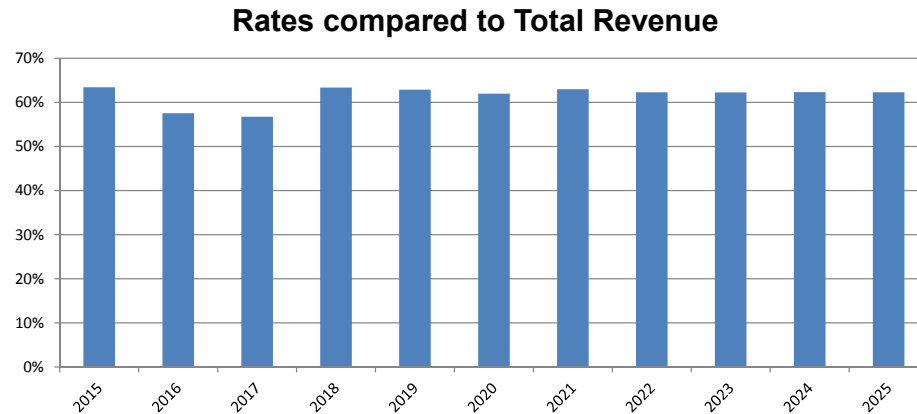
Total rates increase to be no greater than:

- 5.57% in 2015/16,
- 7.20% in 2016/17, and
- Local government cost index plus 2.50% thereafter

Other sources of revenue

As well as rates increases, Council is concerned about the increasing reliance on rate funding as a percentage of total revenue. Currently this ratio sits at around 61% and has increased over the last 10 years. Council wants to ensure rates are kept at an affordable level, and aims to ensure they are targeted to who receives the benefit as much as possible.

The ratios for each of the 10 years of the Long Term Plan are shown in the graph below:



While Council has limited sources of other revenue outside of NZTA, dividends on shares, user fees and charges and some forestry returns, it is committed to obtaining as much funding as possible from other sources. Council will review its user fees and charges to ensure these are set at an affordable but reasonable level. Council aims to ensure rates revenue as a percentage of total revenue is capped at 65%. This approach is to ensure that rates are not the default answer for funding increasing expenditure.

It is Council's view that it can maintain existing levels of services and manage any increases to service levels within these limits and this is supported by its financial projections, so long as the cost of its activities remain in line with the projections set out in the Local Government Cost Index.

4. Planning for Improved Services

Every year the community request more services. Council receives many requests and it must prioritise these and chooses only those that sustainably support our community outcomes. In addition, the government and other regulatory bodies impose requirements to provide increased or improved services and often it is a statutory obligation that we must meet, for example, the requirements of the drinking water standards.

These projects often result in a change in the level of service provided to the community and may increase operating and capital expenditure. The following are the major planned level of service improvements:

Stormwater (2015 to 2019)

Starting with Harris Street a number of areas of Waimate will be getting improved stormwater management with the installation of new reticulation. \$774,000 will be spent over the next 5 years.

Roading (2015 to 2025)

The roading budget includes an average of \$355,000 each year for minor safety improvements and seal widening. This adds up to \$3.55 million over the 10 years.

Waimate District Community Complex

Following consultation with the community, Council has resolved to move forward with the build of the new Waimate District Community Complex. The total contribution required from Council is \$3.8 million, with \$950,000 of that being raised from the community. To fund the balance of \$2.850 million Council will collect a rate which is budgeted to total \$212,530 per year commencing in the 2016/17 year. The \$212,530 will be used to service the interest and principal repayments on the \$2.850 million loan required.

Extended Library (2019/20)

An extended library will provide much needed space to provide additional services and improved access to resources. Council will raise a 40 year loan, of \$1.5 million, which will be funded through the Civic Amenities Rate and be consistent with the Library activity.

The existing library shelving, books, computers, etc. will be utilised so there will be minimal capital expenditure required.

Holme Station Corner Bridge (2016/17) / Crouches Bridge (2019/20)

The bridges are in need of replacement. As we have to spend a significant amount renewing the Holme Station Corner Bridge we have decided to double lane the bridge, thereby increasing the level of service the bridge offers. The cost of the upgrade is \$481,650, and we will receive NZTA subsidy on this.

The cost of the Crouches Bridge upgrade is \$430,500, and we will also receive NZTA subsidy on this.

Further information

Further information on these projects can be found in Council's Asset Management Plans for its activities.

5. Planning to Maintain Existing Services

Assets wear out over time and need replacing. Each year we need to ensure that enough work is done to maintain these assets and eventually we will need to spend significant amounts to rebuild or replace them. If the assets are not maintained to the same level each year this may result in a decline in the level of service.

It is council policy to fund future renewals using depreciation as an annual estimate of the rates revenue required to create a reserve over time. This is particularly important for where assets have a long life and replacement is costly. If renewals are not funded over time this may create an increased burden on future generations to fund services of the current generation. Council has made some exceptions to this policy, as disclosed in the Balanced Budget Statement.

Council also believes that it needs to improve the knowledge and understanding it has in regard to the condition and life expectancy of major infrastructural assets, in particular in roading and the three waters (drinking water, wastewater and storm water). At present Council places considerable reliance on failure events and the assigned look up life of assets to inform its expenditure on assets. By improving its understanding and knowledge Council can make more informed decisions which are based on targeted and specific information. This will assist Council maximise the life of components within its infrastructural assets.

Waimate Urban Water Renewals

The water asset management plan has identified that much of the cast iron pipe in the Waimate township could be near the end of its life. The estimated total cost of replacement is \$5.87 million. In order to get better information on the quality of these pipes and improve the timing of when this work is required, Council will complete a \$30,000 inspection project between 2015 and 2018. This will help us determine whether we need to accelerate or take more time with this potentially large renewal project. This work will be funded from reserves.

Water Supply Renewals

Rural water schemes are largely in good condition. Council has worked with the water committees and agreed a ten year renewal plan. This is largely made up of a number of small projects replacing components as they need replacing, with \$600,000 of renewals planned in the next 10 years. These renewals can be funded from the asset renewal reserve funds. These funds are each set aside by the funding of the annual depreciation expense.

Roading Network

Council is undertaking an approved New Zealand Transport Agency asset renewal programme. The 10 years' operating expenditure is approximately \$28.7 million and capital expenditure (which includes renewals and new and improved infrastructure) is approximately \$35.3 million. At \$64.0 million for the 10 years it is Council's single biggest budgeted item.

In this Long Term Plan Council will continue to only fund the annual renewal programme and to not set aside any funds for future renewals. The annual programme will be sufficient to maintain the service level for the foreseeable future. There may be some renewals that will need to be loan funded, as with the Holme Station Corner Bridge, but our modelling at present doesn't indicate this to be significant.

This Long Term Plan assumes the irrigation projects currently planned for the district will be operational towards the end of the 10 year period. An increase in farm productivity may have an impact on the roading network. This impact has not yet been assessed, and so for this plan, it is assumed that any growth in network demand can be met by the current network. It is likely that at the next Long Term Plan this issue will become more important to understand, model and budget for.

Further information

Further information on these projects can be found in the Council's Asset Management Plans for its activities.

6. Borrowing/Debt

Council policy on the use of borrowing is outlined in its Revenue and Financing Policy and Liability Management Policy. Council believes it is prudent to maintain a strong financial position. This does not mean that Council will have no term borrowings, but that it will carefully manage its levels of borrowings.

Borrowing is not a source of revenue in itself; rather it is a 'bridging' mechanism to assist with the financing required for the construction of long-term assets. The debt still needs to be repaid from other sources of revenue (e.g. rates). The use of debt allows use of the asset now while paying the debt back over time. In this sense it is much the same as a home mortgage. If Council had to fund these capital projects directly from rates it would cause large fluctuations in rates invoices to ratepayers.

A strong financial position, or in finance terms, a low debt to equity ratio, means Council has the capacity (within market prudential financial limits) to increase debt to provide funding in the event of unbudgeted disasters and emergencies, and unforeseen events. Council's liquidity ratio also ensures that there are funding sources and cash immediately available. Preserving the capacity to undertake borrowings in exceptional circumstances is part of the long term strategy to be financially sustainable, and to be able to fund a response to emergencies and disasters.

However, Council believes that financing some of its long-term assets through debt funding it strikes an equitable balance of funding the assets from both the current and future beneficiaries of those assets. This is achieved as the borrowings used to fund the assets are repaid by future ratepayers. Spreading the funding of the asset across current and future generations of ratepayers is known as the intergenerational equity principle. Intergenerational equity refers to a fair balance in the relative contributions of current and future generations to the cost of funding local government expenditure. As such, borrowing seeks to match the cost of the council's infrastructure to those who consume it over time.

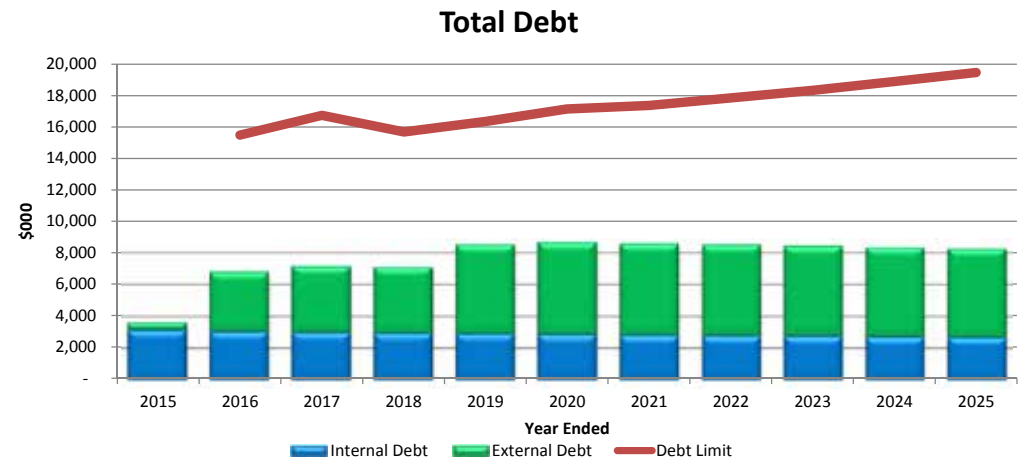
Council maintains many reserves, some of which are in surplus and others in deficit. These net off and are included in our cash position. Council only borrows externally to meet cashflow requirements, however Council does account for the deficits in the reserve accounts in its Internal Borrowing. Internal Borrowing means that one group of ratepayers are lending to another group of ratepayers. For this reason Council recognises that internal borrowing should be recognised as debt, as a call on those funds may occur unexpectedly.

This debt is mostly internal debt raised on new urban water, sewage and recycling assets over the last 10 years and is being repaid using a table loan approach. Council recognises that it is unfair to ask a generation of ratepayers to pay for a new asset and to start paying for its replacement at the same time.

Debt Limit

In setting its debt limits Council considers the ability of current and future generations of ratepayers' ability to repay debt. As mentioned above it is important that Council retains a strong financial position to meet unforeseen emergencies or unexpected calls on its finances. Determining an appropriate level of debt could be measured against Council's total assets or against its total revenue. As much of Council's equity is not readily convertible to cash this measure is not always applicable in determining prudent borrowing levels. As external borrowings, and the accompanying interest, must be repaid from operating cash flows Council considers a more 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.

Total debt limits would therefore be as set out in the table below.



This leaves capacity for future generations or emergencies.

A detailed calculation of total debt can be found in Note 3 to the financial statements. Council has included internal borrowing (except where specifically borrowed externally) as it considers that it is holding its reserves in trust for parts of the community and that in using those reserves for efficient cash management it should recognise that at any time it may need to externally borrow those funds should those reserves be required.

Policy on security for borrowings

Council, as is usually the case with individuals or businesses, will be required to give security for its borrowing from external lenders. If the Council defaulted on its loan payments, the lender would have access to those securities. In business, there are different types of securities that can be used, such as the assets of business, in the case of an individual borrowing to purchase a house it is often the house itself.

Council proposes to secure its borrowing, and interest rate risk management instruments, against rates revenue if this lowers the cost of borrowing. In unusual circumstances, security may be offered by providing 'a charge' over one or more of the Council's assets.

Physical assets will be charged only where:

- there is a direct relationship between the debt and the purchase or construction of the asset which it funds;
- the Council considers a charge over physical assets to be appropriate.

The full policy on giving securities can be found in the Investment and Liability Management Policy.

7. Investments

Council has financial investments to create a return which can be used to pay for services and reduce rates. This section explains Council's objectives for holding and managing financial investments and equity securities and its targets for returns on those investments and equity securities.

Forestry

Council owns its 214.2 ha forestry investment largely to generate income for Council but also to provide some economic development benefit to the district. Council is expected to exit the joint venture forests when they are harvested. For the remaining Council owned forests will continue to maintain the forest asset to maximise commercial returns, but also maintain and enhance public access. This will include replacing forest stock as trees are felled.

Income from forests varies from year to year. Council has budgeted income from forests conservatively for the purpose of the LTP. Council's target return on investment from forestry is expected to be 5.2% per annum during the 10 years of this plan. This is a low return as the bulk of the forest is due for harvest in 15 – 20 years. With this in mind Council maintains a forest reserve fund which at the end of 2024/25 is expected to be in deficit by \$1.8 million. Council expects that when these forests are harvested (which is beyond the 10 year period of this Long Term Plan) the return from the sale of trees should at least meet these costs. Council will at that time reassess whether to replant or dispose of the land depending on the economics at that time.

Council from time to time reviews its investment and may determine that ownership sits better outside of Council. Should this be the case Council will benefit from the release of capital, although this Long Term Plan does not identify a need for that capital.

Alpine Energy Ltd Shares

Council owns 7.54 % of the shares in the company. Council primarily owns these shares for the commercial return received by way of dividend. Alpine Energy supplies part of the district, so Council's investment also helps ensure a secure power supply necessary for the development of the district. Council anticipates the company to continue with its current dividend rates and as such is budgeting on a dividend of not less than 18.3 cents per share.

Hunter Downs Irrigation Limited Shares

Council owns 1,250 shares in the company. Council primarily owns these shares for the significant economic and social benefits that the scheme would create for the Waimate district. Hunter Downs Irrigation Limited is investigating the construction of a significant irrigation scheme to provide water to predominantly the northern part of the district and will create significant economic development for the district. Council anticipates the company to not be paying any dividends in the foreseeable future.

Property

Council owns and has developed the Eric Batchelor Subdivision. The sale of these properties increases the ratepayer base within Waimate and generates profits to Council. This project has a positive effect on social well-being, by expanding the range of options for new home owners and investors within our district. There are 10 sections still to be sold; the cost of these sections has been recognised in previous years. Council has budgeted for these to be sold gradually over the next 5 years.

Council owns many other properties for operational or community purposes that are not considered investment properties as any financial return is incidental to the reasons for ownership.

Cash

Council holds cash for the purpose of operating and maintaining stable cash flows. These funds are invested in internal borrowing or deposits as provided by council's Investment Policy. Council's target return on cash is to achieve the average 90 day bill rate. The return on net cash investments is budgeted at 4.5%.

Other Investments

Council holds a small number of low value investments in equity and loans for which the reasons for holding are related to purchasing benefits or for economic or community development. Council does not have a target return on investment for these investments, as this is incidental to Council's reason for ownership.

8. Conclusion

Our financial strategy is a conservative, low risk strategy. There are a few major projects planned, external debt levels are low and Council has a proposal to continue investment in the feasibility phase of Hunter Downs Irrigation Limited. Changes to the district will occur but in Council's opinion these are unlikely to have any significant impact on Council's planning, projects and continued service levels during the term of this plan. Council has assessed that the service levels and costs of new demand, as identified in this plan, can be met within the financial limits set in the strategy. Council recognises that operating revenues are insufficient to meet operating expenses but for the reasons explained in the balanced budget statement Council considers this to be acceptable and sustainable. Council therefore considers the LTP and this financial strategy to be prudent and adequate to meet the needs of current and future communities.

Appendix 1

Local Government Cost Index (LGCI)

LTP Year	Year Ending	CAPEX (%)	OPEX (%)	LGCI (%)	LGCI +2.5%	Rates Limits %
1	Jun-16	2.34	2.16	2.24	4.74	5.57
2	Jun-17	2.61	2.33	2.45	4.95	7.20
3	Jun-18	2.64	2.43	2.53	5.03	5.03
4	Jun-19	2.67	2.57	2.61	5.11	5.11
5	Jun-20	2.80	2.71	2.75	5.25	5.25
6	Jun-21	2.96	2.85	2.90	5.40	5.40
7	Jun-22	3.11	2.99	3.04	5.54	5.54
8	Jun-23	3.27	3.13	3.19	5.69	5.69
9	Jun-24	3.48	3.27	3.36	5.86	5.86
10	Jun-25	3.67	3.41	3.53	6.03	6.03

The full report on LGCI may be located at the following web address as per the link below:

http://www.solgm.org.nz/Attachment?Action=Download&Attachment_id=51

Infrastructure Strategy

1.0 INTRODUCTION

1.1 Introduction

This Infrastructure Strategy covers the Waimate District Council's (Council) core infrastructure (Roothing and Footpaths and 3Waters). 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 as presented in Figure 1-1

Figure 1-1: Infrastructure Annual Expenditure and Asset Valuation



1.2 Background

Situated around 180 kilometres south of Christchurch, Waimate District is in the central South Island. The District is bounded by the Pacific Ocean in the east, west of the shores of Lake Benmore and the Pareora and Waitaki Rivers at the north and south. The District covers around 3,582 square kilometres and has a population of approximately 7,515.

The District is characterised by a variety of farming and forestry activities. Crop and livestock farming are the main activities on the fertile plains and easy hills with more extensive grazing on less fertile or steeper country. Dairying has expanded significantly with dairying now occupying the majority of the areas served by irrigation schemes.

A summary of the Infrastructure Assets owned and operated by Council within the 3Waters (Water, Wastewater and Stormwater) and Roads and Footpaths activities is provided below:

Roads and Footpaths: The Council operates and maintains 640 kilometres of sealed roads, 696 kilometres of unsealed roads and 182 bridges. The total replacement cost of our Roads and Footpaths assets is \$406 million.

Water: Council operates and manages one on-demand water scheme (Waimate) and six rural water supplies. Water is obtained from a range of surface and groundwater sources through the means of river intakes, infiltration galleries and bores. Water treatment plants, storage reservoirs, tanks and pump stations are operated to distribute the water to approximately 3,028 consumers via 957 km of pipe. The Cattle Creek (essentially a very small and private scheme) and Hakataramea water supply (managed and operated by an incorporated society) are not considered in this Infrastructure Strategy.

Wastewater: Only Waimate township is served by a community wastewater scheme with a total of 1,703 connections. Wastewater is collected through 36.9 km of gravity pipe and rising mains, including two pump stations, and conveyed to a wastewater treatment plant and disposal system. Treated effluent is discharged on to land.

Stormwater: In the Waimate District, there is presently only one significant piped stormwater system, serving Waimate township. There is 12.5 km of stormwater pipes, open drains and a number of sumps and soakholes. Stormwater is conveyed to disposal points (natural waterways, soakpits and streams).

1.3 Purpose of Infrastructure Strategy

The purpose of the Infrastructure Strategy is to:

- Provide residents of 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.

1.4 Infrastructure Drivers

1.4.1 Changing Land Use

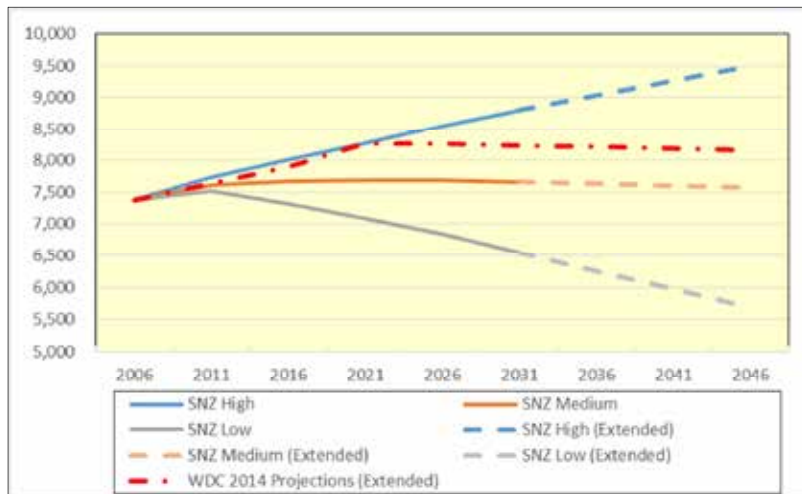
Expansion of reliable irrigation has underpinned changes to land use within the District. This is mainly in dairy, dairy support and high value crops. This in turn has and will continue to support local service industries and value added manufacturing. The expansion of reliable irrigation has resulted in increased population and demand of the Council's supporting infrastructure (Roading and 3Waters).

1.4.2 Population Growth

Long-term population projections (to 2046) have been developed based on consideration of historic trends, Statistics NZ projections (to 2031), drivers of growth and constraining factors.

The long-term projection indicates District population growth of around 650 residents over the next 30 years, reaching around 8,265 by 2026 and reducing to 8,165 by 2046. To achieve this growth it will be necessary to maintain a net migration into the District, without which the population will stabilise or even decline. Council will monitor population trends closely over the coming years to identify any departure from the adopted projection, especially any rapid slowing of growth, ensuring that any planning decisions are revised in a timely manner. The historical and long-term population projections are presented in Figure 1-2.

Figure 1-2: Population - Historical and Predictions to 2046



2.0 THIS INFRASTRUCTURE STRATEGY

This is Waimate District Council's first Infrastructure Strategy. It has been prepared from Council's 2015 suite of Activity Management Plans and the Long Term Plan (LTP) of which it forms part. This Infrastructure strategy should be read in-conjunction with other relevant Council documents that include the LTP and the current Asset Management Plans.

2.1 Strategy Layout

The Strategy document sections and corresponding Local Government Act Amendment Bill sections are presented in Table 2-1.

Table 2-1: Strategy Layout

Strategy Section		LGA 2002 as amended (Section 101B)
1	Identifies the district and provides context	2 (a)
2	Identifies the Core infrastructure included in this strategy	2(a) and 6
	Discuss the significant infrastructure issues and the associated assumptions	2(a) & (b)
3	Illustrate the linkage between strategic documents	2
4	Documents the strategic statements that will guide decision-making for the next 30 years	2(b)
5	Identifies the response options for the significant issues and documents benefits, cost, when and funding source	2(b); 3(a) to (e) & 4(a)
6	Identifies the costs associated with the actions proposed	4(a) to (c)

2.2 Core Infrastructure

The Local Government Act 2002 Amendment Bill Section 101B – Infrastructure Strategy states:

- (1) *A local authority must prepare and adopt, as part of its long term plan, an infrastructure strategy for a period of at least 30 consecutive financial years* And
- (6) *In this section, infrastructure assets includes-*
- a. *existing or proposed assets to be used to provide services by or on behalf of the local authority in relation to the following groups of activities:*
 - i. *water supply;*
 - ii. *sewerage and the treatment and disposal of sewage;*
 - iii. *stormwater drainage;*
 - iv. *flood protection and control works;*
 - v. *the provision of roads and footpaths; and*
 - b. *any other assets that the local authority, in its discretion, wishes to include in the strategy.”*

2.2.1 Core Infrastructural Assets

The core Council Infrastructure Assets that are considered in this Infrastructure Strategy are presented in Table 2-2.

Table 2-2: Waimate District Infrastructure Assets

Asset	Description	Replacement Value	% of total
Roads and footpaths	Roads (arterial, collectors, local; curbs and gutters), bridges, footpaths	\$406.7M	88%
Water	Water extraction, treatment and distribution	\$34.6M	7%
Wastewater	Wastewater collection, treatment and discharge	\$19.8M	4%
Stormwater	Stormwater collection and discharge	\$4.1M	1%
TOTAL		\$465.2m	100%

There are some very minor infrastructure assets associated with flood protection and control works including the Elephant Hill drainage channel. Council considers that there will be no increased demand for this service in the period 2015/16 to 2044/45.

Environment Canterbury is undertaking an Infrastructure Strategy for flood protection and control works associated with assets owned and operated by Environment Canterbury within Waimate District and there will be consultation with the Council on the outcomes of this Infrastructure Strategy.

2.2.2 Other Activities

Council considers that there are no additional significant Council activities that are required to be considered in this Infrastructure Strategy. The review of this Infrastructure Strategy is programmed for 2017, unless it is deemed prudent to do so earlier. At this time the Parks and Recreation, Community Buildings and Solid Waste assets may be included in the strategy as Council's plans and considerations for those activities improves.

2.2.3 Infrastructure Performance

General comments on the condition and performance of the District's infrastructure in terms of the services required at a network level is presented in Table 2-3.

Table 2-3: Infrastructure Condition and Performance

Asset	Condition	Performance
Roads and Footpaths	Condition records and current assessments are still being updated. Overall the road network is aging but resilient in both the Urban and Rural areas.	Increasing traffic volumes and axle weights are expected to significantly impact on the district's core road network, particularly sealed roads.
Water	Council considers that the majority of the network is in good condition but there are parts of the network that are coming to their end of useful life.	Council considers that the networks operates effectively and efficiently.
Wastewater	There are areas of the network that are showing signs that they are coming to their end of useful life. Condition assessments programmed over the next three years will provide an increased level of confidence in the network condition in the future.	Council considers that the majority of the network operates effectively and efficiently but there are sections of the network that have a lower level of performance particularly during heavy rain or unusually high groundwater conditions.
Stormwater	The network is relatively new and in good condition.	Limited stormwater piping has historically and will continue to cause limited surface flooding of streets in parts of Waimate township.

2.2.4 Risks to Asset Performance

Roads and Footpaths: A bridge flooding risk assessment was carried out in 2014 with a roading risk assessment to be carried out in the future.

3Waters: The main risks that would affect the performance of the Infrastructure Assets have been identified using a Risk Summary Table developed in 2011. This indicates that there are a small number of high or significant risks but these have appropriate mitigation.

2.3 Emerging Issues

The task of building, operating and maintaining, as well as the management of these Infrastructure Assets in an affordable manner may become increasingly difficult in view of a number of influences (i.e. what is over the horizon) is discussed in Table 2-4.

Table 2-4: Influences on Infrastructure Assets

Influences	Comment
Environmental effects	<p>The extent of the taking of ground water and surface water may be required to reduce thereby necessitating greater demand management and or levels of service decline.</p> <p>Inflow and Infiltration (I & I) into the wastewater network via the individual properties and Councils sewer mains will continue to present design constraints, require increased pipe sizing and treatment and disposal issues unless this is resolved on a community wide basis i.e. I & I reduction in the private and public assets.</p> <p>In some small communities the reduced groundwater quality due to on-going use of conventional septic tanks may necessitate the installation of centralised community wastewater systems with ensuing treatment and disposal system.</p> <p>Increased number of intense rainfall events will challenge our current stormwater asset network in terms of capability to meet 20 year return periods.</p> <p>An increased number of intense rainfall events will challenge our aging sewer pipelines through infiltration and resultant surcharge risks, as well as placing a higher burden on our current Waste Water Treatment Plants (WWTP) capabilities and capacities.</p> <p>Reduced availability of good quality road metals for sustainable road maintenance practices.</p> <p>Traffic on unsealed roads that produces dust which can have adverse effects on the health of people, stock and adjacent crops.</p>

Influences	Comment
Population and Economic Growth	<p>In broad terms, the population of Waimate District is forecast to grow by approximately 8% by 2045, depending on a range of variables. This growth will have effects on demand for services, particularly for water, wastewater and Roads and Footpaths, which need to be carefully managed to ensure there is enough and appropriate infrastructure available in the places it is needed. This may be achieved through demand management or constructing new or upsized infrastructure.</p> <p>As the population and local economy grows, this may tend to raise expectations around higher levels of service, which will need to be catered for. For example, more intensive use of the transportation network places a greater maintenance burden on Council.</p>
New technologies	<p>New technologies will assist in the services becoming more efficient and effective. Opportunities will be reviewed with respect to whole-of-life costs. Historically the change in technologies has had a significant effect in the operation and management of infrastructure assets and it is considered that this will continue possibly at a greater pace.</p>
Continually changing legislative environment (Central & Regional Government)	<p>Roads and Footpaths: Funding for Roading from government through NZTA is reducing. This is occurring through a number of changes as follows: <i>One Network Road Classification (ONRC)</i> – this is a national road hierarchy system and NZTA have indicated that funding will be based on the Level of Service (LoS) set for each road classification that may not be the current LoS. <i>Government Policy Statement (GPS)</i> - funding allocations are being held to 2009 levels effectively providing no allowance for cost escalation, effectively a diminishing fund. <i>Funding category changes</i> – 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. Water: Regulatory trend towards more stringent drinking water standards and associated compliance monitoring and reporting. Regulatory trend towards more comprehensive monitoring and reporting of water takes. Wastewater: Regulatory trend towards more comprehensive monitoring and reporting of the receiving environment, and treatment process improvements to ensure acceptable effluent quality. Stormwater: Compliance with the Natural Resources Regional Plan (NRRP) and the Proposed Land and Water Regional Plan (pLWRP) is required. This may see increased levels of compliance for discharges (treatment), especially as it relates to industrial discharges. Service Integration: Central Government may require additional integration (sharing) of services with neighbouring Councils to effect greater efficiencies.</p>
Resourcing	<p>An aging workforce and difficulties with the recruitment and retaining of experienced and qualified staff to a rural district may present issues with the future operation and management of the services and infrastructure projects.</p> <p>The continued development of appropriate staff and their skill sets to meet the challenges of infrastructural demands and meeting regulatory changes is essential to ensure prudent and rational outcomes.</p>

Influences	Comment
Aging infrastructure	<p>With sections of the networks that are approaching their end of useful life it is important to ensure that the network continues to meet the needs of the community.</p> <p>A significant amount of the seal road infrastructure was constructed between 65 and 40 years ago. Much of this sealed infrastructure is nearing the end of its useful life and significant renewal programme is required.</p>
Infrastructure resilience	<p>Customers have an increasing expectation of reasonable continuing functionality and service delivery following significant natural events (snow, wind, earthquakes etc.). Council will need to continue to enhance resilience through infrastructural and procedural improvements.</p>
Climate change	<p>The design of the 3Water infrastructure is required to provide service to three or more generations, but in the short term there is a need to be efficient in the provision of infrastructure.</p> <p>Climate change will have a detrimental impact on water supply, demand and resilience.</p> <p>The effects of climate change on the districts roading network are known in terms of the predicted changes in weather patterns. The predicted increases in extreme weather events involving significant rainfall may lead to increased levels of surface water leading to subsequent ponding problems and blockages to drains for stormwater run-off.</p> <p>The predicted increase in extreme rainfall events may cause scouring to occur at the edges of roads and also cause significant damage through scouring to the abutments of bridges in the district. Weather events which consist of rainfall over extended periods can cause landslips, which can affect the roading network in particular areas within the district.</p>
Demographic changes	<p>Significant increase in the over 65 age group may result in affordability issues (increased number of fixed income ratepayers). Levels of service may need to be reviewed and amended to a more affordable level.</p> <p>An aging population will potentially require higher levels of service for the provision and quality of footpaths for pedestrians.</p> <p>Cultural diversity as a result of land use change may influence demand on infrastructure ie increased residential occupancy</p>
Energy use and cost of carbon	<p>Greater efficiencies in the use of energy will be required as the cost of energy increases and need to reduce the carbon footprint of all infrastructure assets.</p>
Normalising or harmonising (sharing) of charges	<p>May be required to allow services in small communities to be more affordable (low rating bases with aging infrastructure).</p>

Influences	Comment
Land use change	<p>Historically, land use change (dryland farming to dairy) has had an impact on 3Waters services requirements within the district.</p> <p>Changes in farming practices in the next 30 years will continue to have a significant influence on current infrastructure needs particularly with the increase in high productivity (i.e. very large tractors) movements throughout the district.</p> <p>As irrigation is improved throughout the district, more land is being converted for dairy farming.</p> <p>Dairy conversions have a large impact on the roading network during the construction stage (e.g. carting gravel). There is then an ongoing increase in freight traffic to and from each new dairy farm (i.e. milk tankers, increase in fertiliser, feed requirements). There is also a significant increase in use of agricultural vehicles on the roading network as many other district farms support the dairy farm by harvesting and transporting grass for feed.</p>
Increasing heavy vehicle laden weight limits	<p>Recently heavy vehicle laden weight limits have risen from 44 tonnes to 50 tonnes maximum (50Max). Although the current 50Max proposal does not specifically increase axle loads and thus their impact on Council roads, other initiatives to increase freight efficiency like High Productivity Motor Vehicles (HPMV) with increasing weights on trucks could. To improve efficiency of the freight transport fleet it is likely this trend with increasing truck weights may continue. This could create issues of restricted access to some areas of the district due to bridge stock that is not capable of carrying these loads.</p>
Peak oil and reduced access to fuels/bitumen	<p>As fuel prices start to reflect oil scarcity, increases in bitumen pricing will affect the ability of Council to deliver all road and footpath sealing activities.</p>

2.4 Assumptions

Table 2-5 summarises the significant assumptions that have been applied for the purpose of producing forecasts for the Roads and Footpaths and 3Waters services. An indication of the risk, impact and level of uncertainty associated with each assumption has been provided. Where the level of uncertainty associated with an assumption has been assessed as 'Medium' or 'High', Council's proposed action to reduce uncertainty and mitigate the level of risk has been presented.

Table 2-5: Significant Assumptions

Significant Assumptions	Risk & Impact Assessment = 'High', 'Medium' or 'Low'	Level of Uncertainty and Mitigation
General		
Significant projects are considered to be approximately \$400,000 ¹ or greater (scheme-dependent where applicable).	<i>Risk:</i> Projects below \$400,000 may have an impact considered by the community to be significant. Low <i>Impact:</i> All projects were reviewed for their impact on the community. Low	Low – no mitigation
The present management approach will maintain all services at the current Levels of Service at least over the next 10 years	<i>Risk:</i> Additional Levels of Service requirements being introduced by Local Government. Low <i>Impact:</i> Monitoring and compliance with new Levels of Service will increase the cost of management for the activity(ies). Medium	Low – no mitigation
Fuel Costs: There will be no major change in fuel costs over and above those incorporated into the inflation assumption.	<i>Risk:</i> Fuel prices will be greater than those assumed <i>Impact:</i> Increased fuel costs would have a particular impact on the costs of road maintenance, renewal and improvement. This may affect the Council's ability to carry out planned work without additional funding. It may also increase demand for alternative modes of transport. Medium	Medium – Monitor contract rates to predict funding requirements
The population model is based on a number of assumptions including economic growth and levels of migration, and therefore subject to some uncertainty	<i>Risk:</i> Rate of growth is significantly above or below current population model predictions. Low <i>Impact:</i> If growth is high, additional demand will be placed on existing infrastructure, with Council required to fund additional upgrades to accommodate growth. If growth is low, Council may be left with an excess of infrastructure, with associated maintenance costs, and a smaller rating base to pay for it. Low	Low –actively monitor growth and associated drivers
Resource consents held by the Council will not be changed significantly	<i>Risk:</i> Significant change to resource consents and associated conditions imposed by ECan. Medium <i>Impact:</i> Increased cost of monitoring, reporting and achieving compliance along with capital upgrades. Medium	Medium – monitoring of changes in conditions imposed by Ecan for other Councils
Existing legislation will remain in place and the structure and responsibilities of the Council will remain the same	<i>Risk:</i> Change in legislation triggers need for change in current Council structure and responsibilities. Low <i>Impact:</i> Cost of staff resources required to manage assets increases, responsibilities become misaligned. Medium	Medium – monitoring of changes to the Resource Management Act

Significant Assumptions	Risk & Impact Assessment = 'High', 'Medium' or 'Low'	Level of Uncertainty and Mitigation
General		
That the Hunter Downs Irrigation Scheme will proceed	<i>Risk:</i> Project not going ahead or changes to projected start dates. <i>Impact:</i> If the project is delayed or cancelled it will have minimal impact as no major infrastructure development is planned. Low	Low – no mitigation
The financial forecasts are estimates	<i>Risk:</i> The reliability of the forecasts decreases beyond ten years and towards the thirty year planning horizon. Medium <i>Impact:</i> Costs may vary significantly from what has been assumed in this Strategy.	Medium – monitoring of change in assumptions adopted for financial forecasts and early recognition of any significant change
Approximate values "where applied to determine useful life of assets," are correct.	<i>Risk:</i> Values adopted are inaccurate. Medium <i>Impact:</i> Shortfall in allocation of renewal budgets or depreciation requirements set too high. Medium	Medium – continue condition assessment programme and refine useful life estimates as more information becomes available
Climate change is happening but there will be no significant impact on the Council's activities	<i>Risk:</i> Acceleration of forecasted impacts from climate change. Low <i>Impact:</i> Council is required to mitigate the impact of climate change through change in management of assets, adoption of green technologies, reduction of carbon footprint etc. Medium	Medium – carry out additional analysis of long term effects (if any) of climate change on assets.
All assets will remain in Council ownership throughout the planning	<i>Risk:</i> Change of ownership of existing assets. Low <i>Impact:</i> Cost of managing, operating and maintaining assets decreases. Low	Low – no mitigation
Roads and Footpaths		
Forecast traffic volumes are correct	<i>Risk:</i> Significant population growth results in increasing traffic volumes beyond current forecast. Low <i>Impact:</i> Increasing traffic volumes significantly impact arterial road network and aging bridge structures. High	Medium – monitor to determine long term requirements and impact.
Increases in population, vehicle ownership, industrial growth, and development mainly in the primary rural sector, all have an impact on the use of our Roads and Footpaths	<i>Risk:</i> Increasing traffic volumes, particularly heavy trucks (HCV) including HPMVs: High <i>Impact:</i> Significantly negative impact on the District's rural road network and bridge structures. High	Medium - Project costs are based on growth projections. Remedial works will follow best practice, industry standards, local knowledge of materials and construction costs.

Significant Assumptions	Risk & Impact Assessment = 'High', 'Medium' or 'Low'	Level of Uncertainty and Mitigation
Roads and Footpaths		
Council's asset registers are generally complete and correct to the extent required for planning purposes	<p><i>Risk:</i> Substantial and significant assets may not have been historically recorded in detail and not have the relevant information available to accurately predict their current condition and the effects of future growth and development. Low</p> <p><i>Impact:</i> Not having an accurate understanding as to the current condition of the assets may negatively impact funding levels (too low) and service delivery impaired. Medium</p>	Medium - Some work still needs to be done to ascertain the exact relevant details of all of the assets, and to be able to accurately ascertain their current condition, current serviceability and future useful life, and from there to accurately predict the future needs and requirements to ensure continued sustainability and safe condition.
<p>New Zealand Transport Agency Subsidy Level: Roading expenditure comprises a significant portion of Waimate District Council's total expenditure and hence consumes a significant portion of Council's rate take.</p> <p>The Funding Assistance Rate (FAR) received by the Council from the New Zealand Transport Agency for qualifying road works will increase from 51% to 54% in 2015/16 and thereafter increase by 1% per year to 60% in 2021/22.</p>	<p><i>Risks</i> – The NZTA subsidy rate has been set for the next 3 year funding block (2015-2018) but is likely to change over the life of the Long Term Plan 2015-45.</p> <p><i>Impact:</i> If the NZTA subsidy rate is reduced it would have a moderate impact on rates due to the relatively large proportion of total Council spending devoted to roads and because costs are funded from rates rather than loan funded. High</p>	Medium – Council do not directly control FAR rate analysis. Council will have to actively campaign to ensure the FAR remains consistent with other similar areas of New Zealand and keep this in mind when dealing with new Government led initiatives such as ONRC implementation.
That NZTA supports Council's roading programme	<p><i>Risks</i> – Council does not directly control NZTA support levels.</p> <p><i>Impact:</i> Council having to fund additional projects or reduction in Level of Service. High</p>	High - Council will have to actively campaign to ensure the support remains consistent with other similar areas of New Zealand and keep this in mind when dealing with new Government led initiatives such as ONRC implementation.
Water		
Demand management strategies implemented will reduce demand to point where increase in capacity requirements are minimised.	<p><i>Risk:</i> Reduction in water use and unaccounted water is less than predicted. Medium</p> <p><i>Impact:</i> Upgrades of facilities and networks may be required at an earlier stage. Medium</p>	Medium – Monitor usage and unaccounted water to understand effectiveness of demand management strategies. Instigation of trigger points when additional investigation is required.

Significant Assumptions	Risk & Impact Assessment = 'High', 'Medium' or 'Low'	Level of Uncertainty and Mitigation
Wastewater		
No upgrade of WWTP for capacity will be required as existing WWTP has sufficient spare capacity at peak periods.	<p><i>Risk:</i> PWWF are significantly greater than predicted. Low</p> <p><i>Impact:</i> Upgrades of WWTP and networks may be required. Low</p>	Low – Monitor flows to understand effectiveness of I & I strategies
Significant infrastructure required to achieve compliance when new consents are obtained	<p><i>Risk:</i> Funding requirements allowed for do not meet requirements. Medium</p> <p><i>Impact:</i> Increased funding requirements reduced. Medium</p>	Medium – pro-active consultation with ECan to determine long term requirements
Stormwater		
Global stormwater discharge consents are approved within programmed timeframes	<p><i>Risk:</i> Global consents are not approved. Low</p> <p><i>Impact:</i> Flood mitigation does not get constructed, and future flooding events cause adverse damage to existing infrastructure and community well-being. High</p> <p><i>Risk:</i> Future Stormwater Management Plans identify significant issues in other parts of the district. Low</p>	Medium – pro-active consultation with community undertaken to obtain support early in consent process
No significant network capacity or stormwater quality issues outside of the Waimate urban area that need to be addressed.	<p><i>Impact:</i> Flood mitigation does not get constructed, and future flooding events cause adverse damage to existing infrastructure and community well-being. Stormwater contaminants have an adverse effect on the receiving environment. Increased funding requirements. High.</p>	Medium – pro-active consultation with Ecan, stakeholders and community to determine long term requirements.

Note1: \$400,000 is approximately a 5% increase in rates

3.0 LINKAGE WITH OTHER DOCUMENTS

This Infrastructure Strategy has linkages with Council's Vision, plans (Annual Plan, Asset Management Plans , (AMP's) and LongTerm Plans (LTP's) and policy (Asset Management Policy). Figure 3-1 below illustrates these linkages.

Figure 3-1: Infrastructure Strategy- Linkages with other Documents



4.0 INFRASTRUCTURE STRATEGY

In its role as Local Authority Council will comply with the relevant New Zealand legislation, while the Council's Community Outcome statements will guide decision-making over the next 30 years. These statements have been derived from Council's 2015 LTP Community Outcome Statements.

4.1 Applying the Strategic Statements to Infrastructure Planning

Alignment of the Community Outcome Statements and the Strategic objectives with the 3Waters and Roads and Footpaths services is shown in Table 4-1.

Table 4-1: Strategic Statements Alignment with Community Outcomes

Community Outcome	Strategic Objectives	Roads and Footpaths	Water	Wastewater	Stormwater
Wealthy Community	A District that actively promotes itself and encourages development	-	The timely provision of utility services is essential to supporting growth		
Safe and Healthy People	A place where people are safe in their homes, work and public spaces	It is important that users are safe when using the District Transportation network	Protecting the communities from drinking water related health issues and providing fire fighting capability	Protects public health by ensuring a safe and viable Sewerage and Sewage disposal system	Flooding is adequately managed within urban areas
	Our services, infrastructure and environment enhance quality of life		We have reliable, efficient and well planned water, sewerage and sewage, stormwater and waste management infrastructure that meet the needs of residents.		
Sustainable District and Environment	We value the natural environment, biodiversity and landscapes community	We have reliable, efficient and well planned infrastructure that meet the needs of residents	The timely provision of utility services is essential to supporting growth	We preserve the environment by ensuring the quality and quantity of discharges to the environment	

4.2 The Council's Priorities

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

- Maintain the District's roads to a safe standard and fit-for-purpose.
- Use efficient and effective asset management practices to maximise Roads and Footpaths asset life to 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.

The rationale for each of the services covered in this Infrastructure Strategy is:

Roads and Footpaths: "The Waimate District Council exists principally to supply core services that meet the needs of the community. The road network forms a backbone of Waimate's infrastructure and is vital for the economic viability and for potential development in the District."

Water: Urban: The provision of a clean safe supply of water for drinking and firefighting purposes

Rural: The provision of a clean safe supply of water for drinking, stock, irrigation and firefighting purposes

Wastewater: "Council provides a piped sewer collection system, a sewage treatment plant and disposal system that safely and effectively removes sewage from urban homes in Waimate.

Stormwater: "Council provides stormwater drainage systems for the removal of surface water following rainfall events for the safety and wellbeing of the public."

4.3 Levels of Service

New performance measures for the 3Waters and the Roads and Footpaths activities came into force in 30 July 2014. Table 4-2 summarises the adopted performance measures as new levels of service for the core infrastructure assets.

Table 4-2: 3Waters and Roads and Footpaths Levels of Service

Activity	Levels of Service
Roads and Footpaths	<ul style="list-style-type: none"> • Road safety • Road condition • Road maintenance • Footpaths • Response to service requests
Water	<ul style="list-style-type: none"> • Safety of drinking water • Customer satisfaction • Demand management • Fault response times • Maintenance of the reticulation network
Wastewater	<ul style="list-style-type: none"> • System and adequacy • Discharge compliance • Fault response times • Customer satisfaction
Stormwater	<ul style="list-style-type: none"> • System and adequacy • Discharge compliance • Fault response times • Customer satisfaction

4.4 Asset and Service Management Strategy

Responsibility for the asset management of the 3Waters and Roads and Footpaths services is allocated to the Asset Group Manager. This responsibility includes:

- Ensuring services are constructed, maintained and in compliance with consents.
- Budgeting and long-term forecasting.
- Monitoring Levels of Service for services provided by assets.
- Identifying and managing asset and service related risk.
- Reporting of Level of Service, key performance indicators and risks at corporate level.
- The achievement of Asset Management practices which meet corporate Asset Management development standards and reporting of these in the Asset Management Plans (AMPs).

In providing services to residents and visitors through the use of Infrastructure Assets, Council's management strategy is to:

- Review planned resource allocations.
- Determine the effects these will have on agreed Levels of Service.
- Assess how these changes in Levels of Service will be reflected in the end-of-period asset condition and performance.
- Adjust the work plan as necessary to achieve the best possible life cycle asset condition and performance within the available budget. This may mean leaving some assets to decline in condition to the stage that they require more expensive remedial action later.
- Assess the effects of the revised programs on achievement of the Council's performance targets.
- Report the anticipated effects on the targets to senior management and elected members.
- Manage the 3Waters and Roads and Footpaths at a level in accordance with Council's assessment of appropriate asset management practice and asset management policy.

4.5 Infrastructure Lifecycle Management

Council has specific processes, management policies and strategies in place for infrastructure lifecycle management as detailed in Section 7 of the 3Waters AMPs and Section 9 of the Roads and Footpaths AMP.

In general lifecycle management of the core infrastructure assets incorporates the key categories of work as shown in Table 4-2a.

Table 4-2a: Lifecycle Management Approach

Category	Strategy and Management Approach
Management Programme	Strategic Planning: development of professional skills of staff through training and experience; clearly set out strategic alignment through community outcomes in LTP and AMPs; clearly define service levels as customer, activity and technical service standards as a basis for community consultation; sustainable management principles are incorporated into all lifecycle decisions
	Date Management & Evaluation: asset management systems are optimised in terms of application, and functionality developed in line with business needs; use of hydraulic network models to inform decision making; data collection is a systematic process (condition, performance, asset registers), and aligned appropriately with business needs; GIS data and quality assurance is maintained to ensure data entry into GIS meets defined quality standards

Table 4-2a: Lifecycle Management Approach continued

Category	Strategy and Management Approach
Management Programme	Business Processes: AMP updates are undertaken annually and reviewed at maximum 3 year intervals (AMP maintained as a 'living' document); development of a Risk Management Plan to include risk mitigation measures covering insurance, emergency response planning, condition of critical assets etc.; valuations are performed consistently with national guidelines and Council corporate policy; implementation of quality plans to achieve statutory compliance and quality assurance ensured through quality processes covering all day to day business activities
	Asset performance monitoring: performance of infrastructure assets is monitored and input into renewal and development programmes
	Financial Management: expenditure programmes prepared in accordance with Council policies and procedures, financial management of activity budgets is in accordance with Council policies and procedures, management of all activities is in a financially sustainable manner over long term
Operations & Maintenance	Routine Maintenance: carried out, supervised and monitored by Council's in house operational unit
	Repairs & Corrective Maintenance: undertaken as quickly as practically possible to restore asset to satisfactory condition, provide customer support for associated work requests
	Redesign & Modifications: undertaken in a methodical manner to ensure optimal decision making
	Operations: determine and optimise all planned / unplanned works, work methods and maintenance scheduling to achieve target service standards
	Physical Works Monitoring: Managed and overseen by Utilities Supervisor, weekly meetings held to ensure works completed on time and to required standard
Renewals Programme	Operation of Assets: All assets operated in accordance with Council standards, operational and quality system manuals
	Incident Management: Manage incidents through escalation process, with assessment based on asset criticality
	System Control & Monitoring: Utilise all systems (e.g. SCADA) for optimal operation of assets, including appropriate alarm systems
	Identification of Renewals: renewal / replacement needs are identified through condition reports, failure / fault records, customer feedback and Council maintenance staff information
	Prioritisation of Renewal Projects: decisions on renewals consider short and long term effects on the operating and structural integrity of the asset system
Asset Development	Deferred Renewals: continuous tracking of quantity and impact of deferred renewals
	Inspections: carried out prior to major road works to reduce risk to below ground infrastructure, and to programme poor condition assets in line with planned road works
	Identification of Development Need: identified from analysis of demand forecasts, network modelling, system performance and customer service requests, including Council maintenance staff input
	Development Project Categorisation: projects are programmed appropriately to close service gaps and / or accommodate growth,
	Prioritisation of Development Projects: projects are justified and prioritised on a risk based process, take into account short and long term effects on asset system operation and integrity
Asset Development	Project Approval: all projects approved through Annual Plan process, with time of development works reflecting community's ability to meet the cost
	Project Design: all projects designed to minimise disruption, take into account short and long term effects, and in accordance with industry standards

4.6 Cost Effective Delivery of Services

In terms of Section 10 of the Local Government Act (Purpose of local government) there is a clear requirement to meet the current and future needs of communities for good-quality local infrastructure, local public services in a way that is most cost-effective for households and businesses.

(2) *In this Act, good-quality, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are:*

- (a) *efficient; and*
- (b) *effective; and*
- (c) *appropriate to present and anticipated future circumstances*

In order to demonstrate that the delivery of services are efficient, effective and appropriate; the Council has systems and policies in place that include:

Customer Service: Council has determined customer expectations through formal and informal consultation with the community over many years. Biennial customer satisfaction surveys provide a benchmark assessment against which to assess performance of services. Monitoring of key performance indicators set against achieving Levels of Service puts Council asset management practices into context in terms of effectiveness.

Procurement Policy: Council does not have a current procurement policy but has adopted the NZTA Procurement Manual for Roads and some infrastructural assets to ensure contracts and purchases for materials and services are appropriate and competitive.

Asset Management Practices and Processes: Services are managed in accordance with Council's Asset Management Policy. Practices and processes are reviewed and assessed against guidance and best practice provided in the International Infrastructure Management Manual (IIMM), Edition 2011.

Asset Management Policy: The objective of this policy is to ensure that service delivery is optimised against agreed community outcomes and Levels of Service, manage related risks, and optimise expenditure over the entire lifecycle of the service delivery. The policy also ensures that the management of the assets is a systematic process, and that service delivery is sustainable in the long term.

4.7 Addressing Resilience

Resilience is the ability to cope with and recover from adverse events. It requires active planning to cope with a disaster, restore functionality, and rebuild the societal and economic fabric. Communities that actively plan for resilience are less prone to disaster, recover faster, and endure less hardship than those that do not.

Planning for every disaster scenario is impossible, so the next step is to plan to contain damage. Planning involves understanding the chaos, the pressures and the trauma, then building redundancy, preparing for insurance, training and improving. Bouncing back to recover the social and economic soul of the community is the next component in planning for resilience.

Finally a culture of improvement and learning develops resilience. This is achieved through commitment, understanding and training.

In order to improve resilience Council's approach will continue to:

- Actively participate in Civil Defence Emergency Management planning and activities, at both regional and local levels
- Investigate and instigate options for alternative service provision and system redundancy
- Promote design and construction standards (where cost effective) that ensure infrastructure is able to withstand natural hazards and long term changes in circumstances such as those resulting from climate change
- Identify critical assets and ensure mitigation methods are developed
- Obtain insurance where this is deemed to be the most cost effective approach
- Invest in business continuity succession planning and training

4.8 Natural Hazards and Financial Provisions

Council has identified the following key issues with respect to natural hazards in the 'Disaster Resilience Summary Report' (2006) as posing a risk to the core infrastructure assets:

- Snow – causing road access difficulties for infrastructure maintenance, and power outages. The likelihood of an event occurring is moderate (previous significant event have occurred in 1967, 1973, 1992 and 2006).
- Earthquake – the impact of a significant earthquake event (Alpine Fault rupture) is wide-ranging on infrastructure assets (liquefaction, power outage, pipeline failure). GNS currently estimate that the Alpine Fault has a high probability (30%) of rupturing in the next 50 years.
- Tsunami – coastal areas vulnerable to tsunami and high seas.
- Floods – prolonged heavy rainfall resulting in threat to roads crossing rivers (land erosion), inundation of drainage pathways, blockage of water supply surface intakes (sediment), and power outage disruption to water consumers.
- Wind – risk of power disruption from high winds through fallen trees bringing down power lines. The likelihood of an event occurring is moderate (previous significant events have occurred in 1975 and 2013).

Currently identification of critical infrastructure assets in relation to scale of risk posed by these natural hazards (and associated lifelines value) has not been completed by Council. The need for an update to the 2006 resilience report in conjunction with a criticality assessment and adoption of a risk mitigation strategy has been identified as an improvement item in the 3Waters and the Roads and Footpaths AMPs. Identification of risk and appropriate mitigation measures will help inform decisions around future financial provisions to be made for the core infrastructure assets.

4.9 Significant Infrastructure Decisions Required

Taking a long term view to the management of infrastructural assets, Council needs to make key decisions in a timely manner. In addressing Community desires and priorities the key decisions have been identified and presented in Table 4-2b.

Table 4-2b: Significant Infrastructure Decisions Required

Key Decision	Indicative Timeframe
Roads and Footpaths: <i>Affordability:</i> Consideration of policy on funding road activities eligible for but not financially assisted by NZ Transport Agency and extent of such funding to maintain current level of service. <i>Extent of Network Maintenance:</i> Consideration of policy on low use roads that Council will maintain. <i>Replacement of Uneconomic Roading Facilities:</i> Consideration of policy on the renewal of low use seal roads and bridges.	2015/16
Water: 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).	2016/17
Wastewater: Discharge consents renewal: Waimate requires renewal in 2036. Consideration of additional or alternative treated effluent disposal options may be required due to increased environmental requirements.	2033 to 2036
Stormwater: District-wide catchment management planning is needed to fully understand the impacts of stormwater discharges in urban area on receiving environments and to manage stormwater infrastructure by developing operating standards and monitoring programme. The Assessment of Environmental Effects (AEE) 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.	2015/16 to 2018/19

5.0 SIGNIFICANT INFRASTRUCTURE ISSUES

The Local Government Act 2002 Amendment Bill Section 101B – Infrastructure Strategy states:

- (2) *The purpose of the infrastructure strategy is to—*
- “(a) *identify significant infrastructure issues for the local authority over the period covered by the strategy; and*
- “(b) *identify the principal options for managing those issues and the implications of those options.*

In developing this 30 Year Strategy Council identified the anticipated significant infrastructure issues over the 30 years and considered each significant action and the benefits of the action. The significant infrastructure issues faced by Waimate District Council with the benefits and costs are presented in Table 5-1 to Table 5-4.

5.1 Roads and Footpaths

Table 5-1: Significant Transportation Projects

Issue	What are We Doing?	Issue	Benefit	Project Type	Total Cost (30 years)	First Year Group	Last Year Group
Routine O & M	Routine O & M	Routine O & M	Maintain LoS	O & M	\$77,839,458	2015/16	2044/45
Sealed Rd Resurfacing	Sealed Rd Resurfacing	Renewals	Ensure continuity of service	Renew	\$37,714,440	2015/16	2044/45
Sealed Rd Resurfacing	2nd Coat reseals	Renewals	Ensure continuity of service	Renew	\$10,992,000	2025/26	2044/45
Drainage Renewals	Drainage Construction	Renewals	Ensure continuity of service	Renew	\$3,488,040	2015/16	2044/45
Drainage Renewals	Culvert Renewal	Renewals	Ensure continuity of service	Renew	\$3,234,000	2015/16	2044/45
Drainage Renewals	K&C Renewal	Renewals	Ensure continuity of service	Renew	\$4,150,000	2015/16	2044/45
Drainage Renewals	Concrete Ford Renewal	Renewals	Ensure continuity of service	Renew	\$1,350,000	2015/16	2044/45
Sealed Road Pavement Rehabilitation	Sealed Road Pavement Rehabilitation	Renewals	Ensure continuity of service	Renew	\$84,574,880	2015/16	2044/45
Structures component replacement	Structures component replacement	Renewals	Ensure continuity of service	Renew	\$5,178,960	2015/16	2044/45
Traffic Service Renewal	Sign Renewal	Renewals	Ensure continuity of service	Renew	\$1,686,480	2015/16	2044/45
Traffic Service Renewal	Lighting Renewal	Renewals	Ensure continuity of service	Renew	\$468,000	2019/20	2044/45
Footpath Renewal	Footpath Renewal	Renewals	Ensure continuity of service	Renew	\$3,300,000	2015/16	2044/45
Minor Improvements	Minor Improvements	New & Improved infrastructure	Improve LoS	LoS	\$4,826,462	2015/16	2044/45
Replacement of Bridges	Holme Station Bridge		Improve LoS	LoS	\$475,000	2016/17	2016/17
Replacement of Bridges	Crouches Bridge, Youngs Road		Improve LoS	LoS	\$420,000	2019/20	2019/20
Dust Seal	Dust Seal		Improve LoS	LoS	\$1,500,000	2015/16	2044/45
Minor Improvements N/S	Minor Improvements N/S		Improve LoS	LoS	\$300,000	2015/16	2044/45
Minor Improvements	Minor Improvements		Cater for growth	Growth	\$4,826,462	2015/16	2044/45
Seal Extension	Seal Extension Hilboro Rd		Cater for growth	Growth	\$1,500,000	2025/26	2025/26
Footpath	Footpath Development		Cater for growth	Growth	\$960,000	2015/16	2044/45
Total					\$248,784,182		

O & M – Operations and Maintenance LoS – Levels of Service

5.2 Water

Table 5-2: Significant Water Projects

Scheme	Issue	What are We Doing?	What is the Benefit?	Cost Type	Total Cost (30 years)	First Year Group	Last Year Group
Waimate	Plant Renewals - Waimate	Renewals	Ensure continuity of service	Renew	\$1,015,194	2015/16	2044/45
Waimate	Reticulation Renewals - Waimate (long term renewals using pipe life)	Renewals	Ensure continuity of service	Renew	\$3,337,912	2030/31	2044/45
Waikakahi	Reticulation Renewals - Waikakahi	Renewals	Ensure continuity of service	Renew	\$1,460,070	2033/34	2043/44
Waihaorunga	Reticulation Renewals - Waihaorunga	Renewals	Ensure continuity of service	Renew	\$304,882	2037/38	2042/43
Otaio Makikihi	Reticulation Renewals - Otaio Makikihi	Renewals	Ensure continuity of service	Renew	\$1,207,195	2029/30	2034/35
Lower Waihao	Reticulation Renewals - Lower Waihao	Renewals	Ensure continuity of service	Renew	\$876,567	2037/38	2043/44
Hook Waituna	Reticulation Renewals - Hook Waituna	Renewals	Ensure continuity of service	Renew	\$1,844,573	2033/34	2043/44
Cannington Motukaika	Reticulation Renewals - Cannington Motukaika	Renewals	Ensure continuity of service	Renew	\$549,984	2033/34	2038/39
All schemes	Routine maintenance	Routine O & M	Maintain LoS	O & M	\$70,551,434	2015/16	2044/45
Waimate	Reticulation Renewals - Waimate (Funding of the remaining 15 years requirements - normalising over 5 years)	Renewals	Ensure continuity of service	Renew	\$1,529,763	2025/26	2029/30
Waimate	Urban Water - Pressure Management	Pressure management	Optimisation of network	LoS	\$75,000	2015/16	2015/16
Waimate	Urban Water - Rising Main Renewals	LoS	Ensure continuity of service	LoS	\$1,000,000	2015/16	2019/20
Waimate	Urban Water - Capitalised Maintenance - Painting of AVG Filter	Renewals	Ensure continuity of service	Renew	\$40,000	2016/17	2016/17
Waimate	Urban Water - AC Water Main Renewals	Renewals	Ensure continuity of service	Renew	\$1,700,000	2015/16	2024/25
Waimate	Urban Water - CI Water Main Renewals	Renewals	Ensure continuity of service	Renew	\$2,550,000	2015/16	2024/25
Waimate	Urban Water - Lateral Renewals	Renewals	Ensure continuity of service	Renew	\$500,000	2015/16	2024/25
Waikakahi	Waikakahi - Pipe Renewal - Shearers Hill Road Crossing - 150mm PN16 100m	Renewals	Ensure continuity of service	Renew	\$10,000	2015/16	2015/16
Waikakahi	Waikakahi - Pipe Renewal - Shearers Hill Road Crossing - 150mm PN16 100m	Renewals	Ensure continuity of service	Renew	\$12,500	2016/17	2016/17
Waikakahi	Misc Renewals	Renewals	Ensure continuity of service	Renew	\$5,000	2015/16	2015/16
Waikakahi	Misc Renewals	Renewals	Ensure continuity of service	Renew	\$45,000	2016/17	2024/25
Waihaorunga	Waihaorunga - Bob Houston - 2.1km 40OD	Renewals	Ensure continuity of service	Renew	\$17,000	2015/16	2015/16
Waihaorunga	Waihaorunga - Pump Replacement WRMIG000004	Renewals	Ensure continuity of service	Renew	\$8,000	2021/22	2021/22

Table 5-2: Significant Water Projects continued

Scheme	Issue	What are We Doing?	What is the Benefit?	Cost Type	Total Cost (30 years)	First Year Group	Last Year Group
Waihaorunga	Waihaorunga - Pump Replacement TVP000008	Renewals	Ensure continuity of service	Renew	\$3,500	2016/17	2016/17
Otaio Makikihi	Otaio/Makikihi - Renewals - Grange Road - 3.5km 40mmOD	Renewals	Ensure continuity of service	Renew	\$31,000	2015/16	2015/16
Otaio Makikihi	Otaio/Makikihi - Renewals - Gary Skinner - 2.0km 40mmOD	Renewals	Ensure continuity of service	Renew	\$15,000	2016/17	2016/17
Otaio Makikihi	Otaio/Makikihi - Renewals - Sullivans to Tavistock Road 80AC 1000m- 100mm uPVC	Renewals	Ensure continuity of service	Renew	\$42,000	2017/18	2017/18
Otaio Makikihi	New Bore - Redundancy	LoS	Ensure continuity of service	LoS	\$100,000	2021/22	2021/22
Otaio Makikihi	Reinstate Otaio River Redundancy	LoS	Ensure continuity of service	LoS	\$5,000	2015/16	2015/16
Lower Waihao	Lower Waihao - Rising main renewal - 1600m uPVC 150mm PN12	Renewals	Ensure continuity of service	Renew	\$75,000	2015/16	2015/16
Lower Waihao	Lower Waihao - Tawai renewal - 2300m PE80 63mm PN12	Renewals	Ensure continuity of service	Renew	\$40,000	2016/17	2016/17
Lower Waihao	Misc Renewals	Renewals	Ensure continuity of service	Renew	\$40,000	2017/18	2024/25
Hook Waituna	Hook/Waituna - Te Kit Rebuild - rebuild of controls	Renewals	Ensure continuity of service	Renew	\$13,000	2015/16	2015/16
Hook Waituna	Misc Plant Renewals	Renewals	Ensure continuity of service	Renew	\$90,000	2016/17	2024/25
Hook Waituna	Hook Waituna - Filtration / Coagulation Upgrade	LoS	Water quality	LoS	\$100,000	2015/16	2015/16
Hook Waituna	Hook/Waituna - Havoc Renewal	Renewals	Ensure continuity of service	Renew	\$20,000	2015/16	2015/16
Hook Waituna	Hook/Waituna - Bells Renewal - 1600m PE80 40OD	Renewals	Ensure continuity of service	Renew	\$16,000	2016/17	2016/17
Hook Waituna	Hook/Waituna - Caywood Renewal - 1000m PE80 40OD	Renewals	Ensure continuity of service	Renew	\$10,000	2017/18	2017/18
Cannington Motukaika	Cannington/Motukaika - Main Renewals - Dwyer 1km + PRV	Renewals	Ensure continuity of service	Renew	\$12,000	2015/16	2015/16
Cannington Motukaika	Various Renewals	Renewals	Ensure continuity of service	Renew	\$70,000	2018/19	2024/25
Cannington Motukaika	Cannington/Motukaika - Main Renewals - 100mm Slip Line - 200m	Renewals	Ensure continuity of service	Renew	\$12,000	2016/17	2016/17
Total					\$89,334,574		

5.3 Wastewater

Table 5-3: Significant Wastewater Projects

Scheme	Issue	What are We Doing?	What is the Benefit?	Cost Type	Total Cost (30 years)	First Year Group	Last Year Group
Waimate	Waimate Renewals - Plant	Renewals - Plant	Ensure continuity of service	Renew	\$498,850	2015/16	2042/43
Waimate	Waimate Renewals - Point	Renewals - Point	Ensure continuity of service	Renew	\$12,379	2035/36	2035/36
Waimate	Waimate Renewals - Line	Renewals - Line	Ensure continuity of service	Renew	\$1,890,377	2031/32	2040/41
Waimate	Waimate Renewals - Lateral	Renewals - Lateral	Ensure continuity of service	Renew	\$1,052,162	2031/32	2040/41
Waimate	Sewerage and sewage - Programmed Renewals	Renewals	Ensure continuity of service	Renew	\$200,000	2015/16	2015/16
Waimate	Reticulation Renewals - (Funding of the remaining 15 years requirements - normalising over 5 years)	Renewals	Ensure continuity of service	Renew	\$3,053,379	2025/26	2029/30
Waimate	Sewerage and sewage - Mill Road Extension	Network extension	Demand	LoS	\$546,000	2015/16	2015/16
Waimate	Sewerage and sewage - Programmed Renewals	Renewals	Ensure continuity of service	Renew	\$200,000	2016/17	2016/17
Waimate	Sewerage and sewage - Programmed Renewals	Renewals	Ensure continuity of service	Renew	\$200,000	2017/18	2017/18
Waimate	Edward Street Upgrade (Renewal)	Renewals	Ensure continuity of service	Renew	\$510,000	2018/19	2018/19
Waimate	Sewerage and sewage - Programmed Renewals	Renewals	Ensure continuity of service	Renew	\$3,924,000	2019/20	2024/25
Waimate	Consent renewal	Renewals	Ensure continuity of service	Renew	\$200,000	2034/35	2035/36
Waimate	Routine maintenance	Routine O & M	Maintain LoS	O & M	\$18,309,479	2015/16	2044/45
Total					\$30,596,626		
<i>O & M – Operations and Maintenance</i>		<i>LoS – Levels of Service</i>					

5.4 Stormwater

Table 5-4: Significant Stormwater Projects

Scheme	Issue	What are We Doing?	What is the Benefit?	Cost Type	Total Cost (30 years)	First Year Group	Last Year Group
Waimate Township	Street flooding	Priority One - Manse / Harris Street Upgrade	Minimise road flooding	LoS	\$143,000	2015/16	2015/16
Waimate Township	Street flooding	Priority One - Manse / Harris Street Upgrade	Minimise road flooding	LoS	\$170,000	2016/17	2016/17
Waimate Township	Street flooding	Priority Two - 300mm Pipeline Manse Street (Town Belt to Harris Street) & New Sumps Intersection of Rhodes & Manse Street	Minimise road flooding	LoS	\$138,000	2017/18	2017/18
Waimate Township	Street flooding	Priority Two - 300mm Pipeline Manse Street (Town Belt to Harris Street) & New Sumps Intersection of Rhodes & Manse Street	Minimise road flooding	LoS	\$36,000	2018/19	2018/19
Waimate Township	Street flooding	Priority Three - Belt to Town Belt	Minimise road flooding	LoS	\$14,000	2017/18	2017/18
Waimate Township	Street flooding	Priority Three - 300mm Pipeline Along Belt Street to Town Belt Street / New Sump intersection of Edinburgh & Belt Street	Minimise road flooding	LoS	\$37,000	2018/19	2018/19
Waimate Township	Street flooding	Priority Two - 300mm Pipeline and New Sumps Intersection of Shearman and Glasgow Streets	Minimise road flooding	LoS	\$96,000	2018/19	2018/19
Waimate Township	Legislative requirements	Stormwater Consent and Management Plan	Water quality	LoS	\$140,000	2015/16	2016/17
Waimate Township	Renewals - Waimate Urban	Renewals Prediction on 2011 data	Ensure continuity of service	Renew	\$51,828	2016/17	2040/41
Waimate Township	Routine maintenance	Routine O & M	Maintain LoS	O & M	\$2,589,539	2015/16	2044/45
Total					\$3,415,367		
<i>O & M – Operations and Maintenance</i>		<i>LoS – Levels of Service</i>					

5.5 Summary of Significant Infrastructure Issues

Significant infrastructure issues for Roads and Footpaths and the 3Waters, are present in Table 5-5.

Table 5-5: Significant Issues

Asset	Significant Infrastructure Issues
Roads and Footpaths	NZ Transport Authority (NZTA) Funding, <i>One Network Road Classification (ONRC)</i> 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.
Water	The reticulation networks for parts of the water supplies are all at or approaching the end of their expected lives. Because each of these was installed as a system the pipes within each network are all of similar age. 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. Normalising or harmonising of rates and charges across all water supplies.
Wastewater	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. The need to reduce the level of <i>Inflow and Infiltration (I & I)</i> in both private and public assets as there is significant infiltration into the Waimate network is related to the old earthenware mains installed in the 1920 to 1940 period.
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.
General	Planning for growth across the district. 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. Natural hazards – resilience, lifelines and criticality. Risk Management improvement (mitigate, isolate or remove).

5.6 Other Scenarios Considered

Council has robust practices and process when considering capital projects. Alternative approaches for a selection of the significant projects are presented in Table 5-6.

Table 5-6: Other Scenarios Considered

Significant Projects	Primary Drivers	Other Scenarios Considered
Roads and Footpaths		
Pavement Strengthening	Levels of Service (LoS)	Considering the impact increased loadings and age of the sealed road network. A more intense programme of pavement renewal sustained over a longer period may need to be implemented. Some low use seal road mat be converted to unsealed roads.
Improved Asset Information	Renewals	Council is committed to improving asset information in <i>Roading Assessment and Maintenance Management (RAMM)</i> and with further data analysis better targeting of renewal programmes to meet asset deterioration, road section by road section.
Footpath Resurfacing	Levels of Service (LoS)	The practice in resurfacing existing chip seal with chip seal, at a lower cost need to be balanced with the demand of smoother footpaths footpath resurfacing work in Asphalt Concrete (AC).
NZTA Project Evaluation and <i>Regional Transport Committee (RTC)</i> Approval	Growth	Any major projects >\$300,000 need to be justified through NZ Transport Authority (NZTA) using Project Evaluation processes and need to meet NZTA criteria for work to proceed with NZTA subsidy. In this situation Council may support a project but would have to do the work unsubsidised if the Project Evaluation assessment does not meet NZTA funding criteria. Also Council is not able to progress subsidised projects that do not have the support of the <i>Regional Transport Committee (RTC)</i> and are not consistent with the current Regional Transport Strategy.
Water		
Pipe and Facility Renewals	Levels of Service (LoS), Growth	Council will carry out optimisation and affordability assessments. A programme for pipe conditions assessments is underway to improve the level of knowledge surrounding the best-replacement dates for aging infrastructure (pipelines).
Pipe Upgrades	Growth	Council have considered a reorientation of the hydraulic arrangement of some water schemes, to enable more efficient and reliable delivery of water services. This is considered a more holistic approach to network management and design, rather than the existing and historical catchment-based approach.

Table 5 6: Other Scenarios Considered continued

Significant Projects	Primary Drivers	Other Scenarios Considered
Wastewater		
Purchasing land equivalent to a doubling of the disposal area	Growth	Council will consider the trade-offs between asset (disposal to land, water, new technologies etc.) and non-asset solutions (reduction of <i>Inflow and Infiltration (I & I)</i> in public and private mains and laterals etc.)
Pipeline/meter replacements (District wide)	Renew	Council will carry out optimisation and a programme for pipe conditions assessments is underway to improve the level of knowledge surrounding the best-replacement dates for aging infrastructure (pipelines).
Carry out necessary process improvements and apply for consent renewal (Waimate)	Renew	Community consultation will include consideration of the trade-offs between asset (disposal to land, water, new technologies etc) and non-asset solutions (reduction of <i>Inflow and Infiltration (I & I)</i> in public and private mains and laterals etc.)

6.0 FINANCIAL ESTIMATES

The Local Government Act 2002 Amendment Bill Section 101B – Infrastructure Strategy states:

(4) *The infrastructure strategy must outline the most likely scenario for the management of the local authority's infrastructure assets over the period of the strategy and, in that context, must—*

“(a) show indicative estimates of the projected capital and operating expenditure associated with the management of those assets—

“(i) in each of the first 10 years covered by the strategy; and

“(ii) in each subsequent period of 5 years covered by the strategy

6.1 Total Expenditure

The 30 year projected capital and operational expenditures associated with the Infrastructure Assets are graphically represented in Figure 6-1 and Figure 6-2.

These expenditures come from Council's planned capital investments, predicted operations and maintenance cost and renewals forecasting. These expenditures take into account of: all 'significant' and 'non-significant' capital and operational expenditure due to Level of Service, Growth, Operation and Maintenance or Renewal requirements.

Figure 6-1: Projected Capital Expenditure- Infrastructure Assets

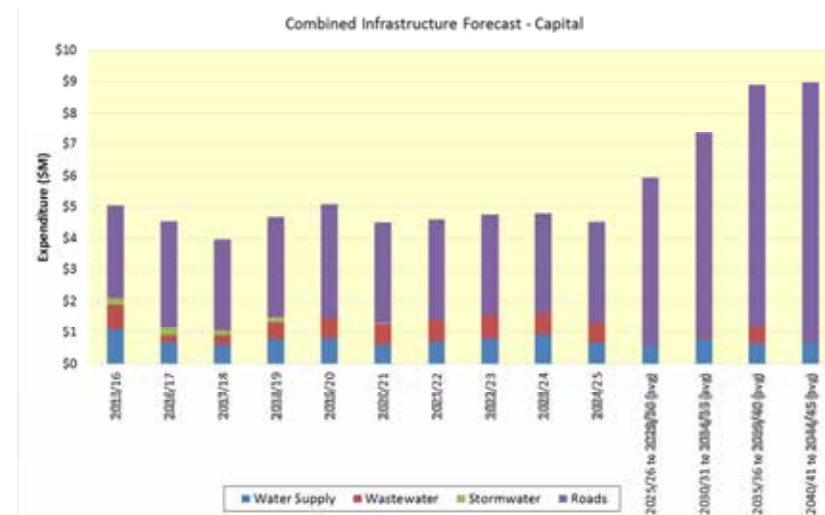
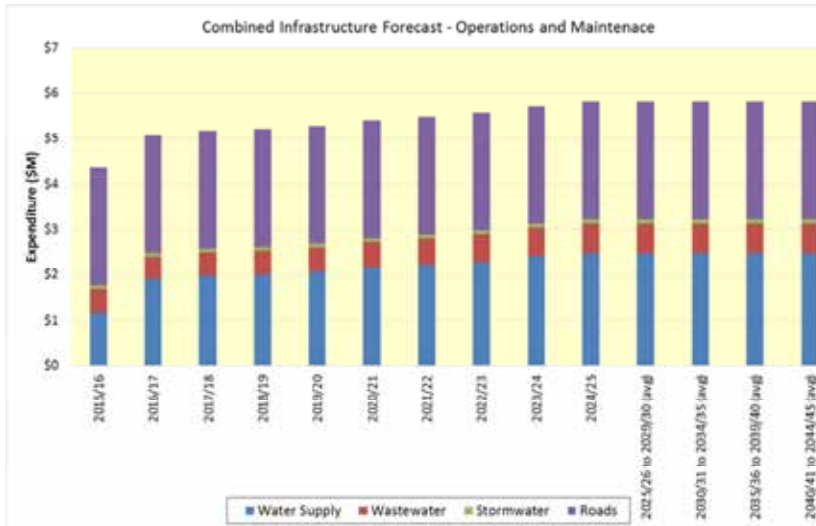


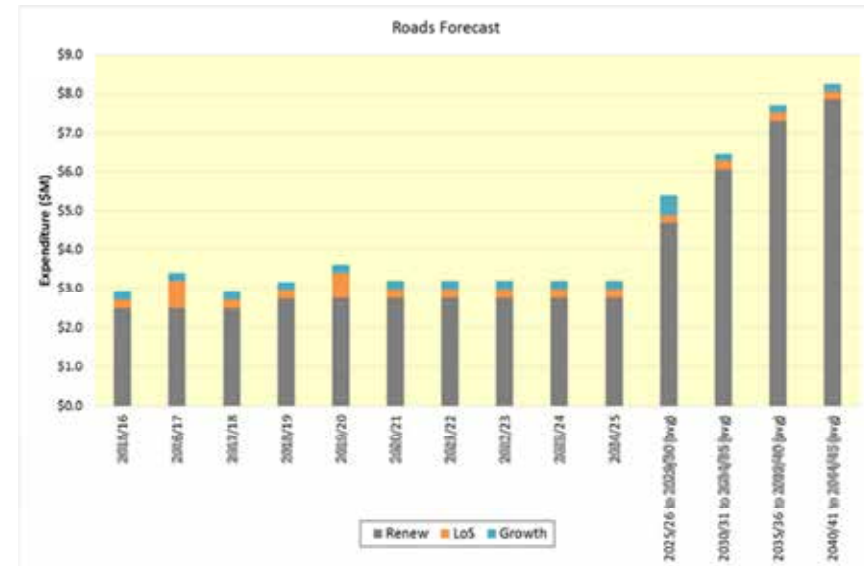
Figure 6-2: Projected Operational Expenditure –Infrastructure Assets



6.2 Roads and Footpaths

The projected capital expenditure associated with the roading infrastructure assets are graphically represented below:

Figure 6-3: Projected Capital Expenditure – Roads and Footpaths



6.3 Water

The projected capital expenditure associated with the water infrastructure assets are graphically represented below:

Figure 6-4: Projected Capital Expenditure – Water (Urban and Rural)

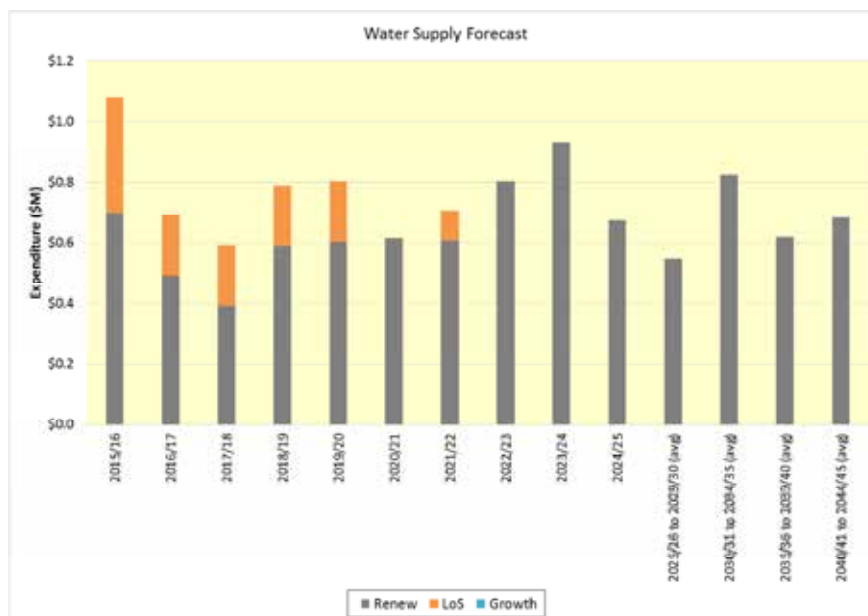


Figure 6-5: Projected Capital Expenditure – Water (Urban)

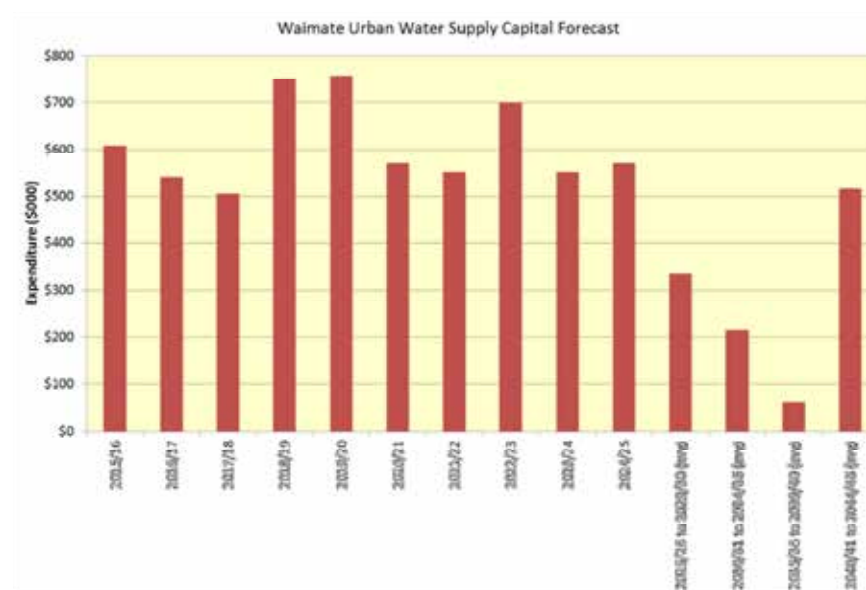
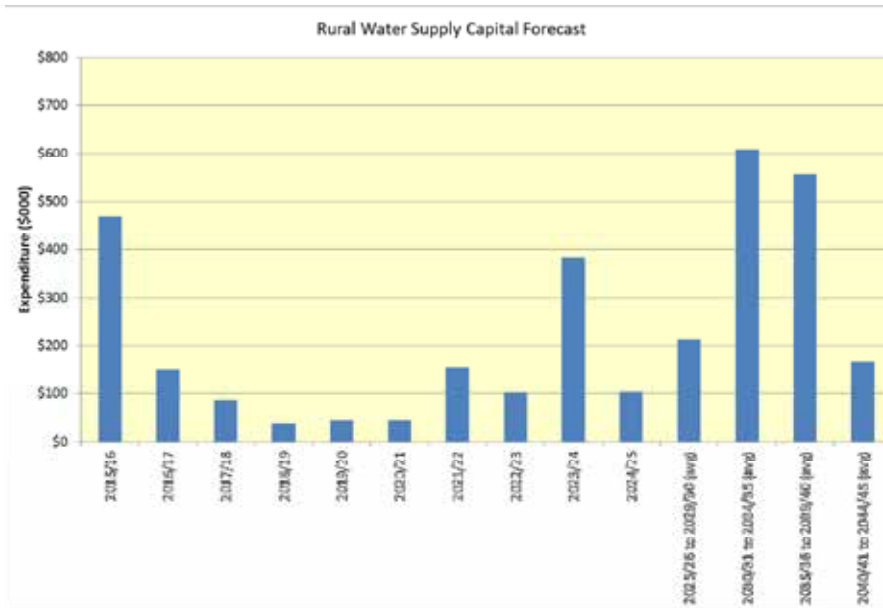


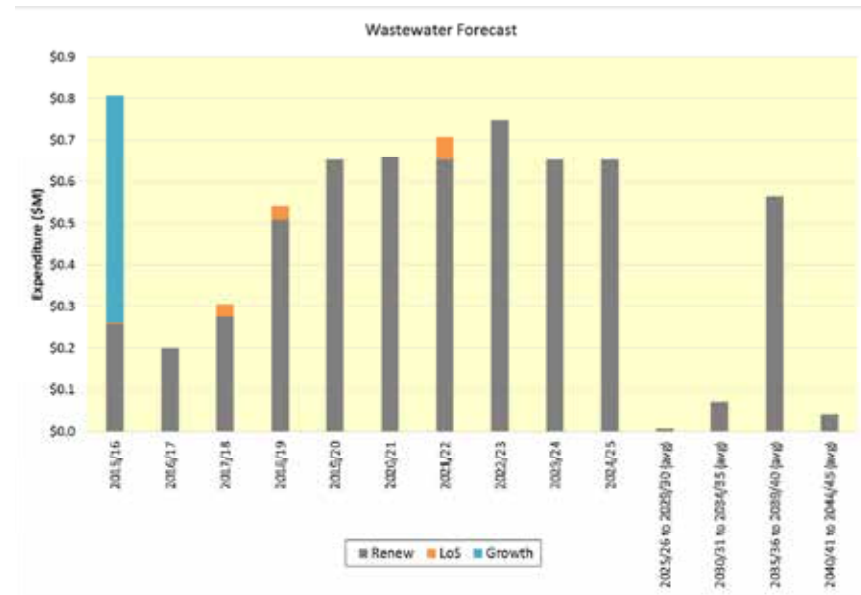
Figure 6-6: Projected Capital Expenditure – Water (Rural)



6.4 Wastewater

The projected capital expenditure associated with the wastewater infrastructure assets are graphically represented below:

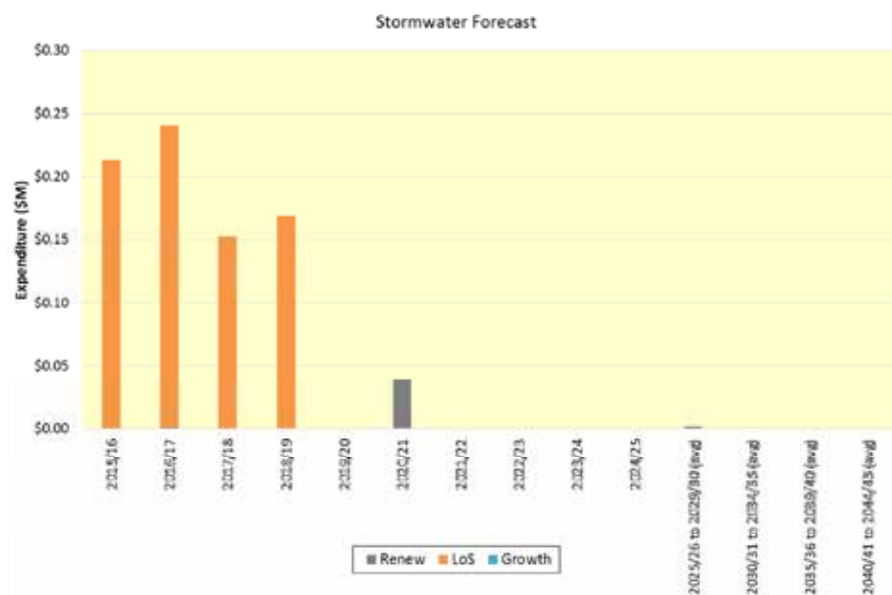
Figure 6-7: Projected Capital Expenditure - Sewerage



6.5 Stormwater

The projected capital expenditure associated with the stormwater infrastructure assets are graphically represented below:

Figure 6-8: Projected Capital Expenditure – Stormwater



6.6 Expenditure Summary

Summary of the 30 year Infrastructure Asset expenditure for the Roads and Footpaths and 3Waters and is presented in Table 6-1.

Table 6-1: Summary of the 30 Year Infrastructure Asset Expenditure (Millions)

Asset	Expense	Year							Average						Total	
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26 to 2029/30	2030/31 to 2034/35	2035/36 to 2039/40		2040/41 to 2044/45
Water Supply	O & M	\$1.18	\$1.90	\$1.97	\$2.01	\$2.07	\$2.16	\$2.23	\$2.30	\$2.41	\$2.49	\$2.49	\$2.49	\$2.49	\$2.49	\$70.55
	Renew	\$0.70	\$0.49	\$0.39	\$0.59	\$0.60	\$0.61	\$0.61	\$0.80	\$0.93	\$0.67	\$0.55	\$0.82	\$0.62	\$0.68	\$19.77
	LoS	\$0.38	\$0.20	\$0.20	\$0.20	\$0.20	-	\$0.10	-	-	-	-	-	-	-	\$1.28
	Growth	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<i>Total Capital</i>	<i>\$1.08</i>	<i>\$0.69</i>	<i>\$0.59</i>	<i>\$0.79</i>	<i>\$0.80</i>	<i>\$0.61</i>	<i>\$0.71</i>	<i>\$0.80</i>	<i>\$0.93</i>	<i>\$0.67</i>	<i>\$0.55</i>	<i>\$0.82</i>	<i>\$0.62</i>	<i>\$0.68</i>	<i>\$21.05</i>
Wastewater	O & M	\$0.50	\$0.51	\$0.53	\$0.53	\$0.54	\$0.56	\$0.58	\$0.59	\$0.62	\$0.64	\$0.64	\$0.64	\$0.64	\$0.64	\$18.31
	Renew	\$0.26	\$0.20	\$0.28	\$0.51	\$0.65	\$0.66	\$0.65	\$0.75	\$0.65	\$0.65	\$0.01	\$0.07	\$0.57	\$0.04	\$8.69
	LoS	\$0.55	-	\$0.03	\$0.03	-	-	\$0.05	-	-	-	-	-	-	-	\$0.67
	Growth	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<i>Total Capital</i>	<i>\$0.81</i>	<i>\$0.20</i>	<i>\$0.31</i>	<i>\$0.54</i>	<i>\$0.65</i>	<i>\$0.66</i>	<i>\$0.71</i>	<i>\$0.75</i>	<i>\$0.65</i>	<i>\$0.65</i>	<i>\$0.01</i>	<i>\$0.07</i>	<i>\$0.57</i>	<i>\$0.04</i>	<i>\$9.35</i>
Stormwater	O & M	\$0.07	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$2.59
	Renew	-	\$0.00	-	-	-	\$0.04	-	-	-	-	\$0.00	-	-	\$0.00	\$0.05
	LoS	\$0.21	\$0.24	\$0.15	\$0.17	-	-	-	-	-	-	-	-	-	-	\$0.77
	Growth	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<i>Total Capital</i>	<i>\$0.21</i>	<i>\$0.24</i>	<i>\$0.15</i>	<i>\$0.17</i>	-	<i>\$0.04</i>	-	-	-	-	<i>\$0.00</i>	-	-	<i>\$0.00</i>	<i>\$0.83</i>
Roads and Footpaths	O & M	\$2.59	\$2.59	\$2.59	\$2.59	\$2.59	\$2.59	\$2.59	\$2.59	\$2.59	\$2.59	\$2.59	\$2.59	\$2.59	\$2.59	\$77.84
	Renew	\$2.50	\$2.50	\$2.50	\$2.74	\$2.76	\$2.76	\$2.76	\$2.76	\$2.76	\$2.76	\$4.67	\$6.06	\$7.30	\$7.84	\$156.14
	LoS	\$0.22	\$0.70	\$0.22	\$0.22	\$0.64	\$0.22	\$0.22	\$0.22	\$0.22	\$0.22	\$0.22	\$0.22	\$0.22	\$0.22	\$7.52
	Growth	\$0.21	\$0.21	\$0.21	\$0.21	\$0.21	\$0.21	\$0.21	\$0.21	\$0.21	\$0.21	\$0.49	\$0.18	\$0.18	\$0.18	\$7.29
	<i>Total Capital</i>	<i>\$2.93</i>	<i>\$3.40</i>	<i>\$2.93</i>	<i>\$3.17</i>	<i>\$3.61</i>	<i>\$3.19</i>	<i>\$3.19</i>	<i>\$3.19</i>	<i>\$3.19</i>	<i>\$3.19</i>	<i>\$5.39</i>	<i>\$6.46</i>	<i>\$7.70</i>	<i>\$8.24</i>	<i>\$170.94</i>
Total	O & M	\$4.36	\$5.09	\$5.18	\$5.21	\$5.29	\$5.40	\$5.48	\$5.58	\$5.71	\$5.81	\$5.81	\$5.81	\$5.81	\$5.81	\$169.29
	Total Capital	\$5.03	\$4.54	\$3.98	\$4.67	\$5.07	\$4.50	\$4.61	\$4.74	\$4.78	\$4.52	\$5.94	\$7.35	\$8.88	\$8.97	\$202.18

O & M – Operations and Maintenance

LoS – Levels of Service

7.0 INFRASTRUCTURE STRATEGY IMPROVEMENT PLAN

Council is committed to on-going improvement in the quality of the 3 Waters and Roads and Footpaths services management practices. This is reflected in the implementation of asset management systems and associated data collection and maintenance requirements.

The Infrastructure Strategy Improvement Plan is integral to that approach, quantifying current business practice and measuring progress toward an identified future position. The Improvement Plan is focused on the following key areas:

- Information Management
- Scheme Knowledge
- Resilience
- Risk management

While reappraisal is an on-going process, the Improvement Plan will form the basis of the 4Waters and Roads and Footpaths services annual business planning. An overarching Improvement Plan for this Infrastructure Strategy is presented in Table 7-1.

Table 7 1: Improvement Plan

Strategy Component	Specific Asset Management Improvements
Resilience	Economic, environment and social resilience to be considered in future versions of this strategy.
Further infrastructure strategy inclusions	The review of this Infrastructure Strategy is programmed for 2017. At this time the Parks and Recreation, Solid Wastes and Community Buildings may be included in the strategy.
Long term affordability	Consider varying levels of service or cease less economic services. Adopt the NZ Transport Authority (NZTA) Procurement Manual for roads and some infrastructure assets.
Robustness of the forecasts	Ensure availability of the tools and resources to enable renewals to be planned and funded with a high level of confidence.
Asset Management systems functionality	Improve accuracy of data through review and modification of collection, storage, and auditing with prioritising on criticality including the development of data management standard. <i>Roading Assessment and Maintenance Management (RAMM)</i> along with expanded traffic counting and pavement testing regimes, will improve predictive modelling of deterioration and condition for Council's high value road pavement and surfacing assets.
Capital works	Improve co-ordination between renewal programmes and the development of new assets.



Fees and Charges 2015/16

Fees and Charges 2015/16

The following tables outline the Fees and Charges that apply to certain Council activities where a 'userpays' principle is applied to offset part or all costs.

The fees and charges schedule is prepared using GST inclusive figures and paid in advance or on application.

New Urban Water, Sewage, Stormwater Networks	2014/15	2015/16
Application Fees		
Connections/disconnections - Urban and Rural Water, Sewer, Stormwater	\$115.00	\$120.00
Utility Physical Works		
Urban and Rural Water, Sewer, Stormwater	Actual cost	Actual costs
Capital Contribution		
Urban Water, Sewer, Stormwater - For a newly created lot due to subdivision or an existing parcel of land within the newly designated urban/business zone for the Waimate Township that previously have not paid any vacant rates for utilities.	\$5,250.00 ie \$1,750.00 per utility	\$5,250.00 ie \$1,750.00 per utility
Urban Water Supply		
Urban Water - Extraordinary Supply		
Properties in excess of one hectare or properties deemed to have an extraordinary supply as outlined in the Waimate District Council Bylaws, section 1418.3, shall be equipped with a metered water connection. Any water used in excess of 200m ³ within a six month period is charged at \$0.65 per m ³ .	0.60 per m ³	\$0.65 per m ³
Urban Backflow Preventor		
Registration and inspection - per annum	\$58.00	\$60.00

Rural Water Supply	2014/15	2015/16
	Per litre per day	Per litre per day
Capital Contribution		
Cannington Motukaika	\$2.00	\$2.00
Hook Waituna	\$2.00	\$2.00
Lower Waihao	\$2.00	\$2.00
Otaio Makikihi	\$2.00	\$2.00
Waihaorunga	\$2.00	\$2.00
Waikakahi	\$2.00	\$2.00
Temporary Water		
Temporary water is charged at three times the normal scheme rate plus re-jetting fees of \$80 per visit.		
Unauthorised Water Tampering		
Plus actual and reasonable costs for any associated work.	\$2,000.00	\$2,000.00
Waste Management - Refuse Kerbside Collection		
Waimate District Council official rubbish bags sold from the Council office and the Information Centre at \$7.00 per bag (2014/15 \$6.50).		
Refuse bins can be allocated to a property during the financial year and will be payable in advance based on months remaining and thereafter it will be charged on your rates.		
Note. Refuse bins remain at the property. Collection days on Council website.		
Rating information for refuse and recycling can be found within the Funding Impact Statement, Volume 2 of the Long Term Plan 2015-25.		

Waimate Resource Recovery Park	2014/15	2015/16
Note: Charging is determined by volume. Examples of vehicles are indicative only.		
Refuse (Rubbish)		
Standard rubbish bag 60 litre weight	\$6.00	\$6.50
Small load <1 cubic metre eg. car, station wagon or ute	\$24.00	\$25.00
Medium load 1 to 2 cubic metres eg trailer, van or ute	\$48.00	\$50.00
Large load >2 cubic metres eg large trailer or light truck	\$27.00 per m3	\$28.00 per m3
Weighed load eg trucks larger than 2.5 tonnes tare (per tonne)	\$250.00	\$260.00
Unwanted whiteware - drop off	\$12.00	\$15.00
Unwanted vehicles - drop off	*\$28.00	*\$30.00
*An additional \$20.00 charge applies if cars contain liquids, refuse or other material. Note: Direct to Redruth all trucks only - charged directly by Timaru District Council.		
Greenwaste or hardfill with or without Recyclables		
Small load < 1 cubic metre eg. car, station wagon or ute	\$12.00	\$13.00
Medium load 1 to 2 cubic metres eg trailer, van or ute	\$22.00	\$23.00
Large load >2 cubic metres eg large trailer or light truck	\$12.00 per m3	\$13.00 per m3
Weighed load eg trucks larger than 2.5 tonnes tare (per tonne)	\$75.00	\$76.00

Waimate Resource Recovery Park Cont.	2014/15	2015/16
Recyclables and Escrap		
All Recyclables	No Charge	No Charge
Escrap - all items excluding charged items listed below	No Charge	No Charge
All TVs	\$10.00	\$12.00
CRT computer monitors	\$10.00	\$12.00
Tyres	\$6.50	\$7.00
Extra-Ordinary Access Resource Recovery Park		
Normal charges as above plus		
(a) Request and appointment – 2 hours notice 8.00 am – 5.00 pm working day	\$60.00	\$60.00
(b) As above, except appointment outside hours	\$110.00	\$110.00
c) Extra 'on demand' fee to waive notice requirement additional to either (a) or (b)	\$60.00	\$60.00
Roading and Footpaths		
Road Opening		
Deed of grant for private service on or along road	\$300.00	\$345.00
Utility corridor access request major project	\$300.00 and actual costs	\$345.00 and actual costs

Fees and Charges 2015/16

Roading and Footpaths Cont.	2014/15	2015/16
Minor project - Corridor Access	\$60.00	\$60.00
Additional Inspections for applications	\$230.00	\$230.00
Additional penalty for non notification	\$230.00	\$230.00
Seal opening reseal fee	\$57.50 m2	\$60.00m2
Traffic Overweight Permit		
Plus actual and reasonable costs for any structural checking and inspections where required	\$60.00 and actual costs	\$65.00 and actual costs
Applications Fees		
Road Encroachment, Cattle Stop, Gate (plus advertising)	\$300.00	\$120.00
Storage on roadside	\$200.00	\$120.00
Construct of kerb crossing or vehicle access - actual and reasonable cost recovery.	Actual cost	Actual cost
Vehicle Crossing/access		\$120.00
Penalty fee for non notification on permitted activities	\$230.00	\$500.00
Urgent permits will incur an additional mileage fee at the current IRD rate		\$0.77 cents per km

Roading and Footpaths Cont.	2014/15	2015/16
Temporary Road Closures		
Approved Community Events - non-commercial or not-for-profit organisations		
Other Events - (motor sport events, etc.) - Each application is considered on its merits. Application fee for administering the Road Closure. Fees charged for External advertising at actual costs. Damage assessment inspection at actual costs. Road damage reimbursement at actual costs.	\$500.00	\$500.00
Road/Street/Footpath Damage		
Fee - for Asset Protection. Pursuant to section 12 and 150(6) of the Local Government Act (2002) Council sets the following fee to inspect and ensure the protection of Council infrastructure including roads, street signage, street lighting, kerb and channel, culvert ends, footpaths, water and sewerage connections. Inspections will check before and after relocation (paid with building consent).	\$190.00	\$120.00
Bond - for Asset Protection, new build. This bond will only be refunded on demonstration that there has not been any damage or interference with any works or property owned, constructed, acquired or used by Waimate District Council, pursuant to section 175.	\$1,650.00	\$1,650.00
Council may charge at cost for the repair of any damage to the footpath or street incurred as a result of house relocation, building, demolition or similar activities.	Actual cost	Actual cost

Community Housing	2014/15	2015/16
Single unit – per week	\$70.00	\$80.00
Double unit– per week	\$75.00	\$85.00
Camping	2014/15	2015/16
Victoria Park Motor Camp		
Standard Cabins per Adult per night	\$25.00	\$28.00
Standard Cabins per Child under 12yrs per night	\$5.50	\$6.00
Camping Power sites 2 adults per night	\$28.00	\$30.00
Camping Power sites per adult per night	\$14.00	\$15.00
Camping Power sites per child under 12yrs per night	\$5.00	\$5.00
Camping Non power 2 adults per night	\$26.00	\$28.00
Camping Non power per adult per night	\$13.00	\$14.00
Camping Non-power per child under 12yrs per night	\$5.00	\$5.00
On site caravans per person	\$30.00	\$30.00
En-suite cabins, 1 adult per night	\$45.00	\$50.00
En-suite cabins, 2 adults per night	\$75.00	\$80.00
En-suite cabins, extra person per night (greater than two adults per night fee)	\$10.00	\$15.00
Non Campers - shower per person	\$2.00	\$3.00

Camping Cont.	2014/15	2015/16
Knottingley Park		
Camping power sites adult per night	\$12.00	\$14.00
Camping non-power sites adult per night	\$11.00	\$13.00
Per Child under 12yrs power & non power per night	\$5.00	\$5.00
Shower per person - non camper	\$2.00	\$3.00
Waitaki Lakes		
Season Ticket	\$320.00	\$330.00
Site per night - 2 Adults & Dependants under 16	\$20.00	\$20.00
Extra Adults per night	\$8.00	\$10.00
St Andrews Domain		
Non power per adult per night	\$11.00	\$13.00
Camping Power sites per adult per night	\$12.00	\$14.00
Showers per person - non camper	\$2.00	\$3.00

Fees and Charges 2015/16

Cemetery (Waimate and Otaio Cemeteries)	2014/15	2015/16
Interments		
Ashes	\$180.00	\$195.00
Stillborn	\$135.00	\$150.00
Children under 12 years	\$400.00	\$440.00
Adult	\$720.00	\$790.00
Plot Purchase		
Adult	\$735.00	\$810.00
Children under 12 years	\$265.00	\$300.00
Ash Plots	\$175.00	\$200.00
Opening Plot – Concrete Plot	\$240.00	\$265.00
Stillborn	\$170.00	\$190.00
Additional Charges		
Interments - Saturdays, Sundays or Statutory Holidays, also after 4.00 pm Monday to Friday	\$395.00	\$440.00
Dig Grave – Saturdays, Sundays or Statutory Holidays	\$330.00	\$400.00
Triple Depth Plot - old Cemetery only	\$650.00	\$700.00

Cemetery (Waimate and Otaio Cemeteries) Cont.	2014/15	2015/16
Ashes		
Interments on Saturdays, Sundays or Statutory Holidays	\$120.00	\$135.00
Dig Saturdays, Sundays or Statutory Holidays	\$120.00	\$170.00
Concrete Beam		
Ash beam	\$130.00	\$145.00
Stillborn	\$130.00	\$145.00
Children under 12yrs	\$150.00	\$165.00
Adult	\$200.00	\$220.00
Cemetery - General		
Record search (in excess of one per day)	\$10.00	\$15.00
Parks - General		
Power for Seddon Square - Charges will be fixed on individual requests taking usage into account.		
Swimming Pool		
Adult – per swim	\$3.50	\$3.50
Children – per swim	\$2.00	\$2.00
Pre-School child – per swim	Free	Free
80 years and over	Free	Free

Swimming Pool Cont.	2014/15	2015/16
Family Season Ticket	\$150.00	\$150.00
Adult Concessions per 20 swims	\$62.00	\$62.00
Child Concessions per 20 swims	\$35.00	\$35.00
Adult Season Ticket	\$130.00	\$130.00
Child Season Ticket	\$75.00	\$75.00
Pool Hire		
Schools - per hour	\$50.00	\$50.00
Swimming Club - per hour	\$50.00	\$50.00
Others - per hour	\$60.00	\$60.00
Hire of Pool Attendant per hour	\$30.00	\$35.00
Library		
	2014/15	2015/16
Membership	Free	Free
Replacement Card (Adult & Children)	\$4.00	\$4.00
Borrowing		
New Fiction – per 3 weeks	\$1.00	\$1.20
Magazines – per 2 weeks	\$0.60	\$0.70
C.D's – per 3 weeks	\$2.00	\$2.50

Library Cont.	2014/15	2015/16
DVD's – per 3 days	\$3.00	\$3.50
E Books	Free	Free
Overdue Charges		
1-13 days overdue	\$2.00	\$2.00
14-20 days overdue	\$3.00	\$4.00
21 days onwards	\$5.00	\$8.00
Lost Items - Replacement cost + \$15 admin charge		
Services		
Interloan (minimum charge)	\$6.00	\$6.00
Reserves (Adult and Children)	Free	Free
Internet after 15 minutes and per each 15 minutes thereafter	Free	Free
Scanning per page	\$0.50	\$0.50
Printing/Photocopying per A4 page/black and white	\$0.20	\$0.20
Printing/Photocopying per A3 page/black and white	\$0.50	\$0.50
Printing/Photocopying per A4 page/colour	\$2.00	\$2.00
Printing/Photocopying per A3 page/colour	\$3.00	\$3.00
Note: No charge for school children's projects.		

Fees and Charges 2015/16

Information Services	2014/15	2015/16
Specific requests for copies of records or information held under the Official Information and Meetings Act 1987:	15min free	First 30min no charge
Labour charge rate (after 30mins)		\$60 per half hour + disbursements
Information Centre	2014/15	2015/16
Brochure display annual charge	\$149.50	\$149.50
Web page	\$161.00	\$161.00
Web link	\$63.25	\$63.25
When promotional material is received part way through the year, the cost of brochure display will be calculated on a pro rata basis.		
Geographical Information Systems	2014/15	2015/16
Certificate of Title		\$20.00
Print A4 Colour	\$10.00	\$10.50
Print A4 Black and White	\$7.00	\$7.00
Print A3 Colour	\$12.00	\$12.50
Print A3 Black and White	\$8.00	\$8.00
Print A2 Colour	\$22.00	\$24.00
Print A2 Black and White	\$13.00	\$13.00
Print A1 Colour	\$45.00	\$47.00
Print A1 Black and White	\$24.50	\$24.50
Print A0 Colour	\$65.00	\$70.00
Print A0 Black and White	\$34.50	\$37.00

Geographical Information Systems Cont.	2014/15	2015/16
Laminate A4 and A3	\$2.00	\$4.50
Laminate A2, A1 and A0	\$7.00	\$10.00
Customised mapping charges:		
Non-profit – per 15 min (or part thereof)	\$16.00	\$16.00
Public – per 15 min (or part thereof)	\$25.00	\$25.00
District RAPID number book	\$200.00	\$200.00
District RAPID number book for Emergency Services	\$100.00	\$100.00
RAPID number allocation plates - including plate and installation	\$30.00	\$60.00
RAPID number allocation plates - replacement or additional		\$40.00
Environmental	2014/15	2015/16
Building Consents		
Note: The category (CAT) fees exclude all travel charges which are based on rating zones. Additional inspections are charged as per the schedule of fees and charges.		
CAT 1 Log Fire - Includes 1 Inspection, PIM, CCC, Processing		\$299.00
CAT 2 \$0.00 to \$5,000 Carports, etc - Includes 2 Inspections, PIM, CCC, Processing		\$319.00
CAT 3 \$5,001 to \$15,000 Minor Alterations, Additions, Garage, Farm Buildings - Includes 3 Inspections, PIM, CCC, Processing		\$694.00
CAT 4 \$15,000 to \$25,000 Sleepout, Alteration, Additions, Farm Buildings - Includes 3 Inspections, PIM, CCC, Processing		\$823.00 Residential \$963.00 Commercial -Industrial

Environmental Cont.	2014/15	2015/16
CAT 5 \$25,001 to \$50,000 Large Alterations, Additions, Commercial - Includes 5 Inspections, PIM, CCC, Processing		\$1,155.00 Residential \$1,295.00 Commercial -Industrial
CAT 6 \$50,001 to \$100,000 Large Alterations, Additions, Farm Buildings, Commercial, Industry - Includes 9 Inspections, PIM, CCC, Processing		\$2,280.00 Residential \$2,420.00 Commercial -Industrial
CAT 7 \$100,001 to \$300,000 New Dwelling, Commercial, Industrial, Processing - Includes 13 Inspections, PIM, CCC		\$3,180.00 Residential \$3,320.00 Commercial -Industrial
CAT 8 Consents greater than \$300,001 incur an additional fee of \$540.00 per \$100,000		Plus \$540.00 per \$100,000
Additional Inspection Fee (plus applicable travel charge)		\$125.00
Re-inspection Fee (plus applicable travel charge)		\$125.00
Travel Charges - as per rating zones - Zone 1		\$32.70
- Zone 2		\$80.80
- Zone 3		\$161.60
Septic tank & effluent field only		\$444.00
PIM Costs		
Log Fire		\$30.00
Under \$15,000 Garage, carports, minor alterations, additions		\$50.00
Over \$15,000 All residential dwellings, alterations, garages, farm buildings		\$260.00
All commercial & industrial work (new and alterations)		\$400.00
Other Fees		
Plan check/amended plans (processing per hour)		\$200.00
Compliance schedule (includes Compliance Schedule Statement)		\$300.00

Environmental Cont.	2014/15	2015/16
Compliance schedule amendments		\$200.00
Warrant of Fitness reminders/acknowledgement of receipt		\$140.00
Warrant of Fitness audit		\$250.00
Notice to Rectify (Dangerous and Insanitary Buildings)		Actual cost
Marquees over 100 square metres plus applicable travel charge		\$75.00
Statistical reports per year		\$500.00
Statistical report one off		\$50.00
Reports and advisory functions		Actual cost
Mileage per km 2014/15 (where applicable and/or at current IRD rates)		\$0.77
NZ Fire Service - section 46 notice. (plus any NZFS charges)		\$220.00
Certificate of Acceptance		
Lodging and administration		\$350.00
Technical process per hour		\$270.00
Inspection plus applicable travel charge		\$200.00
Notice to Fix		\$300.00
Certificate under Sale and Supply of Alcohol Act 2012		\$170.00
Application to extend time for which a building consent is valid		\$130.00
Fencing of swimming pools exemptions. (includes report to Council)		\$260.00
Property file access and view records		\$35.00
Monitoring of swimming pools		\$260.00
Re-inspection of swimming pools		\$260.00
Investigation of illegal building work		Actual cost
Section 75 - Construction of building on 2 or more allotments - sign off		\$60.00
Certificate of Public Use		\$400.00

Fees and Charges 2015/16

Environmental Cont.	2014/15	2015/16
Certificate of Title		\$20.00
BRANZ Levy exemption up to \$20,000		NIL
BRANZ Levy on value over the exemption amount of \$19,999.99		\$1.00 per \$1,000 of project value
DBH Levy exemption up to \$20,000		NIL
DBH Levy on value over the exemption amount of \$19,999.99		\$2.01 per \$1,000 of project value
Building Consent Authority Accreditation Levy		\$1.00 per \$1,000 of project value

NOTE: Building Research Association New Zealand (BRANZ) and Department of Building and Housing levies, are to be paid in addition to the total fee, as set by statute and may be subject to change

Resource Management

Section 36 of the Resource Management Act 1991 enables Council to charge additional fees to recover actual and reasonable costs where the Lodgement Fee is inadequate.

When the total cost to process an application exceeds the Lodgement Fee in Table One, the additional fees are charged at the rates specified in Table Two of this fee schedule.

Council also reserves its discretion to refund part of the fixed fee if the work required to process the application is less than usual.

These fees will not be refunded if the application is declined or withdrawn.

The Lodgement Fee will be required to accompany the application. An invoice will be sent for additional fees. The Lodgement Fee is a deposit only and may not be the complete charge. There may be additional fees or a part refund as explained above.

If applications for resource consent and applications to change or cancel conditions are not processed within the statutory timeframes, discounts shall be paid on administrative charges. The discounts shall be in accordance with the Regulations to the Resource Management Act 1991.

Consents	2014/15	2015/16
Notified Consent	\$3,000.00 deposit	\$4,000.00 deposit
Limited Notified (service only) Consent	\$2,000.00 deposit	\$2,000.00 deposit
Non-notified Subdivision Consent	\$1,000.00 deposit	\$1,000.00 deposit
Non-notified Land Use Consent	\$800.00 deposit	\$800.00 deposit
Non-notified Land Use Consent (Minor)		\$400.00 deposit
Non-notified Subdivision Consent - Change to Flats Plan or Unit Title	\$660.00 deposit	\$660.00 deposit
Right of Way Approval (not included in Subdivision Consent)	\$440.00	\$450.00
Pre application advice - after the first hour of staff time (per hour or part thereof)		\$120 .00
Table One - Lodgement		
Revocation of Easements (not included in Subdivision Consent)	\$440.00	\$450.00
Existing Allotments Section 226 Certificate (new titles created)	\$220.00	\$230.00
Section 223 Certificate (subdivision sealing completion)	\$220.00	\$230.00
Section 224(c) Certificate including Section 223 Certificate	\$220.00	\$230.00
Removal of building line restriction	\$440.00	\$450.00
Certificates of Compliance	\$440.00	\$450.00
Change or cancellation of conditions	\$400.00 deposit	\$400.00 deposit
Existing use rights and existing use certificate	\$440.00	\$440.00
Extension of time	\$400.00 deposit	\$400.00 deposit
Outline Plan	\$400.00 deposit	\$400.00 deposit
Alteration to a designation	\$1,000.00 deposit	\$1,000.00 deposit
Extension of time to a designation	\$1,000.00 deposit	\$1,000.00 deposit

Consents	2014/15	2015/16
Private Plan change	\$5,000.00 deposit	\$5,000.00 deposit
Notice of requirements for designations	\$3,000.00 deposit	\$3,000.00 deposit
Certificates for LMVD	\$160.00	\$170.00
Certificates under the Sale and Supply of Alcohol Act 2012	\$160.00	\$170.00
Table Two - Charge Rates		
Staff time charge out rate - per hour or part thereof		\$120.00
Public Notices	At cost	At cost
Disbursements	At cost	At cost
Consultants/Legal Advice	At cost	At cost
Commissioning Special Reports	At cost	At cost
Hearing Fees:		
Hearing Fee per hour or part thereof (minimum charge out of 1 hour)		\$620.00
Commissioner	At cost	At cost
If monitoring of resource consent is required (imposed as a condition of a resource consent)		
Additional monitoring of resource consents and monitoring of non-compliance with the Waimate District Plan or the Resource Management Act 1991. (per hour or part thereof.)	At cost	\$120.00

Regulatory Services	2014/15	2015/16
Environmental Health Licensing		
Camping Grounds	\$340.00	\$350.00
Food Premises – All classes including premises with food safety	\$340.00	\$350.00
Food Premises - No perishable foods eg. Gift Shops	\$215.00	\$220.00
Hairdressers	\$145.00	\$150.00
Offensive Trades	\$300.00	\$310.00
Mobile Food Shops	\$145.00	\$150.00
Trading in Public Places	\$100.00	\$100.00
Boarding House	\$185.00	\$190.00
Circus	\$185.00	\$190.00
Funeral Directors	\$185.00	\$200.00
Transfer Fee of Health Licence (ie following sale of business)	\$80.00	\$90.00
Stereo Seizures	\$140.00	\$100.00 plus recovery of actual seizure costs

Fees and Charges 2015/16

Regulatory Services Cont.	2014/15	2015/16
Re-inspection for non-compliance – by-laws, health, liquor, dangerous goods.	\$150.00 per hour	\$150.00 per hour
Verification audit / site audit (food control plans)	\$150.00 per hour	\$150.00 per hour
Special Inspections	Hourly rate + mileage	Hourly rate + mileage
Water samples – labour plus Hospital testing minimum	At cost	At cost
Keeping of Animal Permits	\$65.00	\$70.00
Skin Piercing, Beauty Facilities, Tattooing etc	\$215.00	\$220.00
Footpath Dining - Licence to Occupy	\$100.00	\$110.00
Gaming Machine Licensing		
New Gaming Venue License. Includes processing of application to a maximum of 2hours. Charge out fee applies thereafter. (\$150 p/h)	\$250.00	\$250.00
Liquor Licencing (as set by Liquor Licensing Authority)		
On Licence / Off Licence / Club Licence - Category:		
Very low	\$368.00	\$368.00
Low	\$609.50	\$609.50
Medium	\$816.50	\$816.50
High	\$1,023.50	\$1,023.50
Very high	\$1,207.50	\$1,207.50

Regulatory Services Cont.	2014/15	2015/16
Annual Licence Fees - Category:		
Very low	\$172.50	\$172.50
Low	\$391.00	\$391.00
Medium	\$632.50	\$632.50
High	\$1,035.00	\$1,035.00
Very high	\$1,437.50	\$1,437.50
Special Licence/Fees:		
Class 3 - One or two small events	\$63.25	\$63.25
Class 2 - Three to twelve small events, or one to three medium events	\$207.00	\$207.00
Class 1 - One large event; more than three medium events; more than twelve small events	\$575.00	\$575.00
Other Application Fees		
Manager's Certificate application and renewals	\$316.25	\$316.25
Temporary Authority	\$296.70	\$296.70
Temporary Licence	\$296.70	\$296.70
Appeal to ARLA (paid to ARLA)	\$517.50	\$517.50
Extract of Register	\$57.50	\$57.50
Permanent Club Charter	\$632.50	\$632.50

Dog and Animal Control	2014/15	2015/16
Dog and Animal - General		
Selected Owner Application fee including one inspection (apply once only)		\$60.00
Licence to keep 3 or more dogs including one inspection (apply once only)	\$40.00	\$50.00
Additional Inspections		\$20.00
Replacement Tags	NIL	NIL
Drontal	\$4.00	\$4.00
Droncit	\$2.00	\$2.00
Collars – Various Sizes	As per schedule	As per schedule
Registration Per Dog		
Registration - Non - Working Dogs		\$100.00
Registration - Neutered Non - Working Dogs		\$60.00
Registration - Selected Owner, Working Dogs and Farm Pets	\$27.00	\$30.00
Dangerous Dogs		\$150.00
Penalties		
Late Penalty Fee - Percentage of base fee		150%
Drop Off Fee (where dog is not impounded)		\$40.00

Dog and Animal Control Cont.	2014/15	2015/16
Dog Impounding		
1st impoundment in 12 month period - per dog		
Dog wearing tag	\$90.00	\$95.00
Dog not wearing tag	\$125.00	\$130.00
2nd impoundment in 12 month period - per dog, plus micro chipping charge		
Dog wearing tag	\$105.00	\$110.00
Dog not wearing tag	\$135.00	\$140.00
3rd impoundment in 12 month period - per dog, plus \$200 infringement fee		
Dog wearing tag	\$115.00	\$130.00
Dog not wearing tag	\$150.00	\$160.00
Daily sustenance	\$20.00	\$20.00
Surrender	\$55.00	\$60.00
Barking Collar Hire	\$50.00 (including \$25.00 refundable bond)	\$50.00 (including \$25.00 refundable bond)

Fees and Charges 2015/16

Dog and Animal Control Cont.	2014/15	2015/16
Impounding (other than dogs)		
Rangers charge out rate	\$85.00 per hour	\$90.00 per hour
To be charged at the actual charge out rate per hour or part thereof plus any other costs including travel and impounding fees and a 25% administration fee.		
Planning and Regulatory - General		
Certificate of Title	\$20.00	\$20.00
Copy of By-Laws	\$60.00	\$65.00
Two year Road Crossing Licence (Stock)	\$280.00	\$280.00
Land Information Memorandum - Residential and Rural properties of less than 2.5ha	\$330.00	\$350.00
Land Information Memorandum - Non Residential and Rural properties greater than 2.5ha. Processing of LIM to a maximum of 4 hours. Charge out fee applies thereafter (\$150 per hour)	\$400.00	\$500.00
Amusement Device (as set by legislation)	\$11.50	\$11.50
Additional Amusement Device (as set by legislation)	\$2.30	\$2.30
Waimate District Plan	\$200.00 + postage	\$200.00 + postage
Discretion		
The Chief Executive or the Managers of the Planning and Regulatory functions are authorised to reduce deposits or fees in cases of reduced staff input being required or in special circumstances. Where Council charges are based on the recovery of Council costs, these will be calculated as follows:		
Officers – at Council charge-out labour rates		
Expenses – at the actual costs incurred by Council		
Mileage for vehicle – at IRD charge-out rates		

Consent Application

NOTE: All consents etc. with a deposit fee will be charged at time and cost.

Upon completion of the application (i.e. when consent is either granted or declined) Council will render a final account for its services. This account may include charges for any or all of the following:

Postage, photocopying, advertising, mileage (site visit and property identification), property identification (signage), pre-hearing meetings, consultant fees, legal cost, planning cost, engineering cost, environmental health cost, planning staff cost, hearing cost (proportion of cost for daily hearing), monitoring fee (dependant on conditions set).

The deposit lodged with the application will be credited against this final account.

Interim Account: In some cases, where completion of a consent is delayed, or takes a long time, an interim account may be rendered.

Miscellaneous Fees

Other consents, certificates, authorities, services or inspections not specially provided to be charged at the cost of time and disbursements.

The non-statute fees above are those approved by Council but at the date of compilation of the Annual Plan, had not been advertised in terms of the Local Government Act or individual specific Acts.



Waimate District Council

Local Government Act (2002) Section 101(3) Funding Policy Funding Needs Analysis

1. Introduction

The Funding Policy review has been timed to align with the Long Term Plan 2015-25. The Funding Policy is informed by Council's Revenue and Financing Policy, which is consulted on and adopted as part of the LTP. The funding policy takes account of the matters listed in S101, and in particular S101(3), of the Local Government Act 2002 (LGA).

Section 101 reads as follows:

- (1) A local authority must manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.
- (2) A local authority must make adequate and effective provision in its long-term plan and in its annual plan (where applicable) to meet the expenditure needs of the local authority identified in that long-term plan and annual plan.
- (3) The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of,—
 - (a) in relation to each activity to be funded,—
 - (i) the community outcomes to which the activity primarily contributes; and
 - (ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
 - (iii) the period in or over which those benefits are expected to occur; and
 - (iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
 - (v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
 - (b) the overall impact of any allocation of liability for revenue needs on the community.

An “activity” is one of the 20 or more separate services provided by Council e.g. Roding and footpaths, as distinct from Cemeteries, as distinct from Stormwater, as distinct from Building Control.

Councillors must decide in accordance with S101(3), how each activity of Council will be funded taking into consideration, among other things:

1. distributing the costs associated with each of our activities according to the benefits derived and this can be on a whole, or part basis (refer Section 101 (3) (a) (ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals)

Councillors must then consider:

2. the impact as a whole (refer Section 101 (3) (b) the overall impact of any allocation of liability for revenue needs on the community).

Council considered these funding sources for both Operating and Capital Costs.

2. Funding Sources – Operating Costs

Operating costs are the day to day costs of maintaining Council's services. The current Revenue and Financing Policy provides that the operating costs should be met by the users in the year that they are incurred. Under that policy, Council does not consider borrowing as a funding source for operating costs. Unless otherwise determined by Council operating costs includes depreciation, interest charged on borrowing for capital costs and minor capital expenditure where Council has not otherwise determined a funding mechanism, as provided by the policy.

These are some of the main revenue sources for Council's operating expenses:

1. User Pays (by way of fees and charges)
2. Subsidies and Grants (generally from government or government related organisations)
3. Other Income
4. General Rates
5. Targeted Rates
6. Uniform Annual General Charges (not currently implemented)

User Pays

User pays are generally levied in return for specific services. Pricing is determined by a complex mix of factors including:

- Council's estimate of user pays benefit and the cost of the benefit
- Ability of users to fund their private share and the impact of their use of the service if it is perceived unaffordable
- The impact pricing has on demand
- Commercial realities, market pricing
- Impact on other Waimate District businesses
- Comparability with neighbouring councils
- Efficiency of collecting charges

The S101(3) funding analysis below identifies the usual percentage of revenue Council expects to be able to budget for each activity. For some activities the user pays contribution is aspirational and Council is working towards achieving these targets over time.

At all times where Council identifies a solely private benefit Council will seek to fully recover its costs, and to keep the associated rates burden as low as reasonable.

There are also occasions when something exceptional happens that will cause a result inconsistent with this policy. This occurs due to the small size of Council and the impact of large developments or events may in those years cause our funding ratios to change. This in itself does not constitute a significant change to this policy.

Subsidies and Grants

Council receives a significant subsidy for the maintenance of its roading network. Council has a high degree of certainty that this will continue. Other activities from time to time, often dependent on government policy, will attract some subsidy funding for programmes or projects.

Council looks to maximise the subsidies and grants that are available, at all times.

Grants are generally available for capital projects and occasionally for operational activities. Council rarely budgets for grants income unless it has determined a likelihood of success in reaching the budget goal.

Other Income

This includes income (such as dividends, interest, forestry returns and reserve funds) from investment activities. The income from these activities is generally used to offset the costs of the investing activity. Surplus revenues will be allocated by Council to operating or capital costs at each Long Term Plan or Annual Plan.

Rates

Despite maximising non-rate sources of funding; most activities of Council require a rates contribution. For this purpose Council has developed the following rationale, or differentials, to assess who should pay and what share of the rate requirement they should pay for each activity.

In considering the application of these potential differential criteria (including S101(3) and the data in Table 1 and 2), Council recognises that rates are a tax on property owners.

In considering the overall impact of the liability to pay rates Council is of the view that it is not possible or fair to allocate the cost solely on individuals' benefits (i.e. as if rates replicated user pays). It is through the collective contribution of the whole district that the District is best able to develop and prosper.

For these reasons Council prefers a strong general rate based system, with a simple differential between urban and rural by attempting to balance the imposition of the tax on rural properties with the assessed benefit that urban properties get, mainly through proximity to services or to higher levels of service.

When reviewing each of the activities, a different basis for funding may often be used. The basis for calculation of rate funding could be (but is not limited to) a mix of the Urban / Rural factors identified in Table 1 and 2.

Table 1: Possible Factors for Distributed Rates

	Urban		Rural		Total	
	No	%	No	%	No	%
Population (Estimated – District Plan Urban Boundary)	3,231	42.9	4,308	57.1	7,539	100
Rateable Properties (Individual rateable properties less contiguous properties – being treated as one)	1,910	54.6	1,588	45.4	3,498	100
Capital Value \$000	420,039	11.0	3,411,841	89.0	3,831,880	100
Separately used or inhabited part (SUIP) of a rating unit – (Residential Dwellings)	1,685	46.7	1,922	53.3	3,607	100

Table 2: Election Boundaries Population Statistics – Census 2013

Election Boundaries	Population	%	Councillors and Mayor
Waimate	3,849	51.1	4 + 0.50
Pareora – Otaio – Makikihi	1,809	24.0	2 + 0.25
Lower Waihao	1,044	13.8	1 + 0.13
Hakataramea – Waihaorunga	837	11.1	1 + 0.12
TOTAL	7,539	100%	9

3. Rating Mechanisms

General Rates

A general rate may be set:

- a) At a uniform rate in the dollar of rateable value (i.e. capital value) for all rateable land; or
- b) At different rates in the dollar of rateable value for different categories of rateable land (being a differential – WDC Urban / Rural differential)

Council uses this type of rate to pay for activities that are accessible to all ratepayers where, in Council's opinion (taking account of all the S101(3) considerations), generally identifiable groups of ratepayers are not considered to receive any greater benefit than others, however any perceived variations are addressed with differentials. For an activity funded in this manner, property owners are charged on the basis of a set number of cents in the dollar on the capital value of their property.

Civic Amenities Rate

A targeted rate may be set:

- a) On a uniform basis for all rateable land
- b) Differentially for different categories of rateable land (e.g. where the land is situated, i.e. urban / rural)

Council uses the civic amenities rate to pay for activities that, in Council's opinion (taking account of all the S101(3) considerations), all ratepayers who live or could live on their properties have access to these services. Alternatively Council does not consider that properties without dwellings receive any significant benefit from these services, and so Council has set its definition of SUIP so that these properties have a zero SUIP factor.

From 1 July 2012, the civic amenities targeted rate has been set and assessed on each part of a rating unit that is separately used or inhabited (with a differential between rural and urban – meaning they are treated as two different classes of ratepayer).

Other Targeted Rates

Other targeted rates are charged to specific ratepayers who receive the benefit of the particular Council service.

These services are:

- Water
- Waste Water
- Refuse

Council has set, from 1 July 2012, a targeted rate on a uniform basis for the Waimate District Stadium, now the Waimate District Community Complex.

Uniform Annual General Charge

This type of rate can be charged as either:

- a) A fixed amount per rating unit; or
- b) A fixed amount per separately used or inhabited part of a rating unit

The Council has not set a UAGC in the 2014/15 year.

The revenue collected from targeted rates set on a uniform basis does not exceed the 30% cap.

Proposed revision of differentials

Council has reviewed the differentials and is proposing some changes.

Differentials displayed in the tables below are not to be considered as final proportions, they are merely being displayed for illustration purposes and any differentials will be subject to public consultation and agreement by Council.

As part of the preparation of the Long Term Plan 2012-22 Council made some changes to the Revenue and Financing Policy that were reflected in differentials and other aspects of rate funding. In implementing these changes Councillors were of the view that the change to rating some services via SUIP was the correct step for Council however this only went part way to solving the Rate issues for the District and more work was needed to be undertaken where possible to address the outstanding issues.

Council is proposing the following amendments as part of the Draft Long Term Plan 2015-25:

1. **Differentials – currently only 2 categories of rateable land – Urban, Rural**
Proposed to have two Rural categories of rateable land.

The predominant rationale for any change is that some ratepayers are geographically removed from the provision of some services and therefore should contribute a lesser value than those who are closer to the service. Where appropriate the rural area (in total) would still incur the total cost that is deemed to be Rural.

Council considered where the point is for potential geographical split and an arc from Holme Station Bridge (to the north of the District) equidistant from the centre of Waimate Township, which then crosses the mountain range to the east of the Hakataramea Valley. Therefore Council proposes that a line that is 34km from the centre of Waimate be the dividing line.

Any properties (exclusive of those within the Urban boundary) where the dwelling and access to the property is from inside that line then the property is deemed to be within **Rural 1**. If the dwelling or access to the property is from outside the line then the property is deemed to be within **Rural 2**. The line deviates slightly close to the Waitaki river to cross at the area known as the 'Stone Wall'. See the attached map showing the proposed line (in red).

2. **Electricity generators and other transmission providers**

Electricity generators and other transmission providers traditionally operate in the District by travelling to and from locations however generally do not have a "people" presence who use the multitude of services.

The principal services utilised by this group is Roothing and Civil Defence. Roothing where the staff travel across the District to service their operating infrastructure (whether that be dams, power lines, or towers). The Civil Defence utilisation arises as Civil Defence is provided for the benefit of the District as a whole as anyone can be affected by an emergency event initiated in response to threat of life and/or property. Electricity generation and other transmission services via specific structures, or high tension power lines pose significant risks to the District in the event of a dam failure or line breakage or structure failure.

It is therefore proposed that an additional category of rateable land (or differential) be established called "Electricity generators and other transmission providers" and that based on the data from the Council Rating Database as at 31 May 2014 a total of 15.5% of both the Roothing and Footpaths and Civil Defence activities rate requirement be rated against this differential.

The "Electricity generators and other transmission providers" will also be assessed a portion of General Rates. That assessment is 6.4% of both Investments and Finance and Community Property (all ratepayers benefit equally), 15% of District Planning (significant users of Planning Services), and 10.7% of Rural Fire Protection (all Rural ratepayers benefit equally) for the identified activities.

Prospective Ten Year Capital Expenditure

Additionally the “Electricity generators and other transmission providers” will also be assessed a portion of Civic Amenities Target Rate, that relates to Community Representation. All ratepayers benefit equally from the Community Representation and the assessment is 9.5% of the activity.

The factor of liability for this differential would be capital value.

Council also has the ability, at its own discretion, to increase or decrease the proportion of the Rooding and Civil Defence activities rate requirement that is to be rated against this differential. Changes may be brought about by disproportionate increases or decreases in the capital value of the rating units within the differential by additional investment or retrenchment of one or more of the operators.

3. **Forestry – impact of heavy vehicles**

Traditionally forestry harvesting was sporadic after allowing trees to grow to maturity. However as forest harvesting has become more programmed harvesting is no longer sporadic and is occurring virtually every year within the District.

This is placing regular and additional loading on the rooding network and accelerating the deterioration of the pavement as heavy vehicles are constantly travelling across the roads.

It is proposed that a differential be established called “Forestry operators and forest blocks” and that rating units currently defined as forestry land use category within the Rating Database be rated a total of 5% of the Rooding activity rateable amount on the basis of Capital Value. Capital Values within this differential is deemed an appropriate basis for allocation of rates even though it is noted that the value of trees is not assessed as part of Capital Value.

The “Forestry operators and forest blocks” will also be assessed a portion of General Rates. That assessment is 0.2% of both Investments and Finance and Community Property (all ratepayers benefit equally), and 0.3% of Rural Fire Protection (all Rural ratepayers benefit equally) for the identified activities.

Additionally the “Forestry operators and forest blocks” will also be assessed a portion of Civic Amenities Target Rate, that relates to Community Representation. All ratepayers benefit equally from the Community Representation and the assessment is 0.3% of the activity.

See also proposal 4, below.

4. Roding and Footpaths to be shown separately on Rate invoices

Currently the rates for the Roding and Footpaths Activity are calculated as part of the General Rates.

In order to provide ratepayers with greater information and to be more transparent it is proposed that a **Targeted Rate** be established “Roding and Footpaths” and that it be 48% (or the appropriate proportion following resolution of the New Zealand Transport Agency Financial Assistance Rate (FAR) analysis) User Pays. The “Electricity generators and other transmission providers” will be assessed 15.5% of the Roding and Footpath Activity (on a proportional Capital Value basis within that differential), and the “Forestry operators and forest blocks” will be assessed 5.0% of the Roding and Footpath Activity (on a proportional Capital Value basis within that differential).

The remainder of the Roding and Footpaths rate requirement will then be assessed on a proportional Capital Value basis across the Urban, Rural 1, and Rural 2 differentials.

Council has discretion to amend the differential proportions as deemed appropriate, as part of either a Long Term Plan or Annual Plan process.

This will then allow the Roding and Footpaths rate contribution previously included within General Rates to be presented on Rates invoices separately.

5. Civil Defence Targeted Rate

Currently the rates for the Civil Defence Activity are calculated as part of the General Rates.

As noted above at proposal 2 the “Electricity generators and other transmission providers” will be assessed 15.5% of the Civil Defence Activity.

The remainder of the Civil Defence rate requirement will then be assessed on a proportional Capital Value basis across the Urban, Rural 1, and Rural 2 differentials.

Council has discretion to amend the differential proportions as deemed appropriate, as part of either a Long Term Plan or Annual Plan process.

6. Commercial Properties – Additional Business Services

Businesses within the township are the major beneficiaries of additional promotional activities. Within the Economic Development Activity it is proposed to provide specific Business Development Fund(s).

It is proposed that a category of rateable land (or differential) be established called “Waimate Town Business Area” and that rating units currently defined in the Waimate District Plan as either Business 1 or Business 2 be rated for any expenditure related to specific Business Development Funds (for 2015/16 the amount is proposed to be \$50,000 excluding GST) on the basis of Capital Value.

Businesses within the Waimate Township depend on locals but also have a high dependence of visitors to the area. Visitors tend to be big users of the Public Toilets. It is proposed that the Business 1 and Business 2 rating units be rated a total of 15% of the rate requirement for Public Toilets.

7. Community Representation – to be rated on the basis of SUIP

Council believe that reclassifying Community Representation to be funded from the Civic Amenities Rate and assessed on the number of SUIP's in Urban, Rural 1 and Rural 2 reflects that Council is in office to represent the interests of the ratepayers as a whole and equally. As noted above at proposals 2 and 3 “Electricity generators and other transmission providers” and “Forestry operators and forest blocks” an amount proportional to District wide Capital Value will be assessed against each of these two differentials.

It should be noted that in considering any of these changes Council believes that it has complied with the requirements of Section 101 of the Local Government Act 2002.

Council’s Considered S101(3) Analysis For Operating Expenditure by Activity

The following table summarises the proposals of Council. In particular the “*Conclusion on Funding Source*” and the “*Differential Urban : Rural 1 : Rural 2 : Electricity Generators and other transmission providers (Transmission) : Waimate Town Business Area (Commercial) : Forestry operators and forest block (Forestry)*” is as a result of both considering S101(3)(a) for each activity and then S101(3)(b). This has ensured that Council has been able to achieve as fair as is practicable rating system for this District. **Amendments to the existing structure are noted in red.**

Table 3: LGA S101(3) Analysis

Activity ¹	Outcomes	Who Benefits	Period of Benefit	Whose act creates a need	Transparency and accountability	Overall impact of Liability	Conclusion on Funding Source	Differential Urban : Rural1 : Rural2 : Transmission : Commercial : Forestry
Forestry	Wealthy community	Urban/ Rural1/ Rural2	On-going	Council's desire to achieve investment returns	As an investment activity this is separately reported in detail and funding separate funding mechanism will not assist in improving transparency and accountability.	This is an asset generating income.	This activity is funded from its own income. Other Income 100% Any surplus income not required for reinvestment in the activity is distributed to the District through the General Rate.	43.7 : 50.3 : 6 : 0 : 0 : 0 Differential aligned to reflect Urban / Rural 1 / Rural 2 population split

¹ Activities and the reason for doing the activity are defined in the Activity Plans in the Long Term Plans and Annual Plans.

Activity ¹	Outcomes	Who Benefits	Period of Benefit	Whose act creates a need	Transparency and accountability	Overall impact of Liability	Conclusion on Funding Source	Differential Urban : Rural1 : Rural2 : Transmission : Commercial : Forestry
Investments and Finance	Wealthy community	Urban/ Rural1/ Rural2/ Transmission/ Forestry	On-going	Council's desire to achieve investment returns	Investing activities are separately reported in detail and funding separate funding mechanism will not assist in improving transparency and accountability.	This is an asset generating income.	This activity is funded from its own income. Other Income 100%. Any surplus income not required for reinvestment in the activity is distributed to the District through the General Rate.	40.0 : 45.8 : 7.6 : 6.4 : 0 : 0.2 Differential aligned to reflect Urban at 40 %, an approximation for population split and Rural 1, Rural 2, Transmission and Forestry on Capital Value
Community Property – Real Estate, other	Wealthy community	Urban/ Rural1/ Rural2/ Transmission/ Forestry	On-going	Operational business requirements	User Charges are set for tenants based on commercial pricing and cover operating costs. An investment activity for which a separate funding mechanism will not assist in improving transparency and accountability.	This is an asset generating income.	This activity is funded from its own income. User Charges 100% , from tenants. Any surplus income not required for reinvestment in the activity is distributed to the District through the General Rate.	40.0 : 45.8 : 7.6 : 6.4 : 0 : 0.2 Differential aligned to reflect Urban at 40 %, an approximation for population split and Rural 1, Rural 2, Transmission and Forestry on Capital Value

Activity ¹	Outcomes	Who Benefits	Period of Benefit	Whose act creates a need	Transparency and accountability	Overall impact of Liability	Conclusion on Funding Source	Differential Urban : Rural1 : Rural2 : Transmission : Commercial : Forestry
Community Property – Public Toilets	Safe and healthy people	Individuals/ Urban/ Rural1/ Rural2/ Commercial	On-going	Toilet Users	User pays for public toilets is expensive to implement and not practical. Small activity for which a separate funding mechanism will not assist in improving transparency and accountability.	Small cost.	The whole district benefits from having access to and that visitors having access to public toilets. The cost will be meet by the Civic Amenities Rate This is a people based activity	34.0 : 46.4 : 4.6 : 0 : 15.0 : 0 Differential aligned to reflect the high dependence of visitors and their impact on business Urban approximation for population split after Commercial / Rural 1 (approximation for population split) and Rural 2 rate at 60% of Rural 1 rate
Building Control	Safe and healthy people	Individuals, Urban/ Rural1/ Rural2	On-going	Building Owners	Separate user charges are developed for each fee type. User Charges are set to recover 100% of the cost of the individual benefit. The balance not meet by user charges represents the portion the whole District benefits from safe and healthy buildings, policy advice and accreditation.	User charges are generally not so high as to prevent development. They are also in line with neighbouring authorities. The rates portion is shared based on capital value.	This activity is funded from User Charges 70% or more. The District benefit is funded from the General Rate.	10.0 : 77.3 : 12.7 : 0 : 0 : 0 Differential aligned to reflect Urban, Rural 1 and Rural 2 benefit

Activity ¹	Outcomes	Who Benefits	Period of Benefit	Whose act creates a need	Transparency and accountability	Overall impact of Liability	Conclusion on Funding Source	Differential Urban : Rural1 : Rural2 : Transmission : Commercial : Forestry
Regulatory Services	Safe and healthy people	Individuals, Businesses, Urban/ Rural1/ Rural2	On-going	Individuals, Business	<p>Separate user charges are developed for each fee type. User Charges are set to recover 100% of the cost of the individual benefit, except as limited by legislation.</p> <p>The balance not meet by user charges represents the portion the whole District benefits from safe activities and policy advice.</p>	<p>User charges are generally not so high as to prevent licenses and applications being requested. They are also in line with neighbouring authorities.</p> <p>The rates portion is shared based on rateable properties.</p>	<p>This activity is funded from User Charges 10% or more.</p> <p>The District benefit is funded from the General Rate.</p>	<p>40.0 : 51.5 : 8.5 : 0 : 0 : 0</p> <p>Differential aligned to reflect Urban, Rural 1 and Rural 2 benefit</p>

Activity ¹	Outcomes	Who Benefits	Period of Benefit	Whose act creates a need	Transparency and accountability	Overall impact of Liability	Conclusion on Funding Source	Differential Urban : Rural1 : Rural2 : Transmission : Commercial : Forestry
Resource Management and District Planning	Sustainable district and environment	Individuals, Businesses, Urban/ Rural1/ Rural2	On-going	Property Owners and Activity Operators	Separate user charges are developed for each fee type. User Charges are set to recover 100% of the cost of the individual benefit. The balance not meet by user charges represents the portion the whole District benefits from appropriate land and activity development and policy advice.	User charges are generally not so high as to prevent resource consents being requested. They are also in line with neighbouring authorities. The rates portion is shared based on capital value.	This activity is funded from User Charges 15% or more. The District benefit is funded from the General Rate.	10.0 : 64.4 : 10.6 : 15.0 : 0 : 0 Differential aligned to reflect Urban, Rural 1 and Rural 2 and Transmission benefit
Emergency Management – Rural Fire	Safe and healthy people	Property owners, Rural District, Urban/ Rural1/ Rural2	On-going	Fire starters.	Some properties within the urban area may benefit from this service. The extent of the benefit is too small to warrant a separate allocation to this area.	Where the exacerbator can be identified user charges are made, regardless of the impact of the liability. The rates portion is wholly rural.	The Rural District only benefits and this is funded from the General Rate.	0 : 76.4 : 12.6 : 10.7 : 0 : 0.3 Differential aligned to reflect Urban, Rural 1, Rural 2, Transmission, and Forestry benefit

Activity ¹	Outcomes	Who Benefits	Period of Benefit	Whose act creates a need	Transparency and accountability	Overall impact of Liability	Conclusion on Funding Source	Differential Urban : Rural1 : Rural2 : Transmission : Commercial : Forestry
Emergency Management – Civil Defence	Safe and healthy people	Individuals, Property owners, District	On-going	Community Risk Management, act of god or accident	Civil Defence costs are low outside of emergencies and there is little identifiable private benefit and separate funding mechanism will not assist in improving transparency and accountability.	Where the exacerbator can be identified user charges are made, regardless of the impact of the liability. The rates portion is predominately rural with a proportion applicable to the Transmission sector as Electricity generation and other transmission services via high tension power lines, or specific structures pose significant risks to the District in the event of a dam failure or line breakage or structure failure	The District benefit is funded from a Targeted Rate . Transmission Providers to contribute 15.5% towards the total Civil Defence rates requirement.	10.1 : 63.8 : 10.5 : 15.5 : 0 : 0 Differential aligned to reflect Urban, Rural 1, Rural 2, and Transmission benefit

Activity ¹	Outcomes	Who Benefits	Period of Benefit	Whose act creates a need	Transparency and accountability	Overall impact of Liability	Conclusion on Funding Source	Differential Urban : Rural1 : Rural2 : Transmission : Commercial : Forestry
Dog and Animal Control	Safe and healthy people	District	On-going	Individuals	<p>Separate User charges for Dog Owners to recover ¾ of the cost of the service recognising dog ownership creates the need.</p> <p>Noise control and the balance of animal control rate funding represents the District benefit</p>	<p>User charges are not so high as to prevent licenses and applications being requested.</p> <p>The rates portion is predominantly rural.</p>	<p>This activity is funded from User Charges 40% or more.</p> <p>The District benefit is funded from the General Rate.</p>	<p>10.0 : 77.3 : 12.7 : 0 : 0 : 0</p> <p>Differential aligned to reflect Urban, Rural 1 and Rural 2 benefit</p>

Activity ¹	Outcomes	Who Benefits	Period of Benefit	Whose act creates a need	Transparency and accountability	Overall impact of Liability	Conclusion on Funding Source	Differential Urban : Rural1 : Rural2 : Transmission : Commercial : Forestry
Community Representation	Active and supportive community	District	On-going	The democratic process as defined by Government, Council and the community.	There is no individually identifiable benefit. All residents and ratepayers benefit from the activity allowing them to participate and contribute to the democratic governance of the District.	100% rates shared across the District. There is no lawful mechanism for non-rate paying residents to contribute this activity, as rates are a tax on properties. For Transmission and Forestry this is apportioned by Capital Value within the District and for Urban, Rural 1 and Rural 2 apportioned on the number of SUIP's to reflect that Council are in office to represent the interests of the ratepayers as a whole and equally	The District benefit is funded from the Civic Amenities Rate.	42.1 : 41.2 : 6.9 : 9.5 : 0 : 0.3 Differential aligned to Urban, Rural 1 and Rural 2 population estimate and on the proportion of Capital Value within the District for Transmission and Forestry
Strategy	Active and supportive community	District	On-going	Good, transparent and accountable management of the District and its future development and direction.	There is no individually identifiable benefit. All residents and ratepayers benefit from the activity through strong well supported planning for the operations and future of the District.	100% rates shared across the District. There is no lawful mechanism for non-rate paying residents to contribute this activity, as rates are a tax on properties.	The District benefit is funded from the General Rate.	30.0 : 60.1 : 9.9 : 0 : 0 : 0 Differential aligned to reflect Urban, Rural 1 and Rural 2 fairness and affordability

Activity ¹	Outcomes	Who Benefits	Period of Benefit	Whose act creates a need	Transparency and accountability	Overall impact of Liability	Conclusion on Funding Source	Differential Urban : Rural1 : Rural2 : Transmission : Commercial : Forestry
Managing Services	Active and supportive community	District	On-going	Good, management of the District and operations of Council.	This is the support activities for the services delivered by Council. Each service delivery activity purchases services from these support activities. The managing services activity is budgeted at breakeven.	Nil	Funded from allocation to other activities	
Economic Development – specifically Business Development Funds	Wealthy community	Business, District	On-going	Business, Community aspirations	Funds specifically for Business development in the District.	The rates portion benefits the Commercial sector defined as Business 1 or Business 2 within the Waimate Town Urban boundary.	Rates funded by Targeted Rate on Business community	0 : 0 : 0 : 0 : 100 : 0 Differential aligned to reflect Targeted Rate on Commercial

Activity ¹	Outcomes	Who Benefits	Period of Benefit	Whose act creates a need	Transparency and accountability	Overall impact of Liability	Conclusion on Funding Source	Differential Urban : Rural1 : Rural2 : Transmission : Commercial : Forestry
Economic Development – other than Business Development Funds	Wealthy community	Business, District	On-going	Business, Community aspirations, individuals	A small amount of the service can be attributed to private benefit and this is funded by user pays. The remaining amount is difficult to fairly attribute to any group or part of the community.	The rates portion benefits all parts of the community.	User Charges 6% or more Rates funded by General Rate	40.0 : 51.5 : 8.5 : 0 : 0 : 0 Differential aligned to reflect Urban, Rural 1 and Rural 2 population split
Community Support (Grants)	Active and supportive community	Heritage, culture and sporting Groups, District	On-going	The community desire to contribute to the districts outcomes.	Charging users defeats the purpose of community support of the activities of the beneficiaries. There are no identifiable parts of the District that should directly contribute to this activity.	The rates portion benefits all parts of the community.	Rates funded by General Rate	40.0 : 51.5 : 8.5 : 0 : 0 : 0 Differential aligned to reflect Urban, Rural 1 and Rural 2 population split

Activity ¹	Outcomes	Who Benefits	Period of Benefit	Whose act creates a need	Transparency and accountability	Overall impact of Liability	Conclusion on Funding Source	Differential Urban : Rural1 : Rural2 : Transmission : Commercial : Forestry
Library	Active and supportive community	Individual Users, District	On-going	Individuals, The communities desire to extend learning.	Council recognises a small private benefit that should be charged User Charges. The larger benefit is to the District as a whole, through accessible access to information and learning.	User pays charges greatly impact on the accessibility of library services. Spreading the cost across the District is fairest. This is a people focussed activity. Of the available rating tools charging rates per SUIP spreads the impact of this liability most fairly.	User Charges 5% Rates funded by Civic Amenities Rate	49.3 : 48.3 : 2.4 : 0 : 0 : 0 Differential aligned to reflect Urban, Rural 1 and Rural 2 population split and Rural 2 are to be only 30% of the rate per SUIP for both Urban and Rural 1
Camping	Active and supportive community	Individuals and groups	While Camping	Campers	Users are easily identifiable and charging mechanisms work well.	Applying 100% user pays is fair and competitive, when compared to similar local facilities.	User Charges 100% Surpluses and deficits in any year are held in a reserve	N/A
Cemeteries	Active and supportive community	Individuals, Whole District	On-going	Belief Systems	At the time of internment user are identifiable and able to be fairly charged. Overtime the benefit moves to the wider community and it is not possible to identify individual benefits. Churches are non-rateable.	Ensuring users charges are not inconsistent with neighbouring Council's is essential to ensuring appropriate use of these facilities by the Waimate Community. This is a people based service. Of the available rating tools charging rates per SUIP spreads the impact of this liability most fairly.	User Charges 70% Rates funded from Civic Amenities Rate	46.7 : 45.7 : 7.6 : 0 : 0 : 0 Differential aligned to reflect Urban, Rural 1 and Rural 2 population split

Activity ¹	Outcomes	Who Benefits	Period of Benefit	Whose act creates a need	Transparency and accountability	Overall impact of Liability	Conclusion on Funding Source	Differential Urban : Rural1 : Rural2 : Transmission : Commercial : Forestry
Parks and Public Spaces	Active and supportive community	District	On-going	Community expectations for public spaces.	A very small portion of private benefit can be identified and is able to be charged. Most private use has no reasonable ability to measure and charge. Public amenity benefits are also difficult to measure and recognise in a funding mechanism.	This is a people based service. Of the available rating tools charging rates per SUIP spreads the impact of this liability most fairly.	User Charges 1% Rates funded from Civic Amenities Rate	46.7 : 45.7 : 7.6 : 0 : 0 : 0 Differential aligned to reflect Urban, Rural 1 and Rural 2 population split

Activity ¹	Outcomes	Who Benefits	Period of Benefit	Whose act creates a need	Transparency and accountability	Overall impact of Liability	Conclusion on Funding Source	Differential Urban : Rural1 : Rural2 : Transmission : Commercial : Forestry
Swimming	Active and supportive community	Individuals	During the summer.	Users	<p>Charging the users of this service is fair and achievable.</p> <p>The rates contribution is a people based activity.</p>	<p>The User pays portion has to be set at a level to encourage a high level of participation in order to gain community benefits (such as safety of supervised swimming). Set at the wrong level, user numbers will drop and the contribution to rates will also drop.</p> <p>This is a people based service. Of the available rating tools charging rates per SUIP spreads the impact of this liability most fairly.</p>	<p>User Charges 15%</p> <p>Rates funded from Civic Amenities Rate</p>	<p>50.0 : 45.4 : 4.6 : 0 : 0 : 0</p> <p>Differential aligned to reflect Urban at 50%, Rural 1 and Rural 2 on approximate population split with Rural 2 rate at 60% of Rural 1 rate</p>

Activity ¹	Outcomes	Who Benefits	Period of Benefit	Whose act creates a need	Transparency and accountability	Overall impact of Liability	Conclusion on Funding Source	Differential Urban : Rural1 : Rural2 : Transmission : Commercial : Forestry
Roading	Safe and healthy people	District	On-going	Users, need for commerce.	User benefits are difficult to measure and calculate, property frontages, access ways and distance for instance do not fairly represent benefit. Heavy vehicles tend to cause more damage, and tend to pay Road User Charges, which are returned to Council through the New Zealand Transport Agency subsidy. This represents a significant user contribution, but also recognises the challenges of a small population maintaining a large network.	<p>A portion of the user pays benefit is contributed through the New Zealand Transport Agency subsidy.</p> <p>Transmission providers and Forestry blocks are to provide a contribution reflecting the excessive heavy vehicle usage they apply to the roading network and then the residual rates contribution is fairly shared across the District as everyone has access to the network.</p>	<p>Subsidy – determined by NZTA</p> <p>Rates funded from Targeted Rate Roading and Footpaths (100% less the NZTA subsidy) allocated recognising the large rural road network and heavy rural vehicle impact on roads.</p> <p>Transmission providers to contribute 15.5% to the total roading rates requirement.</p> <p>Forestry operators and forest blocks to contribute 5% to the total roading rates requirement.</p>	<p>9.5 : 60.1 : 9.9 : 15.5 : 0 : 5.0</p> <p>Differential reflects the Transmission and Forestry impact on the roading network. The residual is aligned to the Urban, Rural 1 and Rural 2 Capital Value split so that all properties contribute the same level per dollar of capital value.</p> <p>In addition, the split better reflects the portion of urban to rural roads within the new urban / rural rating boundary.</p>

Activity ¹	Outcomes	Who Benefits	Period of Benefit	Whose act creates a need	Transparency and accountability	Overall impact of Liability	Conclusion on Funding Source	Differential Urban : Rural1 : Rural2 : Transmission : Commercial : Forestry
Wastewater – sewerage	Safe and healthy people	Users	On-going	Individuals	Identifying individual use is not feasible. Rates per connection represent a form of user pays, adjusted for a public health benefit.	Rating Act limits liability to one pan per residential property and makes provisions for schools to mitigate concerns of excessive rates to certain users. The public health benefit to the Waimate Urban area is 2% of the cost.	Targeted Sewerage Rate (100%) per connected property.	N/A
Stormwater – Urban Areas	Safe and healthy people	Urban Areas	On-going	Non rural land use.	No individual user benefit can be identified. Stormwater is provided in Waimate, Makikihi and St Andrews.	This is a service that benefits built up areas, but which is a general benefit.	General Rate (100%) allocated to represent urban / rural benefit. (Note: Makikihi and St Andrews are within the Rural area).	95.0 : 4.3 : 0.7 : 0 : 0 : 0 Differential aligned to reflect Urban, Rural 1 and Rural 2 benefit
Stormwater – Elephant Hill	Safe and healthy people	Land protected by drain	On-going	Landowners	This is a direct benefit to a small group of identifiable properties. Rates are the most efficient method of collecting the rate.	This is a small amount of money.	Targeted rate (100%) based on the area of land protected by the Drain.	N/A

Activity ¹	Outcomes	Who Benefits	Period of Benefit	Whose act creates a need	Transparency and accountability	Overall impact of Liability	Conclusion on Funding Source	Differential Urban : Rural1 : Rural2 : Transmission : Commercial : Forestry
Waste Management - Collection	Safe and healthy people Sustainable district and environment	Users, Serviced properties, District	On-going	Waste creators	The cost of user pays on an actual basis outweighs the benefit to consumers. Consistent with Council's philosophy that everyone benefits from the availability of this service a charge per serviced property approximately equates user pays without any undue lack of fairness.	The liability falls on those with the opportunity to receive the service at a reasonable price.	Uniform Targeted Rate per serviced rating unit Based on: 1. SUIP "on the recycling collection route" (for Recycling Collection), or 2. SUIP "not on the recycling collection route but provided with a recycling drop off point"	N/A
Waste Management – Resource Recovery Park	Safe and healthy people Sustainable district and environment	Users, District	On-going	Waste Creators	Council wishes to encourage resource reuse. Consistent with zero waste principles. So user pays price setting is adjusted downwards to encourage use and education opportunities.	Users private benefit is subsidised by rates to encourage use and develop changed community standards with regard to waste.	User Charges 25% Civic Amenities Rate recognising township availability of service.	60.0 : 34.3 : 5.7 : 0 : 0 : 0 Differential aligned to reflect Urban, Rural 1 and Rural 2 benefit of availability of service

Activity ¹	Outcomes	Who Benefits	Period of Benefit	Whose act creates a need	Transparency and accountability	Overall impact of Liability	Conclusion on Funding Source	Differential Urban : Rural1 : Rural2 : Transmission : Commercial : Forestry
Water	Safe and healthy people	Users,	On-going	Connected Properties	<p>Rural schemes are charged based on restricted supplies, which allow users to receive an approximate quantity of water daily into their supply tank. Separate metering is not cost effective for the quantities and cost, so users share in the cost based on this approximate usage.</p> <p>Urban users on unrestricted supplies are assumed to use an equal amount of water daily, so are charged an equal amount.</p>	The collective sharing of water systems keeps the price reasonable for all users.	<p>Uniform Targeted Rate per connection (multiple water points on a rural scheme being multiple connections for the purpose of charging)</p> <p>Cattle Creek Water Supply – LAPP Insurance and Internal Allocations 100% Rural General Rate</p> <p>Hakataramea Water Supply – LAPP Insurance and Internal Allocations 100% Rural General Rate</p>	N/A

4. Funding Sources – Capital Costs

Capital costs are those costs associated with the purchase of assets. Capital costs also include large one-off grants paid to groups to provide long term services to the community.

These are some of the main revenue sources for Council are:

1. User Pays (by way of fees and charges)
2. Subsidies and Grants (generally from government or government related organisations)
3. Other Income
4. Development and Financial Contributions
5. Reserve Funds
6. Borrowing
7. Rates

User Pays

User pays is generally not available for capital costs as Individual User contributions are generally too large to be affordable. As such borrowing and charging users annually for financing costs using rates is often a more affordable method of charging users their contribution.

Subsidies and Grants

Council receives a significant subsidy for the capital works on its roading network. Council has a high degree of certainty that this will continue. Other activities from time to time are able to access grants and subsidies.

Council looks to maximise the subsidies and grants that are available, at all times.

Grants are often available for capital projects. Council rarely budgets for grants income unless it has determined there is a strong likelihood of success in reaching the budget goal. Some capital projects are dependent on successful grant income for these projects to be undertaken.

Other Income

This includes income (such as dividends, interest and forestry returns) from investment activities. Council may determine that it is appropriate to allocate investment revenue or revenue from the sale of investments toward capital projects.

Development and Financial Contributions

Council has adopted a development and financial contributions policy. The funds collected under this policy will be applied to the projects as identified by those policies or where not identified as resolved by Council.

Reserve Funds

Council holds some reserve funds for capital projects. This includes renewal reserves that are built up from the funding of depreciation. Council uses renewal reserves to fund the on-going service levels provided by the assets needing replacement.

Borrowing

For larger capital projects that provide a long term benefit to the community Council may determine that borrowing the funds is the fairest method of allocating the costs of a project over time to users. The financing costs (including principal and interest) are charged as operating expenses and funded under the operating expense funding policy unless funded otherwise as determined by this policy.

Rates

Rates (as already stated) are used to fund the financing costs of debt.

Additionally Council may use lump sum payment options, as provided for in the Local Government (Rating) Act 2002 to charge ratepayers who are the direct beneficiaries of a capital project.

Council may use targeted loan rates to fund borrowing for some particular projects. In so doing Council may also offer early repayment options to allow ratepayers to reduce their annual rates contribution.

Council recognises that rates for capital costs are tax on property owners.

In considering the overall impact of the liability for funding capital costs by rates Council is of the view that it is not possible or fair to allocate the cost solely on individuals' benefits (i.e. as if rates replicated user pays). It is through the collective contribution of the whole district that the District is best able to develop and prosper.

For these reasons Council prefers a strong general rate based system, with a simple differential between urban and rural to crudely balance the imposition of the tax on rural properties with the perceived benefit that urban properties get, mainly through proximity to services or to higher levels of service.

Council's Considered S101(3) Analysis For Capital Expenditure by Activity

Council will fund capital costs on the same basis as determined by the operating costs funding policy, unless Council resolves otherwise. It is not practicable to determine a funding policy for an unknown future project at this time.

Generally it is not practical to create separate funding policies for each and every capital project. Council will only do this when a project is particularly large, affects a particular group or does not fit within an existing funding policy or activity.

Whenever Council resolves to consider a separate funding policy Council will consider the sources of funds (above), Revenue and Financing Policy and complete a S101(3) assessment to determine a fair funding policy for the project.

Generally Council will resolve the funding policy at the time the project is proposed in an Annual Plan or Long Term Plan.

Appendix B: Factors considered in assessing S101(3) matters in Table 3

LGA Section	Description from Table	Factors considered
S101(3)(a)(i)	Outcome	This information is drawn from Council's performance management framework, updated in 2011 for new community outcomes.
S101(3)(a)(ii)	Who Benefits	<p>Council has considered the following main types of persons who benefit from an Activity:</p> <p>Individuals: being where there is a direct benefit to a user.</p> <p>Groups: Often described in the analysis this is where a particular group in the community benefit. For example, a group could be identified by proximity to a service or by association.</p> <p>District: Where there is a benefit to the majority of persons or properties in the District</p>
S101(3)(a)(iii)	Period of Benefit	<p>For operating costs the period of benefit for the rates share is generally on-going as Council regularly provides the service.</p> <p>For the purpose of user pays the benefit is generally restricted to the period of user, and user charges generally recognise this.</p> <p>For capital projects Council will consider the period of benefit to current and future generations and distribute the funding with regard to this.</p>
S101(3)(a)(iv)	Whose Act Creates Need	Council considered whether the action or inaction of individuals or groups contribute to the need to undertake the activity. This assessment may help Council determine whether user charges or targeted rates may be a funding option to modify the behaviour of those whose action or inaction causes cost to Council.
S101(3)(a)(v)	Transparency and Accountability	<p>In the first instance Council consider whether individual user charges were the best method to attribute transparent and accountable charges to beneficiaries of the service. In considering the feasibility of this Council consider the cost of and efficiency of collecting the separate revenues.</p> <p>With regard to the rates contribution (except sewerage, water and refuse rates) Council is of the view</p>

		that apart from identifying a general benefit (charged as the general rate) or a people based benefit (charged as the civic amenity rate), the costs and benefits of separate rating mechanisms for separate activities makes a complex rating system which is expensive to maintain and becomes confusing to interpret. In Council's opinion this does not contribute to improved transparency and accountability.
S101(3)(b)	Impact of Liability	<p>In considering the overall impact of the liability to pay rates Council is of the view that it is not possible or fair to allocate the cost solely on individuals' benefits (i.e. as if rates replicated user pays). It is through the collective contribution of the whole district that the wellbeing of the District is best improved.</p> <p>For these reasons Council prefers a strong general rate based system, with a simple differential between urban and rural to crudely balance the imposition of the tax on rural properties with the perceived benefit that urban properties get, mainly through proximity to services or to higher levels of service.</p> <p>Once this was considered Council estimated the distribution of the cost of the activity between the urban and rural differentials. This estimation took account of a variety of factors including proximity to services, distribution of the benefit and impact on the overall allocation of liability to different groups of rate payers.</p>