

# GROWING WAITAKI - THE BEST PLACE TO LIVE, WORK & PLAY

## 2015-25 LONG TERM PLAN



*Growing strong communities.*



# Waitaki

DISTRICT COUNCIL  
TE KAUNIHERA Ā ROHE O WAITAKI



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## SECTION 1: THE NEXT TEN YEARS - AN OVERVIEW



Gary Kircher  
Mayor

### MAYOR'S FOREWORD

We have so many things to be positive about in our district. The benefits of irrigation have become increasingly evident over the last 10 years through the growth of jobs and businesses, especially in our rural communities. Tourism continues to grow – Alps2Ocean is increasing in popularity and the Oamaru harbour area continues to draw local residents and tourists alike. We want to make our district even better for current and future generations. In many respects our Long Term Plan focuses on the same opportunities and issues as in the 2012-22 Long Term Plan, however, this plan goes beyond business-as-usual.

To achieve our vision of *Growing Waitaki – the best place to live, work and play*, we sought your views on different proposals and choices. We did this by producing what we hoped was an interesting and informative document, designed to be easily understood and create an environment where you could comment and tell us what choices you believed were the appropriate ones to make. Those choices and decisions made by us are in this document.

Rates affordability is a key challenge. We have an older population compared with the rest of New Zealand, many of whom are on fixed incomes. Our proposals would see an overall rates increase of 1.7% and we've stuck to that. That will differ depending on where you live, if you operate a business or if you are a farmer.

We are also obliged to respond to changes in legislation which can add new costs for our district. These changes include greater obligations around earthquake-prone buildings, and health and safety compliance.



Facing these challenges is something I'm confident we can do well together as a community. Feedback we received from you during the consultation period has highlighted the commitment people have to making this district a great place to live. We've taken on board your comments, thought through our choices and have made decisions that we believe are fair and will help drive growth in Waitaki.

Our Long Term Plan contains detailed information about those plans. Council is firmly committed to keeping our district affordable whilst providing opportunities for people to want to stay here and move here. Together we will make Waitaki the best place to live, work and play.

A handwritten signature in black ink, appearing to read 'Gary Kircher'.

Gary Kircher  
Mayor



Michael Ross  
Chief Executive

## CEO'S MESSAGE

Our district is in good heart and well poised for the next ten years. Our community is benefiting from many recent decisions in terms of jobs and businesses. For instance, we have invested in the North End Business Park in Oamaru and North Otago Irrigation Company Limited (NOIC). Alone, NOIC contributes approximately \$48 million annually to our economy and has created around 270 jobs. The commitment to stage two of NOIC demonstrates the farming sector's confidence in our community and the long term benefit of irrigation. Aside

from irrigation the number of visitors and users on the Alps2Ocean cycle trail continues to increase and create opportunities for our smaller townships while Oceana Gold still remains an important employer.

While the district is continuing to grow, a number of challenges remain including changes to central government funding for roads and the need to continually respond to regulatory reform such as improved drinking water standards, earthquake-prone buildings and health and safety.

While the context remains similar there have been many changes since the last Long Term Plan. These have included the election of a new Mayor and Council and changes to the Local Government Act. We have a new 30 Year Infrastructure Strategy. These changes have also extended to this Long Term Plan. The requirement to consult on a large draft document has been replaced with the use of a smaller, user-friendly consultation document containing key issues and options for the community. These new requirements have resulted in a smaller more concise document. Much of the same information on services, projects and key policies can still be found in the 2015-25 Long Term Plan while other information is now available at [www.waitaki.govt.nz](http://www.waitaki.govt.nz).



With the focus on efficiency and effectiveness in mind, the message from the 2012-22 Long Term Plan 'the future we want at the price we can afford' is still as important today as it was three years ago. Along with the decisions made by us, these changes have helped reduce the Year One increase for rates for the 2015-25 Long Term Plan to 1.7% as opposed to 6.5% in Year One of the 2012-22 Long Term Plan.

Decisions made by us have ensured the 2015/16 rates increase remains the same as that consulted on. While the rates increase is considerably less than 2012/13 we will continue to look at the cost and delivery of our services. Our role is to manage the tension of keeping rates affordable as well as responding to the service levels expected by the community. This will remain a challenging balancing act given changes to government funding, greater regulation and our increasing proportion of elderly in our community, many of whom are on fixed incomes. We believe we can achieve this balance. Equally, we recognise that we can always do better and will continue to focus on value for money and customer service over the coming years.

The proposals set out in the Long Term Plan, including development of web-based services which are likely to include online payments and property information, and improvements to rural roads will help achieve this goal. Others such as the Cultural Facility Redevelopment project and investment in biodiversity will contribute to our vision ...

*Growing Waitaki – the best place to live, work and play.*

Michael Ross  
Chief Executive

## AN INTRODUCTION TO THE 2015-25 LONG TERM PLAN



The 2015-25 Long Term Plan sets out the direction for Waitaki District Council over the next ten years. We review the plan every three years ensuring that our activities and services continue to meet the needs of our community.

While the Local Government Act 2002 requires all local authorities to prepare a long term plan, it is also an important exercise that helps us decide what services are required, when they should be delivered and how they will be paid for. The community then has an opportunity to comment on the plan during the public consultation process.

We provide many services and facilities – roads, water supplies, libraries, parks, sports fields, bridges, cemeteries, and swimming pools. With well over \$700 million in assets alone, planning for maintenance and replacement of assets is a primary function of Council. By their very nature services also need to be reviewed and, if necessary, changed to meet the needs of the community. The Waitaki district has seen some significant changes in recent years in land use. Many farms have been converted to dairy, our population is more ethnically diverse and we have new government legislation that will require us to comply with new rules and regulations.

We're also likely to see a decrease in government funding, particularly for our roads, which places greater pressure on us to find money from other sources so that the services we provide still meet expectations.

Ratepayers pay approximately \$30m every year to fund for these services and we have an obligation to use this money in the best possible way. How we plan for the future will determine what our services and assets will look like.

As well as collecting money in rates, we also generate income through fees and user charges so getting the mix right is critical. Sometimes we might even consider taking

out loans. Alternatively some of our projects, should they be adopted, will only proceed if we are able to secure external funding, for example, the Cultural Facility project.

The 2015-25 Long Term Plan is a comprehensive document detailing the outcomes we want to achieve for Waitaki. This document is, however, different to the 2012-22 Long Term Plan. A greater amount of supporting information can now be found on our website ([www.waitaki.govt.nz](http://www.waitaki.govt.nz)).

The 2015-25 Long Term Plan demonstrates how each of our activities contributes to achieving our community outcomes and later in the year our Annual Report will illustrate our progress against achieving those outcomes.

We will do our best to make sure that everything in this plan is delivered on time and at the right cost. It is our intention to do our very best to keep within projected costs as detailed here, however, we do need to allow for some flexibility, particularly if external forces such as government funding should change.

Ultimately, this Long Term Plan is an agreement between us as local elected members and the community and we will do our best to ensure your money is spent wisely.

## HOW THE 2015-25 LONG TERM PLAN WAS PREPARED



In October 2013 we had local body elections throughout New Zealand. In Waitaki a new mayor was elected (Mayor Gary Kircher) and five councillors were elected for the first time.

In December of the same year we identified our priorities and started discussing our vision for the district. A workshop in January 2014 was held, followed by a second workshop in July 2014 to discuss the newly-adopted vision: *Growing Waitaki – the best place to live, work and play*.

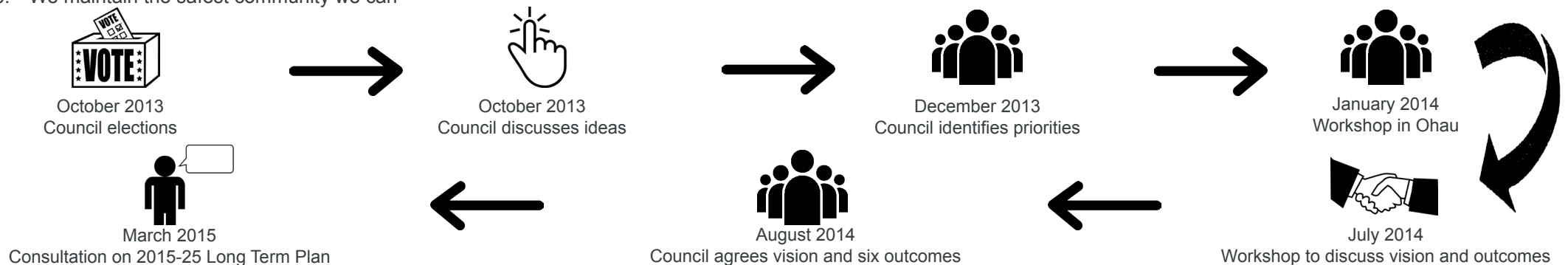
During this time we agreed that the following six community outcomes would help us achieve our vision:

1. We keep our district affordable
2. We enable opportunities for new and existing businesses
3. We provide and enable services and facilities so people want to stay and move here
4. We understand the diverse needs of our community
5. Waitaki's distinctive environment is valued and protected
6. We maintain the safest community we can

These outcomes formed the basis of the work we undertook when preparing the document that would be issued for public consultation.

Following input from Council officers and elected members, you (the public) were asked to provide feedback on 27 key proposals and many more smaller proposals.

After receiving your feedback and Council deliberating on that feedback the 2015-25 Long Term Plan was adopted on 24 June 2015.





# CONSULTING ON THE 2015-25 LONG TERM PLAN



## Getting started

We believed effective public engagement was crucial so that we could feel confident the 2015-25 Long Term Plan reflected your views. With the changes to the Local Government Act a document, known as the consultation document, was designed and distributed to households across the district.

But before we produced this document we thought it would be beneficial to understand the needs of the community. A focus group was organised with a cross-section of the community (for example male/female; young/elderly; business owners/retirees). The focus group gave us some very valuable information over two sessions including:

- The things that are important to them
- The type of document that would spark their interest
- The issues
- The things that we could do to help them participate

The information we received from this group was invaluable and helped us produce a document we believed would be engaging, interesting and informative.

## Community Engagement Plan

In accordance with the new Significance and Engagement Policy a Community Engagement Plan was adopted by Council. This plan detailed how and with whom we would engage.

## Stakeholder engagement

Over 100 community stakeholders were identified; some of these stakeholders received a letter informing them of the consultation process and were invited to make a

submission, other stakeholders received the same information and were also given the opportunity to invite Council representatives (both elected members and staff) to attend a meeting of their choice.

## The document

The consultation document was the key tool for engaging the community with supporting publicity. The document was distributed to all Waitaki district letterboxes via the Oamaru Mail Extra in early April. We also made sure that spare copies could be found at other locations throughout the district including Council offices, libraries, cafes, and pubs.

## Publicity

To support the consultation we produced and circulated posters to Council premises, cafes, pubs, and community noticeboards. A letter to all ratepayers was sent in late March advising of a proposed rate change. A publicity postcard was inserted with this letter reaching over 12,000 residents. Media releases and Facebook posts also helped generate publicity and raise awareness.

## Public meetings

As mentioned earlier, particular stakeholders were invited to hold meetings and invite Council representatives or invite them to a pre-arranged meeting. While the offer was made, we did not receive any requests.

## Submissions

We received 142 submissions during the consultation period (23 March to 24 April). Of those, 48 people presented their submissions to us on 11 and 13 May.

The consultation document included 27 significant proposals. These proposals gave a brief description of the problem and included possible options to address the problem. Our preferred option was highlighted, including the cost to ratepayers and any debt that could be incurred. These proposals fell under the following broad categories:

- Roads
- Economic growth
- Cycle trails
- Business fees
- Biodiversity
- Parks and reserves
- Recreational activities
- Rural land use
- Earthquake-prone buildings
- Water and sewerage
- Land sales
- Community safety
- Civil defence

We also listed some other proposals and directed people to our website for further information. These proposals included:

- Removal of the Dunback Domain hedge
- Implementation of the Dog Control Policy and Bylaw
- River rock protection
- Aquatic centre filter replacement
- Expansion of the Oamaru cemetery

Many people commented on most or all of the proposals and identified their preferred option. Other people commented on just one or two proposals. Several included the proposed Cultural Facility project (the merging of the North Otago Museum, Forrester Gallery and Archive) and the removal of the Dunback Domain hedge.

Following the hearings we discussed the proposals (in light of officer advice, new information and comments made by submitters) and made decisions around the proposals. These decisions have also been informed by the outcomes we want for our community (see the next page).



## THE OUTCOMES WE WANT FOR OUR DISTRICT

### We keep our district affordable

We try to keep our district as affordable as possible. We want every dollar from rates to provide the best possible services and best value for money and we are constantly working to improve how we can deliver them in an affordable way. We face a number of challenges in keeping our services affordable. For instance, we continuously have to balance diverse (and sometimes competing) community needs and wants. Our district is a large geographical area with a small population so maintaining our assets, particularly roads, has to be met by a small group of ratepayers. We also have to respond to changes by central government, many of which affect our rates and levels of service.

### We enable opportunities for new and existing business

We have experienced good business growth over the last few years. For instance the North Otago Irrigation Company has added around 270 jobs to the district and about \$48m to the local economy each year. We have also been involved in business development such as the North End Business Park in Oamaru and in tourism activities such as Alps2Ocean. This means more jobs and more business for our district.

### We provide and enable services and facilities so people want to stay and move here

Growing our district and creating a place where people want to live means providing the right services at the right time and at the right cost. Council provides many things including roads, footpaths, drinking water, libraries and swimming pools. Getting the mix of services right, whether it's clean water, cultural attractions or sports fields, is important so everyone has the opportunity to play an active role in the community.



### We understand the diverse needs of our community

The needs of our community are many and diverse. We want to make sure we understand these so we can deliver our services more effectively. We need to think about the best ways to provide services and infrastructure for the future. How do we plan for changes in demographics (eg our ageing population) and a more ethnically diverse community? How should we balance community needs now and into the future?

### Waitaki's distinctive environment is valued and protected

Our environment, both natural and built, has some special features that we believe are worth protecting. We need to assess our buildings for earthquake risk. We also need to balance growth and development with the needs of the environment. It's important we get the mix right.

### We maintain the safest community we can

We live in a safe community but we want to reduce crime and the fear of crime through projects such as CCTV and Community Patrols. We also need to ensure health standards are high for businesses such as restaurants and bars, manage dog control problems and have a suitable emergency management centre.

The projects outlined in our 2015-25 Long Term Plan will help us achieve these outcomes and our vision, *Growing Waitaki – the best place to live, work and play*.



## We keep our district affordable

At the heart of our decision-making process we have been concerned with affordability and we think we've achieved a good result.

We're looking at a 1.7% rates increase for the 2015/16 financial year and we will continue to grow our district and provide services that you expect from us.

We continuously have to balance diverse (and sometimes competing) community needs and wants. Our district is a large geographical area with a small population so maintaining our assets, particularly roads, has to be met by a small group of ratepayers.

## We enable opportunities for new and existing business

Our Rural Resilience project will continue with funding of \$826,000 enabling us to improve culverts and drainage to minimise damage and disruption caused to rural roads during storms and floods. This work will be completed over the next two years.

Web-based services is something we want to offer you (paying rates, searching for your property file and paying dog registration fees). We believe this is an important project and one that we'll be investigating thoroughly to make sure we get the best service at the best value.

To keep the Alps2Ocean cycle trail operating well we will set aside funding to pay for the replacement of things such as bridges, fencing, cattle stops, toilets, signs and gates. It is our intention to finish Alps2Ocean before we start work on any other cycle trails in the district.

We're going to continue looking for ways and partners to help improve internet access for rural townships.

**We provide and enable services and facilities so people want to stay and move here**

The Cultural Facility project has the green light as long as we can secure external funding. We're committing \$1.3m in rates over the next 10 years to develop the current gallery building to house the Forrester Gallery, the North Otago Museum and Archive.

We want to encourage more people to use the Waitaki Aquatic Centre so we're going to make it free for children under 8 to swim there.

The Dunback Domain hedge is an asset that the local community does not want to lose so we'll be spending \$15,000 to cut it back to a manageable size and then spending \$6,000 every two years to keep it maintained.

The Oamaru harbour precinct and surrounding roads require careful consideration for businesses, tourists and residents. We proposed to upgrade the roads around this area and also make Lower Thames Street more pedestrian-friendly. \$30,000 will be spent to do a feasibility study on the Lower Thames Street project, however, this project will be deferred until 2018. \$340,000 will be spent to upgrade roads (where appropriate) over two years starting in 2018.

Sports fields such as King George Park, Weston Domain and Mill Domain in Palmerston become waterlogged in winter and therefore unplayable. We will spend \$290,000 from a special reserve to improve the drainage and spend \$41,000 (funded from rates) over 10 years to maintain the fields so that they can be used in winter months for different sporting codes.

## **We understand the diverse needs of our community**

We'll be upgrading toilets at Duntroon, Roberts Park, Weston, and Dunback. These toilets will be not only be repainted and refurbished, they will also be upgraded for disability access. The capital cost of this work will be spread over 10 years.

We'll be taking back ownership of the part of the sewer pipe that's between the sewer main and your property boundary. Should anything go wrong with this section of the pipe we'll repair it and pay for the costs.

## **Waitaki's distinctive environment is valued and protected**

Biodiversity is an important activity and we want to implement our Biodiversity Strategy to help protect our unique natural environment. We're going to fund this work to the tune of \$310,000 over the next 10 years.

The Craig Fountain in the Oamaru Public Gardens has not operated since the 1990s and many people have asked for us to take some action. We have a special reserve to pay for the investigation (which will cost approximately \$30,000) with a view to restoring it if possible.

Since the harvesting of trees on Cape Wanbrow we have worked with community groups who have been propagating plants which have since been replanted by volunteers. We will allocate \$10,000 per annum for three years from the Resource Management Act (RMA) Reserves Fund for future plantings at Cape Wanbrow. This funding will be reviewed annually.



## **We maintain the safest community we can**

Over the next three years we plan to phase out funding for Waitaki Guardians and invest that money into Community Patrols and to operate the newly-installed CCTV cameras.

Environmental health fees will increase but not to the extent we initially anticipated. It's important to find a balance between maintaining safe premises such as cafes, restaurants and hairdressers without putting too much financial pressure on these businesses. For that reason there will be a 10% increase in fees and we will develop a fee regime that will reflect future regulation requirements.

With the changes to the Building Act we will need to assess earthquake-prone buildings. Central government has, however, softened its stance on how quickly this will need to be done for areas and districts with a lower risk of earthquakes. Because some of our district is deemed to be a lower risk we will have a longer period of time to complete this work. We have decided, therefore, to reduce the amount budgeted for recording to \$5,000 per annum beginning in 2017.

In its submission Age Concern spoke of the work they do to help fight elder abuse and its need to seek additional funding so that they can continue this work. We've agreed to fund \$6,000 per year for the next three years. This money will come from our Community Groups Grants, funded by dividends we receive from our Council Controlled Organisations such as Whitestone Contracting.

# INDEPENDENT AUDITOR'S REPORT

AUDIT NEW ZEALAND

Mana Aotake Aotearoa



I am the Auditor General's appointed auditor for Waitaki District Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's Long Term Plan (the plan). I have carried out this audit using the staff and resources of Audit New Zealand. We completed the audit on 24 June 2015.

## Opinion

In my opinion:

- the plan provides a reasonable basis for:
  - long term, integrated decision making and coordination of the Council's resources; and
  - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 189 to 193 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 and accurately reflect the information drawn from the Council's audited information.

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

## Basis of Opinion

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

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate audit procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our audit procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face over the next 30 years;
- the information in the plan is based on materially complete and reliable asset and activity information;
- the Council's key plans and policies have been consistently applied in the development of the forecast information;
- the assumptions set out within the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;



- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures and forecast financial information has been adequately explained within the plan.

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

### **Responsibilities of the Council and auditor**

The Council is responsible for:

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

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

### **Independence**

We have followed the independence requirements of the Auditor General, which incorporate those of the External Reporting Board. Other than our work in carrying

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



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



## SECTION 2: KEY STRATEGIES

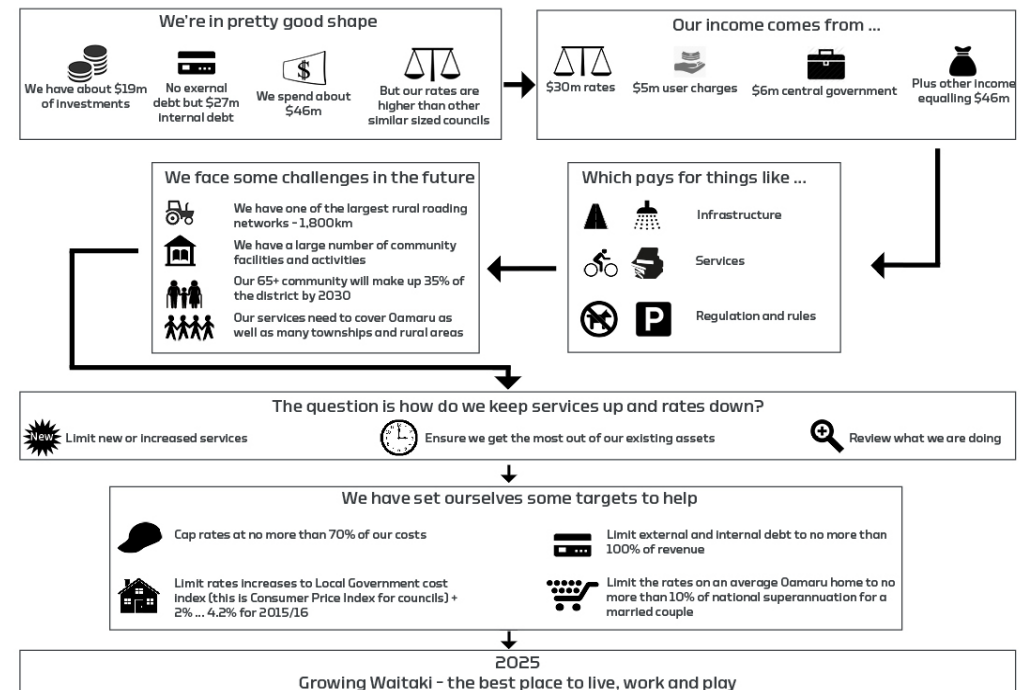
### FINANCIAL STRATEGY SUMMARY

We have prepared a financial strategy to understand future implications on service levels, rates and debt.

In 2002 we decided to set money aside to pay for the replacement of assets. This has put us in a good financial position which means we can replace assets without having to borrow more money. Over the years we have invested money so we have a good level of savings. This money, also collected through depreciation of our assets, will help pay for new services and ageing infrastructure. We have very little debt and we'd like to keep it that way so it has limited impact on you. There will be times, however, that we may need to borrow money to pay for 'big ticket' items such as the cultural facility redevelopment.

We also have to consider what we could do to help offset less government funding, particularly for our roads. Roads are being increasingly used by heavy trucks and machinery due to changes in land use. We have an ageing population on fixed incomes – another challenge we must factor into our planning. Most importantly is keeping our district affordable for you. Nobody wants to pay more rates than are absolutely necessary but we do want to ensure that we offer good services (which you expect) so that you can enjoy living in Waitaki. That said, we have set ourselves some benchmarks to help us measure our progress. Firstly, we have limited rates to no more than 70% of our costs. This means 30% of our income will need to come from user charges and other revenue.

Because we have a large portion of the population over 65 and on fixed incomes we propose to limit rates increases on an average Oamaru home to no more than 10% of national superannuation for a married couple. Finally, we propose to restrict debt to no more than 100% of our revenue and rate increases will be limited to the annual increase in Local Government Cost Index (LGCI) + 2%. For 2015/16 this would equate to 4.2%.



We will have an opportunity to review this forecast rates increase as part of future annual and long term planning processes.



## INFRASTRUCTURE STRATEGY SUMMARY

Council manages a vast amount of infrastructure including roads, drinking water, and sewage and stormwater systems. We have prepared a 30-year strategy to make sure these assets are maintained and replaced when needed and that we understand when the money for this will be needed.

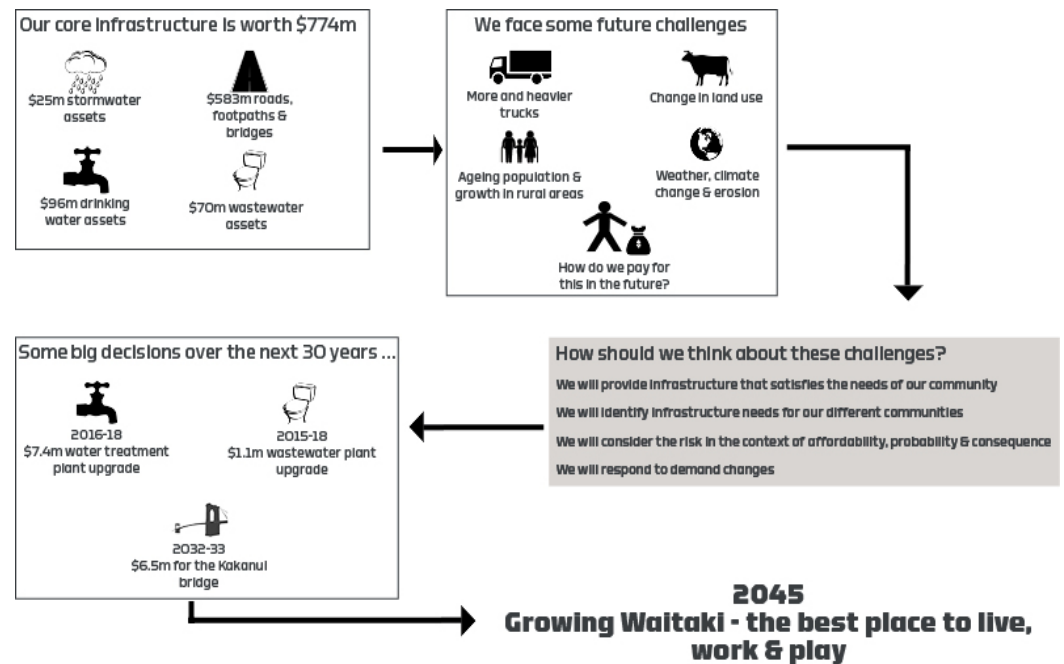
Overall we think our infrastructure is fit-for-purpose – that's what engineers say when things are pretty good. However, there's a number of issues which we need to keep an eye on over the next 30 years. These include increases in roading costs due to heavier trucks, changes to government funding, the cost of meeting drinking water standards and rules to protect the environment. The growth in dairy conversions has helped our townships and rural sector grow. This has led to more jobs but also more trucks and more pressure on our roads.

Other factors we need to think about include climate change and coastal erosion, our changing population and the importance of building infrastructure that can better respond to future floods and possible earthquakes. The infographic on the right sets out a number of criteria which will help us think about the \$273 million we'll spend over the next 30 years.

This investment will help:

- Meet increased demand and pressure on our existing infrastructure, eg from new businesses
- Maintain existing service levels, eg the creation of a new waste transfer station
- Meet agreed service levels, ie improving rural roads
- Improve levels of service, ie completing the roll-out of drinking water standards

The replacement of our existing infrastructure represents \$254 million of the planned \$273 million spend. To help manage this we've been collecting money each year (depreciation) so we don't get a shock when we need to replace something big. A key



question in our Infrastructure Strategy (as well as our Financial Strategy) is making sure that we collect the right amount of money – not too much, not too little – and that this is spread equitably across generations, now and in the future.

## SIGNIFICANT FORECASTING ASSUMPTIONS



Assumption	Stated assumption	Uncertainty	Risk	Potential impact if assumption wrong
Life cycle of significant assets	We have assumed assets will be replaced at the end of their economic life in accordance with our accounting policies and condition assessments. This decision will also take account of changes in demographics and demand, affordability and options and choices for future delivery. We will fund in advance some capital projects which are necessary to maintain service levels by collecting rates for depreciation. These will be placed in depreciation or asset renewal reserve funds until they are required. For further details on the life cycle of significant assets, refer to our Statement of Accounting Policies on page 111 and the Infrastructure Strategy in Appendix 2.	Low	The risk that we misinterpret future demand or apply an unrealistic growth forecast when considering the replacement of significant assets.	If replacing the asset proves more expensive than forecast further borrowing will be required. This is regarded as a low risk given our revaluation and depreciation models.
Sources of funds for future replacement of significant assets	We will 'cash-fund' depreciation on some assets particularly those which have significant intergenerational equity such as water. In other cases depreciation will not be cash funded, for example on community buildings and harbour structures. We will maintain various reserve funds for cash funded assets. These include bequests, depreciation or asset renewal reserves, financial contribution reserves, and development contribution reserves. These will be used when a project meets the specific criteria. We will borrow if there is a shortfall in the total funding required.	Low	The risk that the costs of replacing the significant asset materially exceeds the level of depreciation and forecast borrowing.	If replacing the asset proves more expensive than forecast further borrowing will be required. This is regarded as a low risk given our revaluation and depreciation models.



Assumption	Stated assumption	Uncertainty	Risk	Potential impact if assumption is wrong
Projected growth change factors	Population growth will occur at the rate set out in the 2015-2045 growth projections. These can be found at <a href="http://www.waitaki.govt.nz">www.waitaki.govt.nz</a> . The usually resident population is expected to grow by a total of 325 over the period of the Long Term Plan, an average annual growth rate of about 0.2%. Over a 30 year period, the average annual growth is forecast to be 25. We predominately fund growth-led demand network projects through development contributions. Projects that have exhausted previous funding sources or are new or increased service levels or for growth in non-network infrastructure are funded from borrowing. Other developments are undertaken in anticipation of growth. The growth portion of the project is funded from borrowing. When this occurs development contributions repay the debt.	Medium	The risk that the projected growth occurs at a rate different than that forecast in our growth projections.	There is a risk of under or over service delivery should growth or demographic change differ from that forecast.
Approach to potential climate change impacts	We have factored climate change (such as flooding and droughts) and adverse events into long term, civil defence planning and infrastructure requirements (particularly transport and water). We have assumed that climate change will impact on the district in ways similar to that noted in the Ministry for the Environment guidance. Climate change has been acknowledged within our Infrastructure Strategy explicitly and as part of the discussion on resilience. We will take account of the impact of climate change in a number of ways, but predominately through design and construction standards, identification of hazards, redundancy and mitigation (such as insurance) over the life of the Long Term Plan and Infrastructure Strategy. Currently, we do not consider any planned change in levels of service arising from climate change.	High	The risk that climate change occurs at a rate faster or slower than predicted.	Should this risk occur there is a risk of sub-optimal infrastructure investment. We acknowledge the uncertainty regarding the pace of climate change. As noted in the Infrastructure Strategy we consider climate change in the context of resilience and in particular design and construction standards.



Assumption	Stated assumption	Uncertainty	Risk	Potential impact if assumption is wrong
Approach to potential societal changes, particularly the impact of the ageing population within the period of the Infrastructure Strategy	Population growth and demographic change (particularly age profiles) will occur at the rate set out in the adopted projections for residential population dwellings and rating units to 2045. This rate is based on a recommended medium-high growth scenario which indicates moderate population growth across the district (in townships and rural areas) and a growing elderly population. The forecast projections note the proportion of people aged 65+ will increase from 22% in 2013 to 35% by 2030. <sup>(1)</sup>	Low	The risk that projected demographic change, particularly the growth in population aged 65 and over, will occur at a rate different to that set out in Council's growth projections.	There is a risk of under or over service delivery should growth or demographic change differ from that forecast.
Future price changes (inflation)	The overall average price inflation over the life of the Long Term Plan will remain consistent with targets set between the government and Reserve Bank. While this is expected to remain consistent we understand the BERL Local Government Cost Index for 2015/16 is expected to be between 1.0% for private sector (consultants, legal and audit) to 5.2% for water, sewage operations. <sup>(2)</sup>	Medium	The risk that price level change occurs at a rate different to that projected.	Should this risk occur it is likely that costs and income will differ from forecasts. This in turn could impact on rates.
New Zealand Transport Agency (NZTA) subsidy rates	We have assumed a 58% subsidy rate for 2015/16 reducing by 1% each year until it reaches 55% in 2018/19. Council has also assumed the rate will remain the same after that until the financial assistance rate is reviewed or adjusted.	Low	The risk that a change in NZTA subsidy will increase or reduce the level of resources for the roading network.	Should this risk occur we will need to review our roading programme and either increase rates or reduce levels of service.

<sup>(1)</sup> Further information on growth projections can be found at [www.waitaki.govt.nz](http://www.waitaki.govt.nz).

<sup>(2)</sup> Refer to the table of adjustors on page 22



Assumption	Stated assumption	Uncertainty	Risk	Potential impact if assumption is wrong
Revaluation of non-current assets	We will continue to revalue our assets on a three yearly cycle as specified in our accounting policies.	Medium	The risk that revaluations change significantly over the life of the Long Term Plan.	Should this risk occur we would need to review the level of depreciation and therefore rates.
Forecast return on investments	We will continue to have a range of investments such as equity investments including Council Controlled Organisations (CCOs) and shareholdings, property investments including endowment property, loans and guarantees and financial assets. We have assumed a 2.6% return on investor funds on Whitestone Contracting but no return on Waitaki District Health Services, Tourism Waitaki and Omarama Airfield given their objectives. We will continue to own property necessary for economic, physical and social development and achieve an acceptable rate of return. We have assumed a rate of return similar to that of our internal borrowing rate for loans and guarantees and a forecast rate of return of 5.25%. It is expected that we will have invested \$17 million with North Otago Irrigation Company (NOIC) over the first five years of the Long Term Plan. This will produce a return equivalent to the 90 day bill rate plus a margin. We anticipate a decision on a potential \$5 million loan to the proposed development of a retirement village in Oamaru pending the presentation of a business case by Waitaki District Health Services in year one of the Long Term Plan.	Medium	The risk that forecast returns are less than that forecast in the Long Term Plan.	Should this risk occur we will receive less investment income which would impact on rates and other funding choices. Under current forecasts we will be an investor over the life of the Long Term Plan with an estimated \$50m of investment by 2025.



Assumption	Stated assumption	Uncertainty	Risks	Potential impact if assumption is wrong
Expected interest rates on borrowing	Council does not expect to borrow money over the life of the Long Term Plan.	Medium	The risk that we have to borrow externally for an unanticipated event eg sudden and material service level failure, and/or rates of borrowing are significantly higher than forecast.	Should this risk occur we will first consider internal loan funding through internal reserves. We have access to overdraft facilities.
Changes to our business dictated by as yet unknown/unconfirmed legislation or central government policy change	We assume that there will be no sudden (ie un-signalled) significant change to legislation.	Medium	The risk of sudden or un-signalled legislative change.	Should this risk occur, we may be required to change expenditure or income (for instance rates or user charges). An example could be a sudden and un-signalled change to superannuation.



Table 1: Adjustors % change per annum

Year ending	Road	Property	Water	Energy	Staff	Other	Earth-moving	Pipelines	Private sector wages
Jun 15	0.4	1.9	4.7	4.2	1.6	1.5	1.7	1.8	1.7
Jun 16	1.2	2.2	5.2	3.5	1.8	2.3	1.8	2.1	1.7
Jun 17	1.4	2.4	3.8	3.8	1.9	2.5	2.6	2.5	1.8
Jun 18	2.2	2.5	3.0	3.9	2.0	2.6	2.4	2.6	1.9
Jun 19	2.4	2.6	3.2	4.1	2.1	2.7	2.0	2.8	2.0
Jun 20	2.5	2.8	3.3	4.3	2.2	2.9	2.1	2.9	2.1
Jun 21	2.7	2.9	3.5	4.5	2.3	3.0	2.3	3.1	2.1
Jun 22	2.8	3.0	3.7	4.7	2.4	3.1	2.4	3.2	2.2
Jun 23	3.0	3.2	3.8	4.9	2.5	3.3	2.5	3.4	2.3
Jun 24	3.1	3.3	4.0	5.1	2.6	3.4	2.9	3.5	2.4
Jun 25	3.3	3.4	4.2	5.3	2.7	3.6	3.1	3.6	2.5



## OTAGO REGIONAL PERFORMANCE MEASURES

### Otago Performance Improvement Framework

In 2014 the Otago Mayoral and Chief Executive Forums agreed a performance improvement framework for use across councils in the Otago region. The purpose of the framework is to:

- Provide communities with better context to assess the performance of their councils across the region
- Enable better support and collaboration to drive improvement across Otago
- Help to drive standards for future local government reforms
- Provide consistent performance information that allows closer scrutiny of efficiency and effectiveness.

The framework details benchmarking and methodology for data collection and includes the following key performance indicators:

#### Infrastructure asset management

- Percentage of budgeted capital works programme, including renewals, completed annually

#### Resident and ratepayer satisfaction

- Percentage of ratepayers who are satisfied with overall Council performance
- Percentage of ratepayers who are satisfied with Council communication
- Percentage of ratepayers who are satisfied with quantity and quality of community facilities

### Regulatory

- Percentage of building/resource consents issued within statutory times
- Average building/resource consent processing days

### Affordability

- Rates per ratepayer as percentage of household income

### Corporate services

- Cost of administrative and support services as a percentage of organisational running costs

These performance measures will be reported on in Council's annual reports.



# SECTION 3: GROUPS OF ACTIVITIES

## SERVICE

### ROADS & FOOTPATHS

#### What we do

The Roads and Footpaths Group of Activities includes 1,824km of sealed and unsealed roads, drainage systems, 160 bridges, signs and pavement markings, 161km of footpaths, street lighting, car parks and parking enforcement, and land use management and operations within the road corridor.

#### Why we do it

Roads and footpaths support our vision of *Growing Waitaki – the best place to live, work and play* and are fundamental to creating safe and reliable networks that connect communities and businesses. The Roads and Footpaths group of activities contributes to the following community outcomes:

Community outcome	How the activity contributes to the outcome
We enable opportunities for new and existing businesses	By providing roads and footpaths that are safe, effective, efficient, accessible and fit for purpose for people and goods.
We provide and enable services and facilities so people want to stay and move here	By providing roads and footpaths that are safe, effective, efficient, accessible and fit for purpose for people and goods.
We maintain the safest community we can	By providing transport networks and services that are safe.
We keep our district affordable	By ensuring roading activities are managed efficiently and effectively.



Our roads connect people with destinations, to places of work, and are lines of communication. Our roads also link goods and freight from our farms and high country stations to far away markets. As illustrated below the roading network is characterised as rural and low volume. It is comprised predominantly of unsealed roads that provide effective access to properties and people.

- 90% of roads are rural (ie have a speed limit of more than 70 km/h)
- 59% of roads are unsealed
- Over 94% of roads have traffic volumes of less than 500 vehicles per day

Over 85% of the roads in the district are owned and operated by Council, with the New Zealand Transport Agency (NZTA) accountable for the remaining 15%. At present walking and cycling is a comparatively small activity. It is, however, becoming an increasingly important part of the urban network as our population ages and we attract more Alps2Ocean visitors.

#### Significant negative effects

There are a number of potentially significant negative effects associated with the land transport activity. These include crashes, congestion, flooding, noise, stock truck effluent and vehicle emissions. Our Land Transport Activity Management Plan has identified a number of objectives and priority actions that seek to mitigate these negative effects. In addition, there are indications of more tension on the network – rural roads are not wide enough to cater for passing heavy commercial vehicles (HCV) and are likely to cause concern where HCV and light vehicles come into contact.



## Our plans

There are a number of changes happening to the way land transport is funded and delivered in New Zealand which will influence how we will deliver the Roads and Footpaths activities. The government has increased its emphasis on improved asset performance, economic growth, productivity, road safety and value for money through 'investing for outcomes' and 'one network road classification' programmes. The aim is to deliver improved performance by focusing on economic growth and productivity, road safety and value for money.

## Funding

The NZTA funding which we receive is expected to change over the life of the Long Term Plan. Table One below sets out how the Funding Assistance Rate (or FAR) is expected to reduce for the period 2015/16 to 2023/24.

**Table One – change in funding assistance rate for 2015/16 – 2023/24 period**

Financial Year	2015/16	2016/17	2017/18	2018/19 to 2023/24
FAR Rate	58%	57%	56%	55%

In recent times the funding assistance which we received for roading maintenance and renewal activities had been set at 56%. Under the funding changes, this rate will increase for the first two years of the roading programme (2015/16 and 2016/17 years) before reducing from 2017/18. As a result of this reduction we will need to fund the NZTA shortfall from rates if we are to maintain current levels of service.

## Flooding and resilience

The change in funding will also have implications for the way that we plan and respond to emergency events. This will become more of an issue over time should the anticipated effects of climate change be realised. For example, the rural roading network has been affected by severe weather events over the past six years resulting in \$5.4 million in emergency works. In response we agreed the three year, \$3 million *Rural Resilience Waitaki Project* which commenced in 2014/15 to improve drainage and culverts as well as construct wash-over pads in high risk areas.

## Safety

We intend to increase investment in our community road safety activities in line with successful national and local programmes. The goal is to reduce fatalities and serious injuries in the short term and eliminate them altogether in the long term.

## Demographics

The proportion of over 65 year old residents in the district is forecast to increase from approximately 22% in 2013 to approximately 35% in 2030. This will increase the demand on the urban network, particularly for those members of the community with limited mobility who will likely require changes to current levels of service for roads and footpaths. We are working with a range of stakeholder organisations (such as CCS Disability Action) regarding mobility and access issues including parking.



## Land use

Significant increases in land use are projected for a number of parts of the district, predominately through forestry and agriculture (stage two expansion of the North Otago Irrigation scheme). We anticipate the roading network will come under greater pressure though the increased volume and size of heavy commercial vehicles particularly during the construction phase of the expansion and forestry harvesting periods. Further investment (including preventative maintenance) will be required if this growth continues, particularly in rural areas where roads were not constructed for heavier vehicles.

## Our projects

Project	Total Cost Over 10 Years	Rates Impact Over 10 Years	Funding	Year
Roading Resilience Strategic Planning	\$840,000	\$840,000	Rates	2015/16-2024/25
Rural road improvements ( <i>Rural Resilience Waitaki Project</i> )	\$826,000	\$826,000	Rates	2015/16-2016/17
Haven Street improvements	\$184,000	\$184,000	Rates/In kind	2015/16-2024/25
Realignment of Waianakarua Road	\$426,000	-	Depreciation	2017/18
Narrow rural roads	\$2.3m	\$1m	Rates/NZTA Subsidy	2015/16-2024/25
Harbourside roading projects	\$419,000	\$348,000	Rates/Depreciation	2017/18-2024/25
Kakanui and Kauru river rock protection	\$356,000	\$356,000	Depreciation/Subsidy	2016/17-2024/25
Realignment of Beach Road in Kakanui	\$272,000	-	Depreciation	2016/17
Humber Street carpark	\$50,000	Additional revenue of \$17,000	Cost recovery	2017/18
Lower Thames Street	\$30,000	\$30,000	Amenity Rate	2018/19
Wansbeck Street footpath	\$25,000	\$25,000	Amenity Rate	2015/16
Oamaru Creek bridge	\$20,000	\$20,000	Rates	2015/16



## How well are we doing and how do we measure progress?

The table below describes how we will work towards achieving our community outcomes through the major levels of service for this Group of Activities and how performance will be measured.

Level of Service	Performance Measure	Current Performance	Performance Target	
			Years 1 – 3 2015/16 – 2017/18	Years 4 – 10 2018/19 – 2024/25
People are safe on our roads	The change from the previous financial year in the number of fatalities and serious injury crashes on local road network (not state highways), expressed as a number*	Number of serious injuries and fatalities in 2014/15 year = 6	Reduce the number of serious injuries and fatalities when compared to the previous year.	Continued reduction in the number of serious injuries and fatalities when compared to the previous year.
Roads and footpaths are reliable, resilient and accessible	Percentage of residents who are satisfied or very satisfied with the sealed roading network	42% of residents are satisfied or very satisfied with the roading network (the previous measure did not differentiate between the sealed and unsealed network)	Increase in percentage of residents who are satisfied or very satisfied with the sealed roading network: 2015/16 – 50% 2016/17 – 60% 2017/18 – 70%	75% of residents are satisfied or very satisfied with the sealed roading network.

\* Department of Internal Affairs (DIA) mandatory measure



Level of Service	Performance Measure	Current Performance	Performance Target	
			Years 1 – 3 2015/16 – 2017/18	Years 4 – 10 2018/19 – 2024/25
Roads and footpaths are reliable, resilient and accessible	Percentage of residents who are satisfied or very satisfied with the unsealed roading network	42% of residents are satisfied or very satisfied with the roading network (the previous measure did not differentiate between the sealed and unsealed network)	Increase in percentage of residents who are satisfied or very satisfied with the unsealed roading network: 2015/16 – 50% 2016/17 – 60% 2017/18 – 70%	75% of residents are satisfied or very satisfied with the unsealed roading network.
	The average quality of ride on a sealed roads, measured by smoothness*	The average National Association of Australian State Road Authority (NAASRA) count for all sealed roads is 96	Target to be set once One Network Road Classification (ONRC) benchmark established, in the interim 2015/18 maintain at 96 or less.	Target to be set once ONRC benchmark established.
	The percentage of the sealed local road network that is resealed*	7% of sealed network re-sealed	Reseal 7% each year of sealed network	Reseal 7% each year of sealed network
	The percentage of footpaths within the district that fall within the specified level of service*	Footpaths inspected annually, 25 year life, 4% renewal each year	Footpath condition (percentage compliant with standards) = 96%	Footpath condition (percentage compliant with standards) = 96%
Roads and footpaths are managed efficiently and effectively	The percentage of public enquiries responded to within agreed timeframes*	91%	90%	90%

\*Department of Internal Affairs (DIA) mandatory measure

## FUNDING IMPACT STATEMENT



Roads & Footpaths												
2013/14 Actual \$(000)	2014/15 Budget \$(000)		2015/16 LTP \$(000)	2016/17 LTP \$(000)	2017/18 LTP \$(000)	2018/19 LTP \$(000)	2019/20 LTP \$(000)	2020/21 LTP \$(000)	2021/22 LTP \$(000)	2022/23 LTP \$(000)	2023/24 LTP \$(000)	2024/25 LTP \$(000)
220	234	Sources of Operating Funding	196	198	201	206	212	218	225	232	240	248
5,767	6,114	General Rates, Uniform Annual General Charge, Rates Penalties	6,380	6,447	6,319	6,414	6,392	6,679	6,761	6,772	7,141	7,242
5,987	6,348	Targeted Rates	6,576	6,645	6,520	6,620	6,604	6,897	6,986	7,004	7,381	7,490
3,621	2,505	Rates Revenue	3,491	3,479	2,988	3,005	3,082	3,168	3,260	3,360	3,471	3,584
223	222	Subsidies and Grants for Operating Purposes	222	228	233	251	258	266	274	283	292	303
-	-	Fees and Charges	-	-	-	-	-	-	-	-	-	-
22	25	Interest and Dividends from Investments	44	44	44	44	44	44	44	44	44	44
269	489	Internal Charges and Overheads Recovered	494	506	521	535	550	566	584	603	623	645
4,135	3,241	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	4,251	4,257	3,786	3,835	3,934	4,044	4,162	4,290	4,430	4,576
10,122	9,589	Operating Revenue	10,827	10,902	10,306	10,455	10,538	10,941	11,148	11,294	11,811	12,066
6,486	4,816	Total Sources of Operating Funding	6,255	6,351	5,508	5,670	5,786	5,966	6,131	6,311	6,542	6,747
-	-	Applications of Operating Funding	-	-	-	-	-	-	-	-	-	-
1,286	1,342	Payments to Staff and Suppliers	1,614	1,641	1,669	1,698	1,733	1,769	1,805	1,849	1,894	1,944
-	-	Finance Costs	-	-	-	-	-	-	-	-	-	-
7,772	6,158	Internal Charges and Overheads Applied	7,869	7,992	7,177	7,368	7,519	7,735	7,936	8,160	8,436	8,691
2,350	3,431	Other Operating Funding Applications	2,958	2,910	3,129	3,087	3,019	3,206	3,212	3,134	3,375	3,375
2,461	2,567	Total Applications of Operating Funding	2,853	3,184	3,380	2,885	2,694	2,784	2,936	2,954	3,035	3,437
99	139	Surplus / (Deficit) of Operating Funding	139	139	139	139	139	139	139	139	139	139
-	-	Sources of Capital funding	-	-	-	-	-	-	-	-	-	-
-	-	Subsidies and Grants for Capital Expenditure	-	-	-	-	-	-	-	-	-	-
2,560	2,706	Development and Financial Contributions	2,992	3,323	3,519	3,024	2,833	2,923	3,075	3,093	3,174	3,576
-	-	Increase / (Decrease) in Debt	-	-	-	-	-	-	-	-	-	-
-	-	Gross Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	-	-
-	-	Total Sources of Capital Funding	-	-	-	-	-	-	-	-	-	-
377	795	Applications of Capital funding	453	387	654	600	390	390	390	390	390	390
4,644	4,792	Capital Expenditure	5,094	5,754	5,995	5,211	5,082	5,255	5,543	5,587	5,748	6,494
(111)	550	Meet Additional Demand	403	92	(1)	300	380	484	354	250	411	67
-	-	Improve Levels of Service	-	-	-	-	-	-	-	-	-	-
4,910	6,137	Replace Existing Assets	5,950	6,233	6,648	6,111	5,852	6,129	6,287	6,227	6,549	6,951
(2,350)	(3,431)	Increase / (Decrease) in Reserve	(2,958)	(2,910)	(3,129)	(3,087)	(3,019)	(3,206)	(3,212)	(3,134)	(3,375)	(3,375)
-	-	Increase / (Decrease) in Investments	-	-	-	-	-	-	-	-	-	-
-	-	Total Applications for Capital Funding	-	-	-	-	-	-	-	-	-	-
-	-	Surplus / (Deficit) of Capital Funding	-	-	-	-	-	-	-	-	-	-
-	-	Funding Balance	-	-	-	-	-	-	-	-	-	-

## WASTE MANAGEMENT & MINIMISATION

### What we do

We are responsible for the collection and disposal of solid waste to acceptable environmental standards (waste management). Waste minimisation seeks to reduce the amount of waste created in the first place, rather than trying to manage or dispose of it once it's created. It can include things like buying items with less or no packaging, using cloth nappies instead of disposables, and composting food scraps instead of putting them in the bin. There are three tiers to minimising waste:

- Reducing
- Reusing
- Recycling

Reduction is the most preferred.

We currently provide:

- Two operating landfills at Palmerston and Oamaru, including a reduced cost greenwaste drop off service at Oamaru landfill. Oamaru landfill is scheduled to close in 2016
- Rural recycling drop-off facilities at Papakaio, Enfield, and Herbert
- A network of four transfer stations located at Otematata, Omarama, Kurow and Hampden
- Funding Waitaki Resource Recovery Trust to operate the Resource Recovery Park to provide greenwaste and recycling services, and education
- Financial assistance to other community organisations, such as Waihemo Wastebusters and Ohau Village Waste Solution, to provide recycling and waste minimisation services

- A disposal rate subsidy for waste service providers who implement waste minimisation practices
- Waste minimisation initiatives such as the Cloth Nappy Scheme
- Educational material about reducing, reusing and recycling waste.

We are also responsible for managing 13 closed landfills in the district. Operational and closed landfills, transfer stations and the Waitaki Recovery Park are all operated within the conditions of resource consents.

### Why we do it

The Waste Management and Minimisation Group of Activities contributes to the following community outcomes:

Community outcome	How the activity contributes to the outcome
We enable opportunities for new and existing businesses	By providing access to affordable, reliable, accessible and efficient waste disposal systems and facilities
We provide and enable services and facilities so people want to stay and move here	By providing access to affordable, reliable, accessible and efficient waste disposal systems and facilities
We maintain the safest community we can	By providing access to reliable and efficient waste disposal systems and facilities





Community outcome	How the activity contributes to the outcome
Waitaki's distinctive environment is valued and protected	By managing the activity in accordance with consent conditions and enforcement of the relevant legislation to mitigate adverse environmental effects  By encouraging minimisation, reuse and recycling of waste
We understand the diverse needs of our community.	By encouraging the provision of different waste disposal options by the private sector

We have legal responsibilities under the Health Act 1956 and the Local Government Act 2002 to improve, promote and protect public health through making provision for effective and efficient waste management. The Waste Minimisation Act 2008 states that territorial authorities must promote effective and efficient waste management in the district.

### Significant negative effects

The significant negative effects associated with waste management include the creation of contaminated sites, landfill gas and leachate. These are managed in accordance with resource consent conditions in order to mitigate adverse environmental effects. Having charges in place to dispose of waste creates problems through fly tipping, hoarding of rubbish or burning of rubbish. We aim to regulate these types of activities through enforcement of the Litter Act 1979 and the Solid Waste Bylaw 2010.



No negative effects associated with minimising waste have been identified. However, there are negative effects associated with recycling through emissions created by transportation, and the consumption of energy and other resources used to recycle the materials.

### Our plans

Nationally, there is an increasing emphasis on reducing waste sent to landfill and encouraging the reduction, reuse and recycling of materials. Regional standards for environmental protection and resource consent conditions are also becoming increasingly stringent. We have a Waste Management and Minimisation Plan 2012-2020 which sets out our vision and the underlying principles for future management of waste. This plan can be found at [www.waitaki.govt.nz](http://www.waitaki.govt.nz).

### Landfills

We intend to replace the Oamaru Landfill with a new refuse transfer station in 2016, a decision we made in 2012 after consulting with the community. After paying for the costs of the landfill, about \$300,000 has been available each year to offset the costs of other waste facilities. Once the landfill closes, this shortfall will be funded from rates.

The resource consent for the Palmerston Landfill will expire in 2023. Once the Palmerston Landfill closes it will be replaced by a transfer station located in the Waihemo area (most likely on the current site). This will have no impact on the community in terms of service.

### Kerbside collection

We intend to continue to leave the provision of kerbside collection of waste to the private sector so that those who generate more waste pay more than those who generate less,



to allow consumers to choose their own provider, and so that the costs of solid waste to the ratepayer are minimised.

### **Transfer stations – resource recovery stations**

We closed three resource recovery stations at Duntroon, Enfield and Papakaio in 2007 as a result of increasing costs and low usage. In 2009 the Herbert Station was also closed. The costs of operating the remaining stations at Hampden, Kurow, Otematata and Omarama continue to be disproportionate to their usage. An analysis conducted in 2010 confirmed that (during part of the day) these sites only receive one or two visitors per hour. This represents poor use of ratepayer money. We conducted a review of opening hours to understand community needs. As a result, hours at the stations were reduced from July 2011 onwards to reflect levels of usage and help reduce costs to ratepayers.

Private waste contractors continue to expand their services to residents and businesses in these townships, further reducing the need for these services. The Ahuriri Community Board is currently reviewing waste services provision in their area with a view to bringing a proposal back to us.

### **Resource recovery stations**

Although we have no plans to change the current provision of stations or to further reduce hours at these facilities, we could consider other options in the future. These include:

- Closing all stations except one in the Waitaki Valley and one in Waihemo. This option would be a significant change of service and we would need to consult with the community before it could be adopted. The other townships would continue

to be serviced by private waste contractors. This represents a significant saving; however, we are aware this would be unpopular with people who use the current service.

- Closing all stations. This has similar implications to the option above and would be highly unpopular.

### **Waste reduction**

We will continue to focus on promoting waste reduction through advertising and education, initiatives like the Cloth Nappy Scheme, implementing user pays for residual waste disposal, and other related regulatory approaches at landfill. We will consider various options that might include funding specialised and established waste education services or programmes from elsewhere, or funding community groups or waste providers to provide targeted education to specific areas or groups, eg schools. Work will be undertaken with community providers to identify opportunities throughout the district for further reducing, reusing and recycling waste.

The amount of funding we provide for this activity may be reduced as waste minimisation targets are met and revenue from refuse to landfill declines.

We will continue to comply with relevant environmental standards and the Waste Minimisation Act in conducting this activity.





### Our projects

Project	Total Cost over 10 years	Rates Impact over 10 years	Funding	Year
Solid waste	\$3.1m	\$3.1m	Rates	2015/16-2024/25

### How well are we doing and how do we measure progress?

The table below describes how we will work towards achieving our community outcomes through the major levels of service for this Group of Activities and how performance will be measured.

Level of Service	Performance Measure	Current Performance	Performance Target	
			Years 1 – 3 2015/16 – 2017/18	Years 4 – 10 2018/19 – 2024/25
Transfer stations, landfills and recycling drop-off stations are accessible within a reasonable distance	Percentage of residents who are within 25km of a transfer station, landfill or recycling drop-off station	97% of residents are within 25km of a transfer station, landfill or recycling drop-off station	90% of residents are within 25km of a transfer station, landfill or recycling drop-off station	90% of residents are within 25km of a transfer station, landfill or recycling drop-off station
Achieve effective and efficient waste minimisation	The amount of material being removed from the waste stream	<ul style="list-style-type: none"> <li>• Greenwaste – 2,195 tonnes</li> <li>• Recyclables – 2,853 tonnes</li> <li>• Glass – 486 tonnes</li> </ul>	Remove from the waste stream at least: <ul style="list-style-type: none"> <li>• Greenwaste – 2,000 tonnes</li> <li>• Recyclables – 2,500 tonnes</li> <li>• Glass – 450 tonnes</li> </ul>	Remove from the waste stream at least: <ul style="list-style-type: none"> <li>• Greenwaste – at least 2,000 tonnes</li> <li>• Recyclables – at least 2,500 tonnes</li> <li>• Glass – at least 450 tonnes</li> </ul>

## FUNDING IMPACT STATEMENT



Waste Management & Minimisation												
2013/14 Actual \$(000)	2014/15 Budget \$(000)		2015/16 LTP \$(000)	2016/17 LTP \$(000)	2017/18 LTP \$(000)	2018/19 LTP \$(000)	2019/20 LTP \$(000)	2020/21 LTP \$(000)	2021/22 LTP \$(000)	2022/23 LTP \$(000)	2023/24 LTP \$(000)	2024/25 LTP \$(000)
966	686	Sources of Operating Funding	982	1,046	1,100	1,129	1,129	1,027	1,037	1,095	1,104	1,141
-	-	General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-	-	-	-	-	-	-	-
966	686	Targeted Rates	982	1,046	1,100	1,129	1,129	1,027	1,037	1,095	1,104	1,141
79	60	Rates Revenue	60	60	60	60	60	60	60	60	60	60
1,036	896	Subsidies and Grants for Operating Purposes	746	765	627	644	662	682	703	727	751	778
-	-	Fees and Charges	-	-	-	-	-	-	-	-	-	-
-	-	Interest and Dividends from Investments	-	-	-	-	-	-	-	-	-	-
1	-	Internal Charges and Overheads Recovered	-	-	-	-	-	-	-	-	-	-
		Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	-	-	-	-	-	-	-	-
1,116	956	Operating Revenue	806	825	687	704	722	742	763	787	811	838
2,082	1,642	Total Sources of Operating Funding	1,788	1,871	1,787	1,833	1,851	1,769	1,800	1,882	1,915	1,979
1,502	1,370	Applications of Operating Funding	1,350	1,428	1,338	1,379	1,391	1,435	1,458	1,532	1,558	1,613
-	-	Payments to Staff and Suppliers	-	-	-	-	-	-	-	-	-	-
219	238	Finance Costs	286	285	284	283	283	285	292	300	307	315
-	-	Internal Charges and Overheads Applied	-	-	-	-	-	-	-	-	-	-
1,721	1,608	Other Operating Funding Applications	1,636	1,713	1,622	1,662	1,674	1,720	1,750	1,832	1,865	1,928
361	34	Total Applications of Operating Funding	152	158	165	171	177	49	50	50	50	51
		Surplus / (Deficit) of Operating Funding										
		Sources of Capital funding										
-	-	Subsidies and Grants for Capital Expenditure	-	-	-	-	-	-	-	-	-	-
-	-	Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-
-	-	Increase / (Decrease) in Debt	-	-	-	-	-	-	-	-	-	-
-	-	Gross Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	-	-
-	-	Total Sources of Capital Funding	-	-	-	-	-	-	-	-	-	-
		Applications of Capital funding										
-	-	Capital Expenditure	-	-	-	-	-	-	-	-	-	-
-	-	Meet Additional Demand	-	-	-	-	-	-	-	-	-	-
8	-	Improve Levels of Service	-	-	-	-	-	-	-	-	-	-
353	34	Replace Existing Assets	152	158	165	171	177	49	50	50	50	51
-	-	Increase / (Decrease) in Reserve	-	-	-	-	-	-	-	-	-	-
361	34	Increase / (Decrease) in Investments	152	158	165	171	177	49	50	50	50	51
		Total Applications for Capital Funding	152	158	165	171	177	49	50	50	50	51
(361)	(34)	Surplus / (Deficit) of Capital Funding	(152)	(158)	(165)	(171)	(177)	(49)	(50)	(50)	(50)	(51)
		Funding Balance										
-	-		-	-	-	-	-	-	-	-	-	-

## STORMWATER DRAINAGE

### What we do

We operate stormwater systems in seven community areas in the Waitaki district which provide a degree of protection against rainfalls of moderate intensity. These stormwater systems are located at:

- Kurow
- Oamaru
- Omarama
- Otematata
- Lake Ohau
- Palmerston
- Weston

Of the seven public stormwater systems, only the Oamaru, Otematata, Palmerston and Weston systems are considered substantial. The remaining three systems at Omarama, Kurow and Lake Ohau are small, consisting of a single pipe each.

The stormwater systems contribute to:

- The safe and effective collection, diversion and control of moderate intensity rainfall
- Protecting property from damage
- Aiding the health and safety of the community.

We support this service by:

- Providing, operating and maintaining the stormwater infrastructure
- Responding to call outs and service disruptions quickly and efficiently
- Planning for future development and needs.



The stormwater activity excludes roads, kerb and channels, catchpits and the infrastructure necessary to connect these items to the stormwater drains, as these form part of the Roding activity.

### Why we do it

We are legally obliged under the Health Act 1956 to improve, promote and protect public health within the district. This includes identifying the need for stormwater services and either providing these directly or overseeing the service if it is provided by others. The Local Government Act 2002 requires ongoing stormwater services unless specific approval is sought to withdraw from this. Council-issued building consents require that plans comply with the building regulations for drainage, which specify standards for protection of buildings against flood inundation. Council-owned stormwater assets in urban areas must also comply with the building regulations. Our stormwater activity contributes primarily to the following community outcomes:

Community outcome	How the activity contributes to the outcome
We maintain the safest community we can	By managing flooding events in urban areas.
We enable opportunities for new and existing businesses	By managing flooding events in urban areas.
Waitaki’s distinctive environment is valued and protected	By acknowledging and incorporating the natural environment in design, construction, operation and maintenance of infrastructure.



Community outcome	How the activity contributes to the outcome
We keep our district affordable	By providing a timely response to service requests and system failures  By managing the activity efficiently and effectively.
We provide and enable services and facilities so people want to stay and move here	By maintaining the quality and continuity of stormwater services.

## Significant negative effects

The most significant negative effect likely to arise from the stormwater activity is surface flooding and inundation due to a lack of a stormwater system. The current systems seek to minimise the effect and frequency of flooding and inundation.

As the stormwater system collects surface water from various catchment types, such as sealed pavement, grass verges and private properties, there is some potential for contamination and 'trash' from the catchment to be concentrated in the discharge. This is unlikely to amount to any more than a minor effect due to the small nature and rural environment of these catchments.

## Our Plans

### Maintaining the existing system

We expect the current legislation affecting stormwater will remain in force for the life of this Long Term Plan and that our legal responsibilities will largely remain unchanged.

We will primarily maintain our existing stormwater network. The only stormwater capital works planned is capacity reinstatement in parts of the Oamaru network.

The physical operation and maintenance of stormwater systems is contracted out. Our maintenance contractor is currently Whitestone Contracting Limited. Generally, the stormwater networks are in a reasonably good state of repair. If these are maintained and renewed regularly, at appropriate times, the service can be expected to last indefinitely without any significant costs. However, we will continue to gather information on the state of the network as there is some uncertainty regarding the expected lives of pipes. A more advanced asset renewal plan is required in the future to ensure that the condition of the stormwater network is adequately maintained.

### Deep ditch channel

The removal of deep ditch channel in the course of roading upgrading works will have a minor and progressive impact on the capacity of the stormwater network by reducing the quantity of channel storage.

### Compliance

Regional rules and standards place an increasing emphasis on protecting the environment and during the lifetime of this Long Term Plan may require that stormwater be treated. If these standards are introduced they could require additional capital works which would impose significant additional costs. Minor capital works will possibly occur in that timeframe.

This vision is supported by a detailed stormwater asset management plan.



### Our projects

The projects listed below are significant projects in this Group of Activities that were agreed prior to this Long Term Plan but the work will be undertaken over the next 10 years.

Due to the demands of the Water and Wastewater Activities, the limited resource availability and with the generally satisfactory performance of the stormwater system, no significant capital projects are programmed for the timeframe of this plan.

Project & Description	Year	Amount
Renewals – funded from depreciation reserves to renew assets and maintain current service levels		
Capacity reinstatement	2018/19	\$50,000
Capacity reinstatement	2019/20	\$200,000
Capacity reinstatement	2020/21	\$200,000
Capacity reinstatement	2021/22	\$200,000
Capacity reinstatement	2022/23	\$200,000
Capacity reinstatement	2023/24	\$200,000
Capacity reinstatement	2024/25	\$200,000
<b>Total</b>		<b>\$1,250,000</b>



## How well are we doing and how do we measure progress?

The table below describes how we will work towards achieving our community outcomes through the major levels of service for this Group of Activities and how performance will be measured.

Level of Service	Performance Measure	Current Performance	Performance Target	
			Years 1-3 2015/16- 2017/18	Years 4-10 2018/19 – 2024/25
We will provide affordable, reliable and efficient stormwater disposal systems	a) The number of flooding events that occur in our systems	New measure	No target	No target
	b) For each event, the number of habitable floors affected (expressed per 1,000 properties connected to our stormwater systems)	New measure	No target	No target
We will respond to problems quickly	The median response time to attend a flooding event, measured from the time that we receive notification to the time that service personnel reach the site	New measure	4 hours	4 hours
The community perceives the stormwater service is reliable and safe	The total number of complaints received by us about the performance of the stormwater system, expressed per 1,000 properties connected to our stormwater system	New measure	Less than 1 per 1000 connections	Less than 1 in 1000 connections

## FUNDING IMPACT STATEMENT



Stormwater Drainage												
2013/14 Actual \$(000)	2014/15 Budget \$(000)		2015/16 LTP \$(000)	2016/17 LTP \$(000)	2017/18 LTP \$(000)	2018/19 LTP \$(000)	2019/20 LTP \$(000)	2020/21 LTP \$(000)	2021/22 LTP \$(000)	2022/23 LTP \$(000)	2023/24 LTP \$(000)	2024/25 LTP \$(000)
-	-	<b>Sources of Operating Funding</b>	-	-	-	-	-	-	-	-	-	-
		General Rates, Uniform Annual General Charge, Rates Penalties										
381	471	Targeted Rates	433	438	442	466	459	465	494	501	508	545
381	471	<b>Rates Revenue</b>	433	438	442	466	459	465	494	501	508	545
-	-	Subsidies and Grants for Operating Purposes	-	-	-	-	-	-	-	-	-	-
-	-	Fees and Charges	-	-	-	-	-	-	-	-	-	-
-	-	Interest and Dividends from Investments	-	-	-	-	-	-	-	-	-	-
-	-	Internal Charges and Overheads Recovered	-	-	-	-	-	-	-	-	-	-
-	-	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	-	-	-	-	-	-	-	-
-	-	<b>Operating Revenue</b>	-	-	-	-	-	-	-	-	-	-
381	471	<b>Total Sources of Operating Funding</b>	433	438	442	466	459	465	494	501	508	545
55	64	<b>Applications of Operating Funding</b>	66	68	70	122	275	277	280	282	285	289
-	-	Payments to Staff and Suppliers	-	-	-	-	-	-	-	-	-	-
96	133	Finance Costs	124	125	127	128	131	134	137	140	143	147
-	-	Internal Charges and Overheads Applied	-	-	-	-	-	-	-	-	-	-
151	197	Other Operating Funding Applications	190	193	197	250	406	411	417	422	428	436
230	274	<b>Total Applications of Operating Funding</b>	243	245	245	216	53	54	77	79	80	109
-	-	<b>Surplus / (Deficit) of Operating Funding</b>	-	-	-	-	-	-	-	-	-	-
-	-	<b>Sources of Capital funding</b>	-	-	-	-	-	-	-	-	-	-
-	-	Subsidies and Grants for Capital Expenditure	-	-	-	-	-	-	-	-	-	-
-	-	Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-
-	-	Increase / (Decrease) in Debt	-	-	-	-	-	-	-	-	-	-
-	-	Gross Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	-	-
-	-	<b>Total Sources of Capital Funding</b>	-	-	-	-	-	-	-	-	-	-
-	-	<b>Applications of Capital funding</b>	-	-	-	-	-	-	-	-	-	-
-	-	Capital Expenditure	-	-	-	-	-	-	-	-	-	-
49	39	Meet Additional Demand	-	-	-	-	-	-	-	-	-	-
9	-	Improve Levels of Service	-	-	-	-	-	-	-	-	-	-
172	235	Replace Existing Assets	243	245	245	216	53	54	77	79	80	109
-	-	Increase / (Decrease) in Reserve	-	-	-	-	-	-	-	-	-	-
230	274	Increase / (Decrease) in Investments	243	245	245	216	53	54	77	79	80	109
(230)	(274)	<b>Total Applications for Capital Funding</b>	(243)	(245)	(245)	(216)	(53)	(54)	(77)	(79)	(80)	(109)
-	-	<b>Surplus / (Deficit) of Capital Funding</b>	-	-	-	-	-	-	-	-	-	-
-	-	<b>Funding Balance</b>	-	-	-	-	-	-	-	-	-	-



## WATER SUPPLY

## What we do

We supply water to over 95% of the district's population through the operation of 18 individual water supplies. Over the last number of years we have progressively amalgamated water supplies, reducing the number of water supplies from 23 to the current 18 water supplies.

We are responsible for the management of these supplies, through the assets, rural water schemes, and ward committees. Four of the water schemes – Awamoko, Kauru Hill, Tokarahi and Windsor – are managed by Corriedale Water Management Limited.

The Water Supply activity provides safe and effective treatment, storage and distribution of water to urban and rural areas of the district. The water supplies contribute to improving, promoting and protecting public health and provide fire fighting capabilities in urban areas. In rural areas water is also used by stock, and thus contributes to the rural economy.

We support this service by:

- Providing, operating and maintaining water infrastructure in compliance with New Zealand legislation and standards
- Responding to call outs and service disruptions quickly and efficiently
- Planning for future development and needs.



## Why we do it

We have a legal obligation under the Health Act 1956 to improve, promote, and protect public health within the district. The Health (Drinking Water) Amendment Act 2007 places a further obligation on us to comply with the Drinking Water Standards for New Zealand. In terms of the Local Government Act 2002 the continued operation of water supplies is required unless specific approval is sought to withdraw from the activity (in whole or part). We see the provision of reliable and safe drinking water to the community as a major contribution to the district's economy and to residents' wellbeing.

Our water supply activity contributes primarily to the following community outcomes:

Community outcome	How the activity contributes to the outcome
We enable opportunities for new and existing businesses	By providing assurance of a sustainable, efficient and effective water service through long term planning of maintenance, renewals, and provision for growth.
We provide and enable services and facilities so people want to stay and move here	By providing assurance of a sustainable, efficient and effective water service through long term planning of maintenance, renewals, and provision for growth.

Community outcome	How the activity contributes to the outcome
We maintain the safest community we can	By protecting the communities from drinking water related health issues by providing quality potable water to agreed areas
We keep our district affordable	By measuring demand and use to actively manage water  Through timely response to service requests and failure

### Significant negative effects

We have not found any significant negative effect that the water activity may have on the wellbeing of the community. However, we are aware that the demand for greater volumes of water has the potential to deplete water resources in the district. We will continue to identify and implement methods of making water supply services more efficient and sustainable.

### Our Plans

#### Drinking water upgrades

The main focus for us over the past number of years has been to improve water treatment throughout the district to comply with the Health (Drinking Water) Amendment Act 2007. We extended the Oamaru Water Supply to include Weston, Enfield and Kakanui, and amalgamated Palmerston, Dunback and Goodwood to form the Waihemo



Water Supply, effectively reducing the number of public water supplies and achieving economies of scale.

We will continue to investigate options to ensure the on-going affordability of the water supply through innovation in governing, operating and maintaining the water supplies. Achieving compliance with the Act will continue during the Long Term Plan. Achieving compliance requires significant capital works to upgrade the treatment process at a number of water treatment plants in the district and is estimated to cost \$6.7 million over the 10 year period.

The treatment plant upgrades fall into three broad categories:

- Building better treatment plants to treat the water that is currently used
- Finding new, more easily accessible and easily treated water and treating this
- Augmenting supplies for economies of scale.

The preferred option will be selected by considering the cost to build, run and continue producing very high quality water in compliance with New Zealand standards and legislative requirements. The Ministry of Health established a subsidy scheme to provide funding assistance for lower socio-economic communities to meet the Drinking Water Standards. No community within the Waitaki district meets the deprivation index criteria necessary to qualify for funding assistance.

The cost for renewal work (ie upgrades, refurbishment or replacement of existing facilities and pipes to maintain capacity or performance) for water supplies is estimated to be \$14.9 million over the next 10 years. All water supply renewal work will be funded by the annual depreciation provision where funds are available.



To ensure on-going affordability of the water supply service we will consider all options in delivering the service. Future considerations include but are not limited to:

- Bulk buying of piped assets, possibly with other councils to share the economies of scale
- Procurement of assets locally and off-shore, subject to meeting our and New Zealand standards
- Procurement of services to ensure best value for money and effective service delivery
- Improved focus on management of current contracts

Operation and maintenance costs of the upgraded water treatment plants are expected to be significantly higher than currently due to the more sophisticated treatment plants and increased monitoring of water supplies necessary to comply with the Act.

**Water network asset information**

In addition to the need to comply with the Health (Drinking Water) Amendment Act 2007,

there is an on-going need to improve the quality of water network asset information in order to improve maintenance and development of the water network to meet future demand. The continued development of a robust asset renewal plan will be an area of focus over the second half of the Long Term Plan timeframe.

**Corriedale Water Supply**

A Council resolution in 2014 requires a decision on future management of four Corriedale water supplies (Awamoko, Kauru Hill, Tokarahi and Windsor) at the end of the two year trial period. There are three options for future management: Council managed; Corriedale Water Management Limited managed; or transfer to private ownership.

Generally the water network is in a fair state of repair and is maintained and renewed regularly. The service can be expected to last indefinitely, without any significantly abnormal costs having to be incurred.

This vision is supported by a detailed water asset management plan.





Project and description	Year	Amount
<b>Renewals – funded from depreciation reserves to renew assets and maintain current service levels</b>		
Treatment Plant Upgrades Pipe Renewals Filter Renewal Consent Renewals Water Safety Plans	2015/16	\$2,445,000
Pipe Renewals Consent Renewals Water Safety Plans	2016/17	\$2,063,000
TP Upgrades Pipe Renewals Consent Renewals Water Safety Plans	2017/18	\$1,777,500
Pipe Renewals and Water Safety Plans	2018/19	\$1,205,000
Pipe Renewals and Water Safety Plans	2019/20	\$1,212,000
Pipe Renewals and Water Safety Plans	2020/21	\$1,250,000
Pipe Renewals and Water Safety Plans	2021/22	\$1,203,000
Pipe Renewals and Water Safety Plans	2022/23	\$1,224,000
Pipe Renewals and Water Safety Plans	2023/24	\$1,205,000
Pipe Renewals and Water Safety Plans	2024/25	\$1,339,000
<b>Total</b>		<b>\$14,923,500</b>



### How well are we doing and how do we measure progress?

The table below describes how we will work towards achieving our community outcomes through the major levels of service for this Group of Activities and how performance will be measured.

Level of Service	Performance Measure	Current Performance	Performance Target	
			Years 1 – 3 2015/16 – 2017/18	Years 4 – 10 2018/19 – 2024/25
We will plan to provide drinking water that is safe to drink	The extent to which our water supply complies with:  a) Part 4 of the drinking water standards (bacteria compliance criteria)  b) Part 5 of the drinking water standards (protozoa compliance criteria)	New measure	Compliance as specified on page 47	Compliance as specified in Water Activity Management Plan
We will actively monitor water demand and use	The percentage of real water loss from our networked reticulation system	New measure	As no data is currently available for this measure, the targets are to be identified following the first year (2015/16) of activity	
We will respond to problems quickly	Median time for attendance of urgent call outs: from the time that we receive notification to the time that service personnel reach the site	New measure	1 hour	1 hour



Level of Service	Performance Measure	Current Performance	Performance Target	
			Years 1 – 3 2015/16 – 2017/18	Years 4 – 10 2018/19 – 2024/25
We will respond to problems quickly	Median time for resolution of urgent call outs: from the time that we receive notification to the time that service personnel confirm resolution of the fault or interruption	New measure	6 hours	6 hours
	Median time for attendance of non urgent call outs: from the time that we receive notification to the time that service personnel reach the site	New measure	8 hours	8 hours
	Median time for resolution of non urgent call outs: from the time that we receive notification to the time that service personnel confirm resolution of the fault or interruption	New measure	48 hours	48 hours
Community perceives the water supply is reliable and safe	Total number of complaints about water quality and quantity	New measure	Less than 6 per 1,000 connections	Less than 6 per 1,000 connections
We will plan to provide water for current and future needs	The average consumption of drinking water per day per resident within Waitaki district	New measure	Less than 500 litres per day	Less than 450 litres per day





\* It is anticipated that every few years weather events will cause instances where compliance is not able to be achieved due to high levels of turbidity. However, this risk has been identified and contingency plans, including increased chlorination and sampling, are in place and managed through the Water Safety Plan.

\*\* Supply is managed by the Corriedale Water Supply Committee which has undertaken to meet the Drinking Water Standards and Health (Drinking Water) Act.

\*\*\* Supply does not have chlorine to provide an additional barrier during events such as those that occur during \* above and therefore it is possible for bacterial failures to occur but a contingency plan is in place for additional sampling and issuing of boil water notices to ensure public health during these events

\*\*\*\* Supply has a permanent boil water notice.

## FUNDING IMPACT STATEMENT



Water Supply												
2013/14 Actual \$(000)	2014/15 Budget \$(000)		2015/16 LTP \$(000)	2016/17 LTP \$(000)	2017/18 LTP \$(000)	2018/19 LTP \$(000)	2019/20 LTP \$(000)	2020/21 LTP \$(000)	2021/22 LTP \$(000)	2022/23 LTP \$(000)	2023/24 LTP \$(000)	2024/25 LTP \$(000)
1	1	<b>Sources of Operating Funding</b>	1	1	1	(3)	5	1	1	(3)	5	1
5,168	5,262	General Rates, Uniform Annual General Charge, Rates Penalties	5,596	5,669	6,149	6,517	6,637	6,796	7,077	7,168	7,467	7,766
5,169	5,263	Targeted Rates	5,597	5,670	6,150	6,514	6,642	6,797	7,078	7,165	7,472	7,767
-	-	<b>Rates Revenue</b>	-	-	-	-	-	-	-	-	-	-
605	437	Subsidies and Grants for Operating Purposes	440	451	463	475	489	504	519	536	555	575
-	-	Fees and Charges	-	-	-	-	-	-	-	-	-	-
335	376	Interest and Dividends from Investments	375	375	375	375	375	375	375	375	375	375
10	-	Internal Charges and Overheads Recovered	-	-	-	-	-	-	-	-	-	-
950	813	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	815	826	838	850	864	879	894	911	930	950
6,119	6,076	<b>Operating Revenue</b>	6,412	6,496	6,988	7,364	7,506	7,676	7,972	8,076	8,402	8,717
2,701	2,841	<b>Total Sources of Operating Funding</b>	2,902	2,952	3,075	3,145	3,228	3,401	3,495	3,612	3,831	3,953
-	-	<b>Applications of Operating Funding</b>	-	-	-	-	-	-	-	-	-	-
1,361	1,476	Payments to Staff and Suppliers	1,638	1,592	1,776	1,791	1,792	1,769	1,758	1,717	1,757	1,693
-	-	Finance Costs	-	-	-	-	-	-	-	-	-	-
4,062	4,317	Internal Charges and Overheads Applied	4,540	4,544	4,851	4,936	5,020	5,170	5,253	5,329	5,588	5,646
2,057	1,759	Other Operating Funding Applications	1,872	1,952	2,137	2,428	2,486	2,506	2,719	2,747	2,814	3,071
-	-	<b>Total Applications of Operating Funding</b>	-	-	-	-	-	-	-	-	-	-
300	275	<b>Surplus / (Deficit) of Operating Funding</b>	275	275	275	275	275	275	275	275	275	275
-	-	<b>Sources of Capital funding</b>	-	-	-	-	-	-	-	-	-	-
300	275	Subsidies and Grants for Capital Expenditure	275	275	275	275	275	275	275	275	275	275
-	-	Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-
-	-	Increase / (Decrease) in Debt	-	-	-	-	-	-	-	-	-	-
300	275	Gross Proceeds from Sale of Assets	275	275	275	275	275	275	275	275	275	275
-	-	<b>Total Sources of Capital Funding</b>	-	-	-	-	-	-	-	-	-	-
1,528	592	<b>Applications of Capital funding</b>	-	-	-	-	-	-	-	-	-	-
1,503	1,435	Capital Expenditure	2,475	1,280	1,300	1,200	1,200	1,250	1,200	1,200	1,200	1,327
(674)	7	Meet Additional Demand	(328)	(4,653)	(728)	1,503	1,561	1,531	1,794	1,822	1,739	2,019
-	-	Improve Levels of Service	-	-	-	-	-	-	-	-	-	-
2,357	2,034	Replace Existing Assets	2,147	2,227	2,412	2,703	2,761	2,781	2,994	3,022	3,089	3,346
(2,057)	(1,759)	Increase / (Decrease) in Reserve	(1,872)	(1,952)	(2,137)	(2,428)	(2,486)	(2,506)	(2,719)	(2,747)	(2,814)	(3,071)
-	-	Increase / (Decrease) in Investments	-	-	-	-	-	-	-	-	-	-
-	-	<b>Total Applications for Capital Funding</b>	-	-	-	-	-	-	-	-	-	-
-	-	<b>Surplus / (Deficit) of Capital Funding</b>	-	-	-	-	-	-	-	-	-	-
-	-	<b>Funding Balance</b>	-	-	-	-	-	-	-	-	-	-

## SEWERAGE (TREATMENT AND DISPOSAL)

### What we do

We have eight wastewater systems that collect, treat and dispose of liquid waste to acceptable environment standards. The wastewater systems are located at:

- Duntroon (limited service area)
- Kurow
- Lake Ohau
- Moeraki
- Oamaru (including Kakanui and Weston)
- Omarama
- Otematata
- Palmerston

We support this service by:

- Providing, operating and maintaining wastewater infrastructure in compliance with New Zealand legislation, standards and resource consents
- Responding to call outs and service disruptions quickly and efficiently
- Planning for future development and needs.

### Why we do it

Under the Health Act 1956, we must improve, promote and protect public health within the district. This includes identifying the need for wastewater services and either providing these directly or overseeing the service if it is provided by others. We see the provision of reliable wastewater collection and treatment services to the community as a major contribution to the district's economy and to residents' wellbeing. The Local



Government Act 2002 requires ongoing wastewater services unless specific approval is sought to withdraw from this.

Our wastewater activity contributes primarily to the following community outcomes:

Community outcome	How the activity contributes to the outcome
We enable opportunities for new and existing businesses	By providing community reticulated systems in agreed areas.
We provide and enable services and facilities so people want to stay and move here	By providing a timely response to service requests and system failures.  By maintaining quality and continuity of wastewater services.
We maintain the safest community we can	By maintaining the quality and continuity of wastewater services and protecting the community from wastewater related health issues.
We keep our district affordable	By providing a timely response to service requests and system failures.  By managing the activity efficiently and effectively.
Waitaki's distinctive environment is valued and protected	By acknowledging and incorporating the natural environment in design, construction, operation and maintenance of infrastructure.

## Significant negative effects

Significant negative effects associated with the wastewater activity include odour and sludge disposal from treatment plants. The wastewater network is operated under the resource consent framework which requires that any adverse environmental effects associated with the discharges be mitigated. Sludge disposal options will be investigated. The quality of treated effluent is continually monitored and in compliance with environmental compliance conditions. Overflows and spills from the network can also cause a negative effect. The identification and implementation of improvements reduce the risk of such occurrences. Overflow mitigation investigations and implementation of appropriate measures is programmed for the first half of this plan. We will continue to identify and implement methods of making wastewater collection and treatment services more efficient and sustainable.

## Our plans

### Sewer laterals

The most significant change in this activity is a shift in ownership of sewer laterals. This decision means that the cost of any repairs or renewals falls to us and is distributed across ratepayers, rather than the property owner.

### Compliance

The main issue facing us over the next ten years for the wastewater activity is likely to be meeting existing and new requirements of regional rules and standards that place greater emphasis on protecting the environment. Estimates indicate that the Omarama treatment plant will require upgrading in Years Three and Four of the Long Term Plan.



The Omarama treatment plant capacity upgrade is programmed for Years Four and Five of the Long Term Plan. This will be done through a combination of loan funding and depreciation reserves.

### Ongoing maintenance and improvement

Investigations into inflow/infiltration of stormwater into wastewater systems are on-going. Investigations will continue to determine the amount of emergency storage available at pump stations and whether emergency storage or increased pumping capacity is needed to prevent environmental contamination and associated health risks. We intend to continue to operate and maintain our existing wastewater networks over the next ten years.

Ongoing maintenance works, and works to improve the capacity and operation of wastewater systems, will also be necessary over the next ten years. Developing a robust renewal plan will also be necessary to ensure that the wastewater network continues to be maintained in an operational state in the future.

### Responding to Omarama growth

Given the projected population growth for Omarama, wastewater flows and corresponding loads may increase to a point where the impact of the current discharge to surface water (Omarama Stream) may have an adverse impact on the environment. This is forecast to occur during 2018/19 at the Omarama wastewater treatment plant and will necessitate a new disposal area, possibly at the Omarama Airfield, by 2018/19.

These plans are supported by a detailed wastewater asset management plan.





Project and description	Year	Amount
Mains and equipment	2020/21	\$400,000
Mains and equipment, CCTV Inspections	2021/22	\$500,000
Mains and equipment	2022/23	\$400,000
Mains and equipment	2023/24	\$400,000
Mains, equipment and geotechnical conditions, CCTV Inspections	2024/25	\$530,000
<b>Total</b>		<b>\$4,420,000</b>
<b>Operational – Funded from Rates Reserves</b>		
Sewer laterals – Option for public ownership	2015/16	\$50,000
	2016-25	\$100,000/year



### How well are we doing and how do we measure progress?

The table below describes how we will work towards achieving our community outcomes through the major levels of service for this Group of Activities and how performance will be measured.

Level of Service	Performance Measure	Current Performance	Performance Target	
			Years 1 – 3 2015/16 – 2017/18	Years 4 – 10 2018/19 – 2024/25
We will provide affordable, reliable and efficient waste disposal systems	The number of dry weather overflows from our sewerage system, expressed per 1000 sewerage connections to that system	New measure	Less than 1.4 per 1,000 connections (<20 total)	Less than 1.2 per 1,000 connections (<17 total)
We will provide wastewater systems that protect the natural environment	Compliance with our resource consents for discharge from its sewerage system measured by the number of:			
	a) Abatement notices	New measure	0	0
	b) Infringement notices	New measure	0	0
	c) Enforcement orders	New measure	0	0
	d) Convictions	New measure	0	0





Level of Service	Performance Measure	Current Performance	Performance Target	
			Years 1 – 3 2015/16 – 2017/18	Years 4 – 10 2018/19 – 2024/25
We will respond to problems quickly	Where we attend to sewerage overflows resulting from a blockage or other fault in our sewerage system, the following median response times measured:			
	<p>a) Attendance time: from the time that we receive notification to the time that service personnel reach the site</p> <p>b) Resolution time: from the time that we receive notification to the time that service personnel confirm resolution of the blockage or other fault</p>	<p>New measure</p> <p>New measure</p>	<p>0.75 hours</p> <p>6 hours</p>	<p>0.75 hours</p> <p>6 hours</p>



Level of Service	Performance Measure	Current Performance	Performance Target	
			Years 1 – 3 2015/16 – 2017/18	Years 4 – 10 2018/19 – 2024/25
Community perceives the wastewater service is reliable and safe	<p>The total number of complaints received by us about any of the following:</p> <ul style="list-style-type: none"> <li>a) Sewage odour</li> <li>b) Sewerage system faults</li> <li>c) Sewerage system blockages, and</li> <li>d) Our response to issues with its sewerage system</li> </ul> <p>expressed per 1,000 properties connected to our sewerage system</p>	New measure	Less than 12 per 1,000 connections	Less than 10 per 1,000 connections

## FUNDING IMPACT STATEMENT



Sewerage (treatment and disposal)												
2013/14 Actual \$(000)	2014/15 Budget \$(000)		2015/16 LTP \$(000)	2016/17 LTP \$(000)	2017/18 LTP \$(000)	2018/19 LTP \$(000)	2019/20 LTP \$(000)	2020/21 LTP \$(000)	2021/22 LTP \$(000)	2022/23 LTP \$(000)	2023/24 LTP \$(000)	2024/25 LTP \$(000)
-	-	<b>Sources of Operating Funding</b>	-	-	-	-	-	-	-	-	-	-
		General Rates, Uniform Annual General Charge, Rates Penalties										
1,782	1,729	Targeted Rates	1,742	1,836	1,926	2,293	2,264	2,344	2,484	2,517	2,602	2,780
1,782	1,729	<b>Rates Revenue</b>	1,742	1,836	1,926	2,293	2,264	2,344	2,484	2,517	2,602	2,780
-	-	Subsidies and Grants for Operating Purposes	-	-	-	-	-	-	-	-	-	-
225	240	Fees and Charges	270	276	284	291	300	309	318	329	340	352
-	-	Interest and Dividends from Investments	-	-	-	-	-	-	-	-	-	-
355	417	Internal Charges and Overheads Recovered	439	439	439	439	439	439	439	439	439	439
(6)	-	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	20	21	21	22	22	23	24	24	25	26
574	657	<b>Operating Revenue</b>	729	736	744	752	761	771	781	792	804	817
2,356	2,386	<b>Total Sources of Operating Funding</b>	2,471	2,572	2,670	3,045	3,025	3,115	3,265	3,309	3,406	3,597
936	1,061	<b>Applications of Operating Funding</b>	1,366	1,132	1,172	1,297	1,254	1,286	1,418	1,352	1,431	1,601
-	-	Payments to Staff and Suppliers	-	-	-	-	-	-	-	-	-	-
421	483	Finance Costs	533	600	631	652	699	673	685	698	707	722
-	-	Internal Charges and Overheads Applied	-	-	-	-	-	-	-	-	-	-
1,357	1,544	Other Operating Funding Applications	1,899	1,732	1,803	1,949	1,953	1,959	2,103	2,050	2,138	2,323
999	842	<b>Total Applications of Operating Funding</b>	1,899	1,732	1,803	1,949	1,953	1,959	2,103	2,050	2,138	2,323
		<b>Surplus / (Deficit) of Operating Funding</b>	572	840	867	1,096	1,072	1,156	1,162	1,259	1,268	1,274
-	-	<b>Sources of Capital funding</b>	-	-	-	-	-	-	-	-	-	-
89	116	Subsidies and Grants for Capital Expenditure	116	116	116	116	116	116	116	116	116	116
-	-	Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-
-	-	Increase / (Decrease) in Debt	-	-	-	-	-	-	-	-	-	-
-	-	Gross Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	-	-
89	116	<b>Total Sources of Capital Funding</b>	116	116	116	116	116	116	116	116	116	116
-	-	<b>Applications of Capital funding</b>	-	-	-	-	-	-	-	-	-	-
158	200	Capital Expenditure	100	580	525	50	500	-	-	-	-	-
323	100	Meet Additional Demand	300	200	525	325	400	400	400	400	400	400
607	658	Improve Levels of Service	288	176	(67)	837	288	872	878	975	984	990
-	-	Replace Existing Assets	-	-	-	-	-	-	-	-	-	-
1,088	958	Increase / (Decrease) in Reserve	688	956	983	1,212	1,188	1,272	1,278	1,375	1,384	1,390
		Increase / (Decrease) in Investments										
(999)	(842)	<b>Total Applications for Capital Funding</b>	(572)	(840)	(867)	(1,096)	(1,072)	(1,156)	(1,162)	(1,259)	(1,268)	(1,274)
-	-	<b>Surplus / (Deficit) of Capital Funding</b>	-	-	-	-	-	-	-	-	-	-
-	-	<b>Funding Balance</b>	-	-	-	-	-	-	-	-	-	-

# LIVING

## ARTS, HERITAGE & COMMUNITY



### What we do

The Arts, Heritage and Community Group of Activities includes:

- The Forrester Gallery and North Otago Museum
- Waitaki District Libraries and Archive
- The Oamaru Opera House
- Community Development, Safety and Grants

This Group of Activities provides community facilities and services to make the district attractive for people to visit and live here. The Community Development, Safety and Grants activities play an important role in forming and developing partnerships between community organisations, providing access to funding and keeping the community safe.

### Why we do it

The Arts, Heritage and Community Group of Activities contributes to the following community outcomes:

Community outcome	How the activity contributes to the outcome
We provide and enable services and facilities so people want to stay and move here	By providing facilities and services that contribute to the quality of life of the district and make it attractive for people to live here.
We maintain the safest community we can	By playing an active role in the Safer Waitaki Coalition.

### Forrester Gallery and North Otago Museum

The Forrester Gallery and North Otago Museum are key cultural flagships in the district. Their role is to preserve, promote and provide access to our social, natural and visual culture. The museum and gallery present stories on our district, our identity and our community. The museum does this through collections and stories while the gallery draws on its collections and temporary art exhibitions created locally and nationally. The museum provides a venue for education programmes, community activities and workshops. It also supports other museums in the district including the Waihemo Heritage Trust and the Kurow Heritage Centre.

On average the gallery hosts 25 exhibitions each year. These include works from:

- The permanent collection
- Touring exhibitions
- Public or private collections or from local schools and artists.

The gallery provides a venue for at least three performing arts events each year and provides educational outreach services and specialised advice on conservation of artworks as required. It is a designated space available for use by local artists, groups or schools.

### Waitaki District Libraries and Archive

We operate a central public library in Oamaru as well as supporting five branch libraries in Palmerston, Hampden, Kurow, Otematata and Omarama. The libraries provide collections, resources and services for groups such as children, teenagers, housebound residents and residents with visual impairments. Specific events and visiting speakers are also hosted at Oamaru Library.

The Archive and North Otago Museum is located in the Athenaeum building in Oamaru. It protects valuable documentation in accordance with the Public Records Act (2005) and houses a variety of material. Records are added to the collection based on statutory requirements, relevance to the district, historical or evidentiary value.

Library and archive services are also delivered via a dedicated website ([www.culturewaitaki.org.nz](http://www.culturewaitaki.org.nz)). This virtual presence provides an alternative way of delivering our services (eg the archive coming to the customer) and the choices in use of the library and archive resources.

### **Oamaru Opera House**

The Oamaru Opera House is one of the most significant heritage buildings in Oamaru. It serves as a:

- Venue for the performing arts and other cultural activities
- Rentable space for industry and community conferences
- Functions and events centre
- Community facility for events

The Oamaru Opera House hosts approximately 45 events per year and is part of the New Zealand touring circuit. These touring and local events attract an audience of approximately 10,000 people each year.

### **Community Development, Safety and Grants**

We have a broad role in Community Development, Safety and Grants including:

- Facilitation and partnership development
- Service provision
- Advocacy, access to funding and contract management.



This activity is responsible for developing, maintaining and monitoring effective partnerships with community stakeholders. This is achieved primarily through the Safer Waitaki Coalition. Over the life of the Long Term Plan it will continue to:

- Develop and implement the Safer Waitaki Project
- Distribute grants
- Prepare a community directory through Citizen's Advice Bureau (CAB)
- Manage Council's relationship with Iwi
- Support arts, cultural, heritage and recreational activities
- Manage, implement and monitor the Waitaki Community Safety Strategy

### **Significant negative effects**

One significant negative effect associated with this Group of Activities is the level of ratepayer funding for the cultural facilities. However, these facilities have a high social and cultural value to the community and are an important part of achieving our vision *Growing Waitaki – a great place to live, work and play*. These activities are continually being reviewed to ensure efficiency and effectiveness.

### **Our plans**

#### **Cultural Facility project**

The Cultural Facility project is the most significant proposal in the Arts, Heritage and Community Group of Activities. Under the preferred option, the current Forrester Gallery will be redeveloped to house the gallery, museum, archive and storage. The project has been in development for a number of years and was consulted on as part of the 2009-19 and 2012-22 Long Term Plans. As part of the 2015-25 Long Term Plan a business case was developed with a \$4.5 million preferred option.

Under this option:

- We will commit \$1.3 million of redevelopment costs
- The remaining \$3.2 million will come from external sources before we agree to proceed
- The business case includes a target of recovering 20% of operational costs (over 10 years)

Recent announcements to earthquake-prone buildings rules by the Building and Housing Minister as well as changes to the rules for archives may mean that the redevelopment options need to be revisited before the project proceeds. Further opportunities to develop education, information technology and promotional services across the redeveloped facility and the library will also be explored.

### **Libraries and Archive**

We are not planning any changes to the core functions of libraries or archives. We will, however, consider how these services are delivered in the future as a result of:

- Technology changes eg librarians and archivists have become information and technology navigators, teaching both access and technology as the need arises.
- Changes in population and demographics, as one of the main factors to influence library services over the next 10 years is the increased number of residents aged 65 and over. For example, there will need to be an increase in the number of items in the large print collection.

### **Oamaru Opera House**

The Opera House will continue to promote the venue to touring national and international productions and work to attract more conferences and events. A



commercial emphasis will ensure that sufficient revenue is generated to guarantee the venue is sustainable as a community asset. In addition, work will continue to ensure local community organisations and members of the community feel the facility is accessible and make use of it.

### **Community safety and development**

Work will continue on implementation of Safer Waitaki Community Safety Strategy 2013-18. A review of crime prevention activities will be undertaken in 2015/16 to identify the most appropriate and value-for-money way of providing crime prevention services. With the CCTV project underway and Community Patrols, the Waitaki Guardians service may no longer be needed to maintain the same level of safety.



### Our projects

Project and Description	Total Cost	Cost	Funding	Year
Cultural Facility redevelopment	\$4.5m	\$1.3m	Internal Loan/Rates/in kind	2015/16-2024/25
Community safety	\$125,000	\$125,000	Rates	2015/16-2024/25

### How well are we doing and how do we measure progress?

The table below describes how we will work towards achieving our community outcomes through the major levels of service for this Group of Activities and how performance will be measured.

Level of Service	Performance Measure	Current Performance	Performance Target	
			Years 1 – 3 2015/16 – 2017/18	Years 4 – 10 2018/19 – 2024/25
Forrester Gallery and North Otago Museum				
The gallery and museum are accessible, attractive and relevant to the community	Number of visitors to the gallery	14,804 visits recorded by manual counter	Maintain visitor numbers to the gallery in advance of the Cultural Facility project	Visitor number targets will be revised following development of the Cultural Facility
	Percentage of the community satisfied or very satisfied with the level of information about the redevelopment of the gallery and museum	New measure	80% are satisfied or very satisfied with the level of information about the redevelopment of the gallery and museum	80% are satisfied or very satisfied with the level of information about the redevelopment of the gallery and museum





Level of Service	Performance Measure	Current Performance	Performance Target	
			Years 1 – 3 2015/16 – 2017/18	Years 4 – 10 2018/19 – 2024/25
The gallery and museum engage with schools across the district	Percentage of the district's schools who are satisfied or very satisfied with the gallery and museum's educational activities and/or engagement	New measure	80% of the district's schools are satisfied or very satisfied with the gallery and museum's educational activities and/or engagement	80% the district's schools are satisfied or very satisfied with the gallery and museum's educational activities and/or engagement
<b>Waitaki District Libraries and Archive</b>				
The libraries are reliable, accessible and relevant to the community and provide opportunities for lifelong learning.	Percentage of residents who are satisfied or very satisfied with library services	92% of residents are satisfied or very satisfied with library services	92% of residents are satisfied or very satisfied with library services	92% of residents are satisfied or very satisfied with library services
The libraries are reliable, accessible and relevant to the community and provide opportunities for lifelong learning.	Average number of attendees per event held at the libraries	3725 people attended 132 events in the libraries in 2013/14 – average 28 per event	Maintain or grow average number of people attending each event	Maintain or grow average number of people attending each event
	Percentage increase in the number of enquiries handled by librarians, which include, for example, readers' advisory, assistance with mobile devices, research enquiries.	2,902 enquiries in 2013/14	5% increase on previous year	5% increase on previous year



Level of Service	Performance Measure	Current Performance	Performance Target	
			Years 1 – 3 2015/16 – 2017/18	Years 4 – 10 2018/19 – 2024/25
	Number of library visitors: Electronic visits to the library website Physical visits	New measure  191,457 visits in 2013/14	Benchmark to be set year 1  Maintain numbers	Benchmark to be set year 1  Maintain numbers
The Archive is reliable, accessible and relevant to the community	Percentage of Archive users satisfied with the Archive services	100% of Archive users are satisfied with the Archive services	90% of Archive users are satisfied with the Archive services	90% of Archive users are satisfied with the Archive services
<b>Oamaru Opera House</b>				
The opera house is accessible, attractive and relevant to the community.  Spaces are provided for community groups to meet and socialise at low cost or free of charge.	Percentage of residents who are satisfied or very satisfied with the opera house	96% of residents are satisfied or very satisfied with the opera house	90% of residents are satisfied or very satisfied with the opera house	90% of residents are satisfied or very satisfied with the opera house
	Number of community meetings and events held at the opera house	70 community hires in 2013/14	Maintain numbers	Maintain numbers
	Percentage increase in tickets sold for performances	10,585 tickets sold in 2013/14	5% increase in the number of tickets sold on the previous year	5% increase in the number of tickets sold on the previous year
The opera house is managed efficiently and effectively.	Percentage growth in use of the opera house for commercial meetings, events, functions and conferences	Total contracted hires 2013/14: 317	5% increase in contracted hires on the previous year	3% increase in contracted hires on the previous year



## A word cloud of terms related to community development. The most prominent words are 'community', 'invest', and 'premises'. Other visible words include 'food', 'museums', 'biodiversity', 'economy', 'libraries', 'cemeteries', 'services', 'diversity', 'roads', 'play', 'work', 'safety', 'growth', 'arch', 'cycling', 'bylaws', 'art gallery', 'water', 'ment', 'amming pools', 'affordable', 'library', 'biodiversity', 'museum', 'food premises', 'community', 'invest', 'safety growth arch', 'play work', 'roads', 'diversity', 'water', 'art gallery', 'cemeteries', 'services', 'bylaws', 'cycling', 'ment', 'amming pools', 'affordable', 'library', 'biodiversity', 'museum', 'food premises'.

2015-25 LONG TERM PLAN

## PARKS & RECREATION

### What we do

This Group of Activities contributes to the health and wellbeing of the community through the provision of high quality and affordable recreation opportunities. As part of this activity we provide:

- Public open space such as neighbourhood parks, open space reserves and public gardens
- Town/street beautification and street trees
- Playgrounds and play scapes for enjoyment and child development
- Maintenance of monuments and other heritage items in public places in the district
- A network of walking and cycling tracks
- Recreation access and camping opportunities
- Recreation area at Oamaru harbour, including the Destination Playground
- Cemeteries
- Sports fields
- Aquatic Centre
- Support for indoor Recreation Centre

Parks and Recreation supports our vision of *Growing Waitaki – the best place to live, work and play*. Recreation is a major contributor to the district's quality of life, which in turn helps make Waitaki attractive to existing and prospective residents and businesses.

Parks, gardens and greenspaces enhance the environment and provide leisure and recreation opportunities for Waitaki residents and visitors to the district.



### Why we do it

The Parks and Recreation Group of Activities contributes to the following community outcomes:

Community outcome	How the activity contributes to the outcome
We provide and enable services and facilities so people want to stay and move here	By providing parks, gardens and greenspaces, sports and recreation facilities that contribute to the district's quality of life, which in turn helps make Waitaki attractive to existing and prospective residents and businesses
We keep our district affordable	By providing activities at low cost or free to users and managing the activity efficiently and effectively
We understand the diverse needs of our community	By acknowledging the needs of the wider community and cultural and recreation/sport groups through the provision of multipurpose spaces
We maintain the safest community we can	By meeting industry standards and providing opportunities for people to feel safe while being active and to connect the community through sport and recreation

Community outcome	How the activity contributes to the outcome
Waitaki's distinctive environment is valued and protected	By complying with resource consents and regulations  By providing opportunities for people to enjoy the district's distinctive environment
We enable opportunities for new and existing businesses	By providing facilities that contribute to the attractiveness of the district and create opportunities for new businesses, for example, tour operators, sports events, accommodation

Our goal, as set out in the Waitaki Recreation Strategy 2012-22, is to have sufficient open space areas that are well used by the community and visitors for a variety of outdoor recreation activities. Open spaces are protected and enhanced where possible and we seek to educate the community and visitors about district heritage and environment. In addition, we aim to ensure that public access is maintained to coastal areas, lakes and river margins.

Our sports facilities provide places for the community to participate in a wide range of activities in an affordable, safe and enjoyable environment. Under this activity, we provide land which sporting codes can lease and develop for their needs, and grass-based sports fields for a variety of sports. We also provide facilities such as toilets, changing rooms and grandstands at Whitestone Contracting Centennial Park. We support community organisations which encourage sports and recreation opportunities across the district through the provision of grants.



This activity also includes the Waitaki Aquatic Centre. The aquatic centre provides another recreation option for the community, including those with disabilities or elderly residents, who are supported through discounted admissions, special programmes (these recover full costs), events and equipment (for example, wheelchairs and a hoist) to ensure easy access to changing facilities and the pool. In addition, the aquatic centre provides an opportunity for 'aquatic therapy' (ie low impact exercise) and plays an important role in promoting water safety through swimming and safety programmes.

Recreation facilities generally make a positive contribution to community wellbeing. Negative impacts sometimes arise and may include traffic generation, clashes in use/ demand, demands on parking and noise. We manage this through a booking process for events and ensuring compliance with the regulatory requirements of District Plan rules and/or resource consent conditions.

## Our plans

### Demographic change

Due to the moderate population growth forecast for the district and the existing above-average level of parks provision there is no expectation to have any significant change in the quantity or quality of parks provided. Current parks have the ability to respond to changes in needs as they arise, for example, through multi-functional design such as mountain bike tracks in existing parks.

The changing pattern of the demographics, particularly the ageing population, is likely to have an impact on the type of parks and reserve land use. In particular, it is likely that the demand for active sports fields is likely to diminish over time, but this impact is not likely to become significant within this planning period.

Alternatively, the recreation demand on parks and reserve use will shift to other activities such as walking and demand for sports facilities more popular with older age groups such as bowls, golf or other lower impact sports and indoor activities.

There are likely to be increasing conflicts between different park uses due to the diversification of leisure preferences and the trend towards informal recreation including:

- Sporting codes wishing to use the same land
- Youth orientated activities and demand for 'new' activities in competition with traditional sports
- Protection of open space for environmental values versus development for more intensive recreation activities
- Influence of technology on recreational participation

### **Lakes camping**

In 2014, Council considered withdrawing from the operational management of camping grounds on Lakes Aviemore, Benmore and Middleton. Following public consultation we decided to place a three year moratorium on leasing the camping grounds to allow time to consider improvements to the way we manage the sites.

A priority for this Group of Activities in the next few years is to examine our existing maintenance contracts to ensure the cost effectiveness of our maintenance programme.







## Our projects

Project and Description	Total Cost Over 10 Years	Rates Impact Over 10 Years	Funding	Year
Oamaru Cemetery extension	\$398,000	\$398,000	Internal Loan	2015/16-2024/25
Sports fields upgrades	\$481,000	\$41,000	Rates/Special Reserve	2015/16-2024/25
Replacement of recreation assets	\$517,000	\$517,000	Rates	2015/16-2024/25
Dunback Domain hedge	\$46,000	\$46,000	Ward Rate	2015/16-2024/25
Free entry to pool for under 8s	-	No rates impact	NA	2015/16-2024/25
Cemetery fees	-	Additional revenue of \$540,000	NA	2015/16-2024/25
Recreation Centre feasibility study	\$40,000	\$40,000	Rates	2016/17
Craig Fountain	\$30,000	No rates impact	Special Reserve	2016/17
Sports fees	-	Additional revenue of \$18,000	NA	2016/17-2024/25
Palmerston Stage 4 town upgrades	\$49,000	\$49,000	Loan/Ward Rate	2015/16-2024/25
Palmerston walking opportunities	\$46,000	\$46,000	Rates	2017/18
Coastal cycleway	\$420,000	\$220,000	Rates/Special Reserve	2018/19-2024/25
Dunback tennis courts	\$11,000	\$11,000	Ward Rate	2018/19
Aquatic centre water treatment replacement	\$250,000	No rates impact	Depreciation	2024/25
Lost graves memorial project	\$9,000	\$9,000	Rates	2015/16
Hampden camping ground water facilities	\$41,000	\$41,000	Internal Loan	2016/17-2024/25
Alps2Ocean cycle trail	\$800,000	\$800,000	Rates	2017/18-2024/25



## How well are we doing and how do we measure progress?

The table below describes how we will work towards achieving our community outcomes through the major levels of service for this Group of Activities and how performance will be measured.

Level of Service	Performance Measure	Current Performance	Performance Target	
			Years 1 – 3 2015/16 – 2017/18	Years 4 – 10 2018/19 – 2024/25
We provide reliable, multipurpose and accessible open spaces that promote healthy, active lifestyles and are well used by the community	Percentage of residents who are satisfied or very satisfied with Waitaki's parks and reserves	85% of residents are satisfied or very satisfied with Waitaki's parks and reserves	90% of residents are satisfied or very satisfied with Waitaki's parks and reserves	90% of residents are satisfied or very satisfied with Waitaki's parks and reserves
We provide reliable, multipurpose and accessible camp grounds that promote healthy, active lifestyles and are well used by the community	Percentage of residents who have used the district's camping grounds and are satisfied or very satisfied with the quality of the camping grounds	10% of residents are using camping grounds  93% of users are satisfied or very satisfied with the quality experience of the district's camping grounds	90% of users are satisfied or very satisfied with the quality experience of the district's camping grounds	90% of users are satisfied or very satisfied with the quality experience of the district's camping grounds
We provide reliable, multipurpose and accessible sports fields and facilities that promote healthy, active lifestyles and are well used by the community	Percentage of residents who are satisfied or very satisfied with Waitaki's sports fields and facilities	89% of residents are satisfied or very satisfied with Waitaki's sports fields and facilities	90% of residents are satisfied or very satisfied with Waitaki's sports fields and facilities	90% of residents are satisfied or very satisfied with Waitaki's sports fields and facilities



Level of Service	Performance Measure	Current Performance	Performance Target	
			Years 1 – 3 2015/16 – 2017/18	Years 4 – 10 2018/19 – 2024/25
We provide a reliable, resilient, accessible and affordable aquatic centre that promotes healthy, active lifestyles and is well used by the community	Percentage increase in visitors to the Waitaki Aquatic Centre	137,334 visits	1% increase in number of visits per annum (+1,373/annum)	1% increase in number of visits per annum (+1,373/annum)
	Percentage of customers who are satisfied or very satisfied with the Waitaki Aquatic Centre	90% of customers were satisfied or very satisfied with the Waitaki Aquatic Centre	90% of customers satisfied or very satisfied with the Waitaki Aquatic Centre	90% of customers satisfied or very satisfied with the Waitaki Aquatic Centre
We provide cemeteries that are accessible, managed efficiently and effectively and meet the needs of the community	Percentage of the residents who are satisfied or very satisfied with the district's cemeteries	92% of residents were satisfied or very satisfied with cemeteries	95% satisfaction	95% satisfaction

## FUNDING IMPACT STATEMENT



Parks & Recreation												
2013/14 Actual \$(000)	2014/15 Budget \$(000)		2015/16 LTP \$(000)	2016/17 LTP \$(000)	2017/18 LTP \$(000)	2018/19 LTP \$(000)	2019/20 LTP \$(000)	2020/21 LTP \$(000)	2021/22 LTP \$(000)	2022/23 LTP \$(000)	2023/24 LTP \$(000)	2024/25 LTP \$(000)
683	684	<b>Sources of Operating Funding</b>	565	656	629	642	663	679	695	709	728	749
		General Rates, Uniform Annual General Charge, Rates Penalties										
3,001	3,060	Targeted Rates	3,221	3,313	3,415	3,450	3,476	3,574	3,652	3,768	3,887	3,984
3,684	3,744	<b>Rates Revenue</b>	3,786	3,969	4,044	4,092	4,139	4,253	4,347	4,477	4,615	4,733
16	4	Subsidies and Grants for Operating Purposes	4	4	4	4	4	4	4	4	4	4
850	837	Fees and Charges	955	981	1,006	1,033	1,063	1,095	1,129	1,166	1,206	1,250
-	-	Interest and Dividends from Investments	-	-	-	-	-	-	-	-	-	-
-	-	Internal Charges and Overheads Recovered	-	-	-	-	-	-	-	-	-	-
456	453	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	1,253	429	21	22	258	137	24	24	25	26
1,322	1,294	<b>Operating Revenue</b>	2,212	1,414	1,031	1,059	1,325	1,236	1,157	1,194	1,235	1,280
5,006	5,038	<b>Total Sources of Operating Funding</b>	5,998	5,383	5,075	5,151	5,464	5,489	5,504	5,671	5,850	6,013
3,618	3,697	<b>Applications of Operating Funding</b>	4,291	3,905	3,594	3,656	3,903	3,917	3,984	4,101	4,259	4,396
-	-	Finance Costs	-	-	-	-	-	-	-	-	-	-
674	795	Internal Charges and Overheads Applied	884	915	926	938	959	977	997	1,024	1,044	1,070
-	-	Other Operating Funding Applications	-	-	-	-	-	-	-	-	-	-
4,292	4,492	<b>Total Applications of Operating Funding</b>	5,175	4,820	4,520	4,594	4,862	4,894	4,981	5,125	5,303	5,466
714	546	<b>Surplus / (Deficit) of Operating Funding</b>	823	563	555	557	602	595	523	546	547	547
		<b>Sources of Capital funding</b>										
9	-	Subsidies and Grants for Capital Expenditure	-	-	-	-	-	-	-	-	-	-
-	-	Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-
-	-	Increase / (Decrease) in Debt	-	-	-	-	-	-	-	-	-	-
-	-	Gross Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	-	-
9	-	<b>Total Sources of Capital Funding</b>	-	-	-	-	-	-	-	-	-	-
		<b>Applications of Capital funding</b>										
-	-	Capital Expenditure	-	-	-	-	-	-	-	-	-	-
190	122	Meet Additional Demand	381	102	132	102	102	102	102	102	102	102
249	164	Improve Levels of Service	436	133	133	133	133	283	133	133	133	383
284	260	Replace Existing Assets	6	328	290	322	367	210	288	311	312	62
-	-	Increase / (Decrease) in Reserve	-	-	-	-	-	-	-	-	-	-
723	546	Increase / (Decrease) in Investments	823	563	555	557	602	595	523	546	547	547
(714)	(546)	<b>Total Applications for Capital Funding</b>	(823)	(563)	(555)	(557)	(602)	(595)	(523)	(546)	(547)	(547)
		<b>Surplus / (Deficit) of Capital Funding</b>										
-	-	<b>Funding Balance</b>	-	-	-	-	-	-	-	-	-	-

# BUSINESS

## COMMERCIAL & DEVELOPMENT ACTIVITIES

### What we do

Our commercial and development activities include:

- Economic Development Grants and Services
- Commercial Holdings
- Community Property
- Property Holdings
- Public Toilets

### Economic development grants and services

Over the past three years we have invested in a number of economic development projects. These include investment in stage 1 and 2 of the North Otago Irrigation Company Limited (NOIC) and the continuing expansion of Alps2Ocean. We have also continued to support tourism-related activities such as the i-Site and Oamaru Blue Penguin Colony through Tourism Waitaki. Further information can be found in the Council Controlled Organisation (CCO) sections of this document.

### Commercial holdings

Commercial holdings are assets which we seek to generate revenue from. Some of this revenue may be able to be used to encourage economic growth and development in the district. Commercial holdings include:

- Endowment Properties: We own 93 endowment properties. This includes land and/or buildings (commercial and leasehold properties) held in order to produce income.
- Forestry: We own 128.4 hectares of reserve or endowment land containing exotic forest.

- Oamaru airport: The Oamaru airport is used for recreational flying and air training. The facilities, land and buildings are leased for agricultural and commercial purposes.

We have large freehold commercial property holdings in Oamaru, Otematata and Omarama that we intend to develop over the life of the Long Term Plan. We also have freehold title to smaller holdings (ie leasehold sections) which from time to time are sold to the lessee.

### Community property

Community property are properties mostly rate funded and intended for community benefit. These include:

- Community housing is composed of 91 housing units primarily focusing on residents aged 60 and over with limited income, assets or an identifiable need.
- There are 28 halls for hire and community activities. These are independently managed by local and community hall committees.
- Drill hall is for bird show exhibitions and four community clubs.
- Oamaru Port and the harbour.
- Public toilets.

The port provides basic infrastructure for the local fishing industry and recreational users. We maintain the wharves, breakwater and retaining wall structures. We also operate the harbour moorings, wharf berths and the slipway.

Oamaru harbour activities include managing and leasing harbour buildings and facilities; leasing harbour lands; and undertaking development and investment activities. We work closely with the Oamaru Blue Penguin Colony as a key user within the harbour.



We also have a number of buildings which are used as part of day to day operations. Rent for these buildings is paid back to our property portfolio to offset costs, and pay back endowment funds (which provided the original capital costs).

Operational buildings include Forrester Gallery, Oamaru Public Library, North Otago Museum, Oamaru Opera House, Centennial Memorial Building (Plunket/Civil Defence), Council offices in Oamaru and Palmerston.

## Property holdings

This activity includes land development and sales and other holdings. Land development and sales includes strategic land that we offer for sale to generate revenue. Other holdings are properties that have been abandoned or gifted to us but have low asset value.

## Why we do it

Commercial and development activities support all aspects of our vision *Growing Waitaki - the best place to live, work and play*. The aim is to ensure cost effectiveness and affordability for ratepayers in the delivery of these activities.

Overall the group contributes to the following community outcomes:

Community outcome	How the activity contributes to the outcome
We enable opportunities for new and existing businesses	By contributing to the economy of the district.

Community outcome	How the activity contributes to the outcome
We keep our district affordable	Effectively managing the property portfolio means that returns are maximised and rates input is minimised.
We provide and enable services and facilities so people want to stay and move here	By providing properties that meet the needs of the community, meaning that people are more likely to want to stay and they will encourage others to move here.

Our provision of community buildings provides community support by way of recreational, social and subsidised office space for visiting health and social service providers. Other property assets are held for statutory or economic reasons eg Oamaru Harbour and Oamaru Airport, and the former Waitaki County building (now Community House).

We also have particular legislative requirements to fulfil. Under section 11A of the Local Government Act (2002), we must have regard to the contribution that community infrastructure makes to the community (including land-owner infrastructure or infrastructure controlled by us to provide community amenities). The Resource Management Act 1991 and Reserves Act 1977 also set out the requirements on us as a landowner.

## Any significant negative effects

There are a range of significant negative effects given the broad nature of this group. These include:

- The lack or small amount of tangible benefits vs. costs of some property within the 'Other Holdings' subgroup
- The large capital investment (some of which is debt funded) in a number of commercial buildings
- The ongoing accountability and costs associated with a large portfolio of assets which require constant maintenance and, in some cases, upgrades for risks such as fire and earthquakes.

## Our plans

### Economic development grants and services

We expect to respond to economic development opportunities as they arise. Additional funding of \$20,000 has been set aside per annum for the next 10 years to assist with this.

### Commercial holdings

We have over \$10 million in property debt which is continuing to increase due to compounding interest. We want to look at options to address this. The \$10 million figure is made up of internal loans on a number of Council-owned properties. The largest of these includes:

- The North End Business Park
- The Lakes Centre in Otematata

- Airport Drive in Omarama
- The Oamaru Opera House

We intend to review and sell some property over the next 10 years to address the shortfall, stop interest increasing and repay the debt.

We are considering disposing of some endowment lands, however, the proceeds from any sales (or land taken in exchange) will be reinvested to satisfy the purposes of the original endowment.

The airport land and buildings will be maintained in a condition that allows club, charter and other flights to use the facility on a regular basis. No significant renovations or capital projects are planned.

### Community property

We will continue to protect the harbour area and will investigate options (possibly including the removal of gravel periodically from Sandy Bay) to maintain operational use of the port.

Long term maintenance programmes for breakwaters, wharves, slipway and buildings will continue over the life of the Long Term Plan. We will also complete coastal protection work along the coastline from Holmes Wharf north to the Oamaru Creek, funded in the previous Long Term Plan.

### Property Holdings

A plan for rationalisation of these properties is being developed for the next 10 years.







### Our projects

Project and description	Total cost	Rates impact	Funding	Year
Oamaru Airport landing fee removal	-	-	-	2015/16-2024/25
Holmes Wharf	\$800,000	\$404,000	Internal loan/rates	2015/16
Otago Digital Strategy	\$45,000	\$45,000	Rates	2015/16-2017/18
Toilet improvements	\$532,000	\$305,000	Internal loan/rates/depreciation	2016/17-2024/25
Economic development	\$200,000	\$200,000	Rates	2015/16-2024/25
Omarama campervan dump station	\$38,000	\$38,000	Rates	2015/16-2024/25



## How well are we doing and how do we measure progress?

The table below describes how we will work towards achieving our community outcomes through the major levels of service for this Group of Activities and how performance will be measured.

Level of Service	Performance Measure	Current Performance	Performance Target	
			Years 1 – 3 2015/16 – 2017/18	Years 4 – 10 2018/19 – 2024/25
We provide safe, affordable and accessible community housing and commercial tenancies.	Tenants are satisfied or very satisfied with their tenancy as a percentage of all tenancies by annual user survey:  (a) Community housing tenants (b) Commercial tenants	 New measure New measure	 80% 75%	 80% 75%
Community housing and commercial properties owned and managed by us are managed effectively.	Individual tenancies are occupied as a percentage of available units/tenancies:  (a) Community housing units (b) Commercial tenancies	 New measure New measure	 80% 80%	 80% 80%
We provide public toilets throughout the district that are tidy, functional and accessible and sufficient to cater for demand.	Percentage of residents who are satisfied or very satisfied with public toilets	75%	80%	80%
We enable opportunities for new and existing businesses	North Otago Irrigation Company (NOIC) annual report on financial, environmental, service, economic and social benefits	New target not previously measured	Six monthly report submitted to us by 30 April in Years 1 to 3 Audited report submitted to us by 30 November in Years 1 to 3	Six monthly report submitted to us by 30 April in Years 4 to 7 Audited report submitted to us by 30 November in Years 4 to 7
	Annual return on investment in NOIC	New target not previously measured	Annual return equals market 1 year swap rate plus 1.25% in Years 1 to 3	Annual return equals market 1 year swap rate plus 1.25% in Years 4 to 7

## FUNDING IMPACT STATEMENT



Commercial & Development Activities												
2013/14 Actual \$(000)	2014/15 Budget \$(000)		2015/16 LTP \$(000)	2016/17 LTP \$(000)	2017/18 LTP \$(000)	2018/19 LTP \$(000)	2019/20 LTP \$(000)	2020/21 LTP \$(000)	2021/22 LTP \$(000)	2022/23 LTP \$(000)	2023/24 LTP \$(000)	2024/25 LTP \$(000)
778	886	Sources of Operating Funding	710	656	545	572	595	674	731	802	852	897
579	868	General Rates, Uniform Annual General Charge, Rates Penalties	498	452	295	362	370	381	396	524	487	482
1,357	1,754	Targeted Rates	1,208	1,108	840	934	965	1,055	1,127	1,326	1,339	1,379
158	-	Rates Revenue	-	-	-	-	-	-	-	-	-	-
1,329	1,341	Subsidies and Grants for Operating Purposes	1,373	1,407	1,444	1,483	1,526	1,571	1,620	1,674	1,731	1,793
893	985	Fees and Charges	1,394	1,408	1,428	1,451	1,467	1,537	1,608	1,679	1,758	1,835
(711)	(818)	Interest and Dividends from Investments	(858)	(858)	(858)	(858)	(858)	(858)	(858)	(858)	(858)	(858)
595	469	Internal Charges and Overheads Recovered	523	474	492	495	547	573	598	639	632	761
2,264	1,977	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	2,432	2,431	2,506	2,571	2,682	2,823	2,968	3,134	3,263	3,531
3,621	3,731	Operating Revenue	3,640	3,539	3,346	3,505	3,647	3,878	4,095	4,460	4,602	4,910
3,207	3,654	Total Sources of Operating Funding	3,308	3,460	3,168	3,404	3,276	3,545	3,409	3,704	3,567	3,849
10	-	Applications of Operating Funding	-	-	-	-	-	-	-	-	-	-
(68)	39	Payments to Staff and Suppliers	(292)	(275)	(523)	(502)	(434)	(358)	(287)	(137)	(151)	(20)
-	-	Finance Costs	-	-	-	-	-	-	-	-	-	-
3,149	3,693	Internal Charges and Overheads Applied	3,016	3,185	2,645	2,902	2,842	3,187	3,122	3,567	3,416	3,829
472	38	Other Operating Funding Applications	624	354	701	603	805	691	973	893	1,186	1,081
931	-	Total Applications of Operating Funding	-	-	-	-	-	-	-	-	-	-
2,848	-	Surplus / (Deficit) of Operating Funding	-	-	-	-	-	-	-	-	-	-
(2)	(2)	Sources of Capital funding	(1)	-	-	-	-	-	-	-	-	-
(685)	376	Subsidies and Grants for Capital Expenditure	47	53	52	55	63	62	66	74	74	63
3,092	374	Development and Financial Contributions	46	53	52	55	63	62	66	74	74	63
-	-	Increase / (Decrease) in Debt	-	-	-	-	-	-	-	-	-	-
2,022	278	Gross Proceeds from Sale of Assets	195	90	30	300	30	-	-	-	-	-
3	-	Capital Expenditure	800	-	-	-	-	-	-	-	-	-
1,539	134	Meet Additional Demand	(325)	317	723	358	838	753	1,039	967	1,260	1,144
-	-	Improve Levels of Service	-	-	-	-	-	-	-	-	-	-
3,564	412	Replace Existing Assets	670	407	753	658	868	753	1,039	967	1,260	1,144
(472)	(38)	Increase / (Decrease) in Reserve	(624)	(354)	(701)	(603)	(805)	(691)	(973)	(893)	(1,186)	(1,081)
-	-	Increase / (Decrease) in Investments	-	-	-	-	-	-	-	-	-	-
-	-	Total Applications for Capital Funding	-	-	-	-	-	-	-	-	-	-
-	-	Surplus / (Deficit) of Capital Funding	-	-	-	-	-	-	-	-	-	-
-	-	Funding Balance	-	-	-	-	-	-	-	-	-	-

## ENVIRONMENT, REGULATION & SAFETY

### What we do

The Environment, Regulation and Safety Group of Activities is composed of the following:

- Building control
- Environmental health and safety
- Animal control
- Emergency management
- District planning

The Group of Activities supports a safe and healthy community by providing appropriate emergency responses, regulation and enforcement.

### Why we do it

The Environment, Regulation and Safety Group of Activities promotes the vision of the *Growing Waitaki – the best place to live, work and play*. In particular, it promotes the community outcomes of:

Community outcome	How the activity contributes to the outcome
We keep our district affordable	By managing the activity efficiently and effectively.
We provide services and facilities so people want to stay and move here	By providing building control services in a professional and efficient manner.
We enable opportunities for new and existing businesses	By ensuring building consents are processed accurately, efficiently and within statutory timeframes.



Community outcome	How the activity contributes to the outcome
We enable opportunities for new and existing businesses	By ensuring sufficient land is zoned for business, commercial and rural activities.
We maintain the safest community we can	<p>By ensuring buildings are safe and do not pose a risk to the public.</p> <p>By ensuring that food for sale to the public is prepared in safe premises that meet food hygiene regulations.</p> <p>By ensuring the threat to the community from nuisance or dangerous dogs or wandering stock is minimised.</p> <p>By having a fully functional Emergency Operations Centre and trained and competent emergency management personnel to ensure we play an active role in supporting and co-ordinating emergency responses in the district.</p>
Waitaki's distinctive environment is valued and protected.	<p>By resolving commercial and domestic environmental impacts.</p> <p>By monitoring approved resource consents and conditions to minimise environmental impact and promote sustainable land management.</p>

## Building control

As an accredited Building Control Authority (for all classes) we ensure buildings are safe and healthy for the people who use them. This includes the following tasks:

- Building inspection and consenting to ensure buildings are strong, weather-tight and durable
- Issuing of Code of Compliance certificates and Notices to Fix
- Investigation of complaints relating to building work and illegal buildings
- Swimming pool fencing inspections
- Issuing of compliance schedule statements and compliance schedules
- Functions relating to dangerous, earthquake-prone or insanitary buildings
- Administration and audit of Building Warrants of Fitness
- Providing property information such as Project Information Memoranda (PIM) and Land Information Memoranda (LIM)

## Environmental health and safety

Under the Health Act 1956 and other legislation we maintain and protect public health by:

- Licensing and inspecting food premises
- Licensing and inspecting liquor premises and premise managers
- Licensing of other premises and investigation of complaints
- Sampling and testing of:
  - o Public water supplies against New Zealand Drinking Water Standards
  - o Discharge from landfills and waste water treatment plants to check that resource consents are met



- Statutory review of bylaws related to environmental health, such as the General Bylaw 2006
- Responding, investigating and reporting on noise complaints and other duties under the Resource Management Act 1991 and the District Plan

## Animal control

Animal control promotes public safety and animal welfare by encouraging responsible dog ownership, response to dog complaints and capture and rehoming of wandering stock. Animal control activities include:

- Owner education and animal welfare
- Investigation of complaints about dogs barking, wandering, menacing and dangerous dogs
- Responding to wandering stock complaints
- Statutory review of dog control policy and bylaws

## Emergency management

Emergency management includes preparation of contingency plans, recruitment, training and management of skilled civil defence personnel in a state-of-readiness. It covers maintenance of a range of equipment and resources for use in a civil defence emergency post recovery and also statutory review of the Urban Fire Bylaw and the issue of urban fire permits. We fund the Otago Rural Fire Authority (ORFA) which is responsible for rural fire permits. The budget is, however, part of the Emergency Management activity.

## District Planning

District Planning involves the sustainable management of the natural and physical resources of the Waitaki district. We have legal obligations to carry out this activity under the Resource Management Act 1991.

The main functions associated with this are:

- Preparing, reviewing and administering the Waitaki District Plan.
- Processing land-use and subdivision resource consents, notices of requirement, outline plans and other certifications under the Resource Management Act 1991
- Monitoring of the District Plan, consent compliance and 'State of the Environment' reporting
- Engaging with Environment Canterbury, Otago Regional Council and neighbouring territorial local authorities in connection with their regional plans and policy statements
- Engaging with businesses, non-government organisations, other interest groups and forums on matters that relate to planning in the district
- Providing comments to central government on proposed changes to the Resource Management Act, National Policy Statements and National Environmental Standards.

## Significant negative effects

Regulatory activities can impose compliance costs and restrict individual freedoms to promote a greater public good. However, we do not believe that these effects are significant or outweigh the benefits provided for the public good.

## Our plans

We expect the increase in dairy conversions will continue to place pressure on issuing consents for farm building and worker accommodation in rural areas. At the same time we expect changes to the Building Act will result in less inspections and reduced process with low risk builds. Changes to earthquake-prone buildings legislation is likely to increase our accountabilities in relation to the identification, assessment and strengthening of earthquake-prone buildings although this is likely to be completed over a longer period of time than what was initially thought. We plan to invest in web-based services that will improve access to property files, payments and consents.

We will need to respond to changes to the Food Act and regulations which come into force in 2016. This will mean changes to how we work with food businesses. It is expected that this new regime will place increased demands on our staff and resources. In order to meet cost recovery targets we have also increased health inspection fees for business owners by 10% in the first year of the Long Term Plan and will reassess the fee structure when the full extent of the changes to the Act are known.

Further work is planned on the implementation of the Dog Control Policy and Bylaw to meet community expectations regarding safety. We are also considering the renewal or replacement of the dog pound over this period. The key focus for the Emergency Services activity will be the decision around the replacement of the Emergency Management Centre.

From a planning perspective, we expect demand for resource consents to increase over the next three years, as the number of subdivisions and land use consents increase. The District Plan will be reviewed over the period of this Long Term Plan and a new District Plan in 2025 will be aligned to changing environmental needs (and biodiversity) and expectations.



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### How well are we doing and how do we measure progress?

The table below describes how we will work towards achieving our community outcomes through the major levels of service for this Group of Activities and how performance will be measured.

Level of Service	Performance Measure	Current Performance	Performance Target	
			Years 1 – 3 2015/16 – 2017/18	Years 4 – 10 2018/19 – 2024/25
Buildings are safe and healthy	Percentage of public buildings with specified systems audited annually against building compliance standards  High risk buildings (such as hotels) checked more than once every five years	20% of premises audited	20% of premises audited. High risk buildings (such as hotels) checked more than once every five years	20% of premises audited. High risk buildings (such as hotels) checked more than once every five years
Building work is processed accurately and efficiently	Percentage of consents processed within 20 working days	628 consents were processed with 72.77% within 20 working days. Average processing days 14.36.	100% of consents processed within 20 working days	100% of consents processed within 15 working days



Level of Service	Performance Measure	Current Performance	Performance Target	
			Years 1 – 3 2015/16 – 2017/18	Years 4 – 10 2018/19 – 2024/25
Food premises are safe and healthy	Percentage of Category 1 food premises and Category 2 and 3 premises inspected annually	<p>99% of Category 1 inspected. Only one premises missed due to being closed for winter trading</p> <p>Categories 2 and 3 achieved 74% and 83% respectively</p> <p>Over 40% of Waitaki food premises operate under the VIP system, whilst the remainder are registered under the Food Hygiene Regulations 1974</p>	<p>Annual inspection of 100% of Category 1 food premises</p> <p>Annual inspection of 50% of Category 2 and 3 premises</p>	100% of the inspections required under the Food Act Regulations are carried out
Licensed premises are audited/inspected regularly to ensure risks of alcohol related incidences are minimised	Percentage of high risk licenced premises inspected every six months	<p>32% of on and off licences inspected</p> <p>7% of club premises inspected</p> <p>The introduction of the Sale and Supply of Alcohol Act was more resource intensive than anticipated. We exceeded our projection of 15-20%</p>	100% of high risk licenced premises inspected every six months	100% of high risk licensed premises inspected three times per year



Level of Service	Performance Measure	Current Performance	Performance Target	
			Years 1 – 3 2015/16 – 2017/18	Years 4 – 10 2018/19 – 2024/25
We have measures in place to minimise the threat to the community from menacing and dangerous dogs	Number of reported dog attacks	We had 54 reported dog attacks in the 2013/14 year	The number of reported dog attacks is less than 54	The number of reported dog attacks is less than 48
Menacing and dangerous dog complaints are investigated promptly	Menacing and dangerous dog incidents responded to within two hours of notification	Although most incidents are responded to within two hours records have not been kept in recent months	100% of menacing and dangerous dog incidents responded to within two hours of notification	100% of menacing and dangerous dog incidents responded to within two hours of notification
Stock (horse, cattle, sheep) control complaints are investigated promptly	Percentage of urgent stock control incidents responded to within two hours of notification	100% of urgent stock control incidents responded to within two hours of notification	100% of urgent stock control incidents responded to within two hours of notification	100% of urgent stock control incidents responded to within two hours of notification
We have the capacity and capability to respond to emergency events in an appropriate way	Number of fully trained and competent Emergency Operations Centre (EOC) staff	New measure	35 fully trained and competent EOC staff	35 fully trained and competent EOC staff
The community is protected through appropriate emergency responses, regulation and enforcement	Percentage of residents who are satisfied or very satisfied with emergency services	91% of residents satisfied or very satisfied with emergency management	75% of residents are satisfied or very satisfied with emergency services	80% of residents are satisfied or very satisfied with emergency services



Level of Service	Performance Measure	Current Performance	Performance Target	
			Years 1 – 3 2015/16 – 2017/18	Years 4 – 10 2018/19 – 2024/25
Plans, policies and bylaws in the strategic work programme are adopted and reviewed	Percentage of plans, policies and bylaws adopted and reviewed within statutory timeframes	Achieved.	100% of plans, policies and bylaws identified in the strategic work programme adopted within statutory timeframes	100% of plans, policies and bylaws identified in the strategic work programme adopted within statutory timeframes
Resource consent applications are processed efficiently	Percentage of consents processed are within the statutory timeframes	100% of consents were processed within the statutory timeframes	100% of consents processed are within the statutory timeframes	100% of consents processed are within the statutory timeframes
Approved resource consents are monitored to ensure compliance	Percentage of approved resource consents implemented	100% of implemented subdivision consents and notified land use consents monitored	100% of implemented subdivision consents and notified land use consents	100% of implemented subdivision consents and notified land use consents
		50% of implemented non-notified land use consents monitored	50% of implemented non-notified land use consents	50% of implemented non-notified land use consents

## FUNDING IMPACT STATEMENT



Environment, Regulation & Safety												
2013/14 Actual \$(000)	2014/15 Budget \$(000)		2015/16 LTP \$(000)	2016/17 LTP \$(000)	2017/18 LTP \$(000)	2018/19 LTP \$(000)	2019/20 LTP \$(000)	2020/21 LTP \$(000)	2021/22 LTP \$(000)	2022/23 LTP \$(000)	2023/24 LTP \$(000)	2024/25 LTP \$(000)
1,698	1,819	Sources of Operating Funding	1,917	1,954	2,049	2,077	2,117	2,159	2,197	2,242	2,284	2,192
454	503	General Rates, Uniform Annual General Charge, Rates Penalties	504	521	564	571	587	602	618	637	655	676
2,152	2,322	Targeted Rates	2,421	2,475	2,613	2,648	2,704	2,761	2,815	2,879	2,939	2,868
31	6	Rates Revenue	-	-	-	-	-	-	-	-	-	-
1,220	1,322	Subsidies and Grants for Operating Purposes	1,409	1,443	1,479	1,518	1,560	1,556	1,604	1,657	1,713	1,775
-	-	Fees and Charges	-	-	-	-	-	-	-	-	-	-
144	145	Interest and Dividends from Investments	-	-	-	-	-	-	-	-	-	-
88	42	Internal Charges and Overheads Recovered	32	32	33	34	35	36	37	39	40	41
1,483	1,515	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	1,441	1,475	1,512	1,552	1,595	1,592	1,641	1,696	1,753	1,816
3,635	3,837	Operating Revenue	3,862	3,950	4,125	4,200	4,299	4,353	4,456	4,575	4,692	4,684
861	1,292	Total Sources of Operating Funding	1,267	1,413	1,381	1,316	1,347	1,330	1,365	1,403	1,443	1,352
-	-	Applications of Operating Funding	-	-	-	-	-	-	-	-	-	-
2,286	2,531	Payments to Staff and Suppliers	2,686	2,711	2,795	2,845	2,912	2,983	3,050	3,129	3,206	3,287
-	-	Finance Costs	-	-	-	-	-	-	-	-	-	-
3,147	3,823	Internal Charges and Overheads Applied	3,953	4,124	4,176	4,161	4,259	4,313	4,415	4,532	4,649	4,639
488	14	Other Operating Funding Applications	(91)	(174)	(51)	39	40	40	41	43	43	45
-	-	Total Applications of Operating Funding	-	-	-	-	-	-	-	-	-	-
71	150	Surplus / (Deficit) of Operating Funding	110	110	110	110	110	110	110	110	110	110
-	-	Sources of Capital funding	-	-	-	-	-	-	-	-	-	-
-	-	Subsidies and Grants for Capital Expenditure	-	-	-	-	-	-	-	-	-	-
-	-	Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-
-	-	Increase / (Decrease) in Debt	-	-	-	-	-	-	-	-	-	-
71	150	Gross Proceeds from Sale of Assets	110	110	110	110	110	110	110	110	110	110
-	-	Total Sources of Capital Funding	-	-	-	-	-	-	-	-	-	-
-	-	Applications of Capital funding	-	-	-	-	-	-	-	-	-	-
25	-	Capital Expenditure	-	500	-	-	-	-	-	-	-	-
-	-	Meet Additional Demand	-	-	-	-	-	-	-	-	-	-
534	164	Improve Levels of Service	19	(564)	59	149	150	150	151	153	153	155
-	-	Replace Existing Assets	-	-	-	-	-	-	-	-	-	-
559	164	Increase / (Decrease) in Reserve	19	(64)	59	149	150	150	151	153	153	155
(488)	(14)	Increase / (Decrease) in Investments	91	174	51	(39)	(40)	(40)	(41)	(43)	(43)	(45)
-	-	Total Applications for Capital Funding	-	-	-	-	-	-	-	-	-	-
-	-	Surplus / (Deficit) of Capital Funding	-	-	-	-	-	-	-	-	-	-
-	-	Funding Balance	-	-	-	-	-	-	-	-	-	-

# COUNCIL

## DEMOCRACY & ACCOUNTABILITY

### What we do

The Democracy and Accountability Group of Activities includes:

- Waitaki District Council
- Ahuriri and Waihemo Community Boards
- Community planning
- Community accountability

### Waitaki District Council

Democracy and Accountability enables local decision making and implementation of good quality local infrastructure, public service and regulation by, and on behalf of the community. A key part of this activity includes:

- Operation and support of Council and Committees
- Governance support including the preparation and coordination of meetings
- Elected member support including remuneration, expenses, technology and advice

This activity also includes elections, by-elections and representation requirements under the Local Government Act.

### Community Boards

The Waihemo and Ahuriri Community Boards provide representation and advocacy for local communities. The Boards have some delegated decision making power and provide an important link between communities and Council. Each Board is composed of five members and in the case of Waihemo includes the townships of Hampden, Moeraki, Palmerston, Shag Point, Dunback and Macraes Flat. The Ahuriri Ward covers the Ahuriri Valley and townships of Kurow, Otematata, Omarama and Lake Ohau.



### Community planning

Community planning enables us to set and implement our vision for the district. The activity delivers on statutory planning requirements under the Local Government Act, such as the Annual and Long Term Plans. These plans have implications for how the community lives, works and plays by setting levels of service and rates. This activity also contributes to the development and review of policies and bylaws through communication and public consultation.

### Community accountability

Community accountability involves the preparation of the Annual Report and collection of information on our performance. This activity includes financial information (what things cost) and non-financial information (what was delivered) and helps the community to understand how effective and efficient the services they receive are.

### Why we do it

This Group of Activities supports community representation in decision making, preparation of our Annual and Long Term Plans, consultation activities and our Annual Report.

The Democracy and Accountability Group of Activities contribute primarily to the community outcomes (see over page):



Community outcome	How the activity contributes to the outcome
We keep our district affordable	By providing governance structures, planning and reporting to provide cost effective, good quality infrastructure, public services and regulatory functions
We provide and enable services and facilities so people want to stay and move here	By providing opportunities for the community to actively contribute to democratic local decision making on services and facilities
We understand the diverse needs of our community	By providing opportunities to participate in democratic local decision making through representation on Community Boards, Council and consultation

## Significant negative effects

Decision making (Council or Community Board) is key to all activities under Democracy and Accountability. These decisions may on occasion have (or be perceived to have) negative effects on different parts of the community. For instance Council may need to make decisions or trade-offs on the timing or approval of projects, reductions in levels

of services or changes to rates. These decisions may benefit or be perceived to benefit one part of the community over another.

## Our plans

Our vision and outcomes play a critical part in future plans for the Democracy and Accountability Group of Activities. For instance, the Long Term Plan will provide a way of implementing many of the policy decisions which we will make to fulfil our vision *Growing Waitaki - the best place to live, work and play*. As well as responding to the direction set by our elected members, the Democracy and Accountability Group of Activities will also need to take account of wider change over the next ten years. This includes an increasingly older population (for instance the 65+ age group is expected to reach 35% by 2030), greater ethnic diversity and economic change. These changes will require us to assess the services (and costs of services) offered now and in the future. A key challenge will be ensuring that we hear the wide range of views from the community and that everyone can have their say.

While there have been a significant number of changes to local government legislation in the last few years, it is expected that there will be less direct impact from legislative change over the period of this plan. There are still things that we need to respond to, such as changes in earthquake-prone buildings and health and safety requirements for all contractors and staff engaged by us.





## Our projects

The following projects were agreed by us for consultation with the community during March and April 2015 except for the ANZAC World War 1 Centenary Commemorations Project which was identified by the community during the consultation period.

Proposal	Total Cost Over 10 Years	Rates Impact Over 10 Years	Funding	Year
ANZAC WW1 Centenary Commemorations	\$15,000	\$15,000	Rates	2015/16-2017/18
Communications Noticeboard	\$8,000	\$8,000	Ward Rate	2015/16-2020/21



## How well are we doing and how do we measure progress?

The table below describes how we will work towards achieving our community outcomes through the major levels of service for this Group of Activities and how performance will be measured.

Level of Service	Performance Measure	Current Performance	Performance Target	
			Years 1 – 3 2015/16 – 2017/18	Years 4 – 10 2018/19 – 2024/25
We are knowledgeable, trustworthy, approachable and accountable	Percentage of residents satisfied or very satisfied with the performance of the Mayor and Councillors	56% of residents were satisfied or very satisfied with the performance of the Mayor and Councillors	75% of residents are satisfied or very satisfied with the performance of the Mayor and Councillors	75% of residents are satisfied or very satisfied with the performance of the Mayor and Councillors
Community Boards represent and advocate for the local community and provide 'local' access to Council's decision-making and governance	Percentage of residents satisfied or very satisfied with the performance of the Ahuriri Community Board	86% of Ahuriri residents are satisfied or very satisfied with the performance of the Community Board	85% of residents rate the performance of the Ahuriri Community Board as satisfactory or very satisfactory	85% of residents rate the performance of the Ahuriri Community Board as satisfactory or very satisfactory
	Percentage of residents satisfied or very satisfied with the performance of the Waihemo Community Board	69% of Waihemo residents were satisfied or very satisfied with the performance of the Community Board	85% of residents rate the performance of the Waihemo Community Board as satisfactory or very satisfactory	85% of residents rate the performance of the Waihemo Community Board as satisfactory or very satisfactory
We engage with and consult the community on decisions that affect them or are of interest	Percentage of residents satisfied or very satisfied with consultation and engagement	49% of residents were satisfied or very satisfied with consultation and engagement	60% of residents satisfied or very satisfied with consultation and engagement	60% of residents satisfied or very satisfied with consultation and engagement



Level of Service	Performance Measure	Current Performance	Performance Target	
			Years 1 – 3 2015/16 – 2017/18	Years 4 – 10 2018/19 – 2024/25
Plans, policies and bylaws in the Strategic Work Programme are adopted and reviewed	Percentage of plans, policies and bylaws adopted and reviewed within statutory timeframes	100% of plans, policies and bylaws identified in the Strategic Work Programme adopted within statutory timeframes	100% of plans, policies and bylaws identified in the Strategic Work Programme adopted within statutory timeframes	100% of plans, policies and bylaws identified in the Strategic Work Programme adopted within statutory timeframes

## FUNDING IMPACT STATEMENT



### Democracy and Accountability

2013/14 Actual \$(000)	2014/15 Budget \$(000)		2015/16 LTP \$(000)	2016/17 LTP \$(000)	2017/18 LTP \$(000)	2018/19 LTP \$(000)	2019/20 LTP \$(000)	2020/21 LTP \$(000)	2021/22 LTP \$(000)	2022/23 LTP \$(000)	2023/24 LTP \$(000)	2024/25 LTP \$(000)
1,959	1,958	<b>Sources of Operating Funding</b>										
		General Rates, Uniform Annual General Charge, Rates Penalties	1,899	1,921	1,963	2,002	2,053	2,105	2,155	2,214	2,273	2,334
1,538	1,543	Targeted Rates	1,508	1,527	1,560	1,590	1,630	1,671	1,710	1,756	1,802	1,849
3,497	3,501	<b>Rates Revenue</b>	3,407	3,448	3,523	3,592	3,683	3,776	3,865	3,970	4,075	4,183
31	34	Subsidies and Grants for Operating Purposes	31	31	31	31	31	31	31	31	31	31
-	-	Fees and Charges	-	-	-	-	-	-	-	-	-	-
-	-	Interest and Dividends from Investments	-	-	-	-	-	-	-	-	-	-
-	-	Internal Charges and Overheads Recovered	-	-	-	-	-	-	-	-	-	-
83	-	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	-	56	-	-	61	-	-	67	-	-
114	34	<b>Operating Revenue</b>	31	87	31	31	92	31	31	98	31	31
3,611	3,535	<b>Total Sources of Operating Funding</b>	3,438	3,535	3,554	3,623	3,775	3,807	3,896	4,068	4,106	4,214
905	982	<b>Applications of Operating Funding</b>	791	954	943	838	1,016	1,006	895	1,093	1,083	966
-	-	Payments to Staff and Suppliers	-	-	-	-	-	-	-	-	-	-
2,440	2,651	Finance Costs	2,619	2,643	2,699	2,752	2,822	2,891	2,960	3,042	3,118	3,202
-	-	Internal Charges and Overheads Applied	-	-	-	-	-	-	-	-	-	-
3,345	3,633	<b>Total Applications of Operating Funding</b>	3,410	3,597	3,642	3,590	3,838	3,897	3,855	4,135	4,201	4,168
266	(98)	<b>Surplus / (Deficit) of Operating Funding</b>	28	(62)	(88)	33	(63)	(90)	41	(67)	(95)	46
-	-	<b>Sources of Capital funding</b>										
-	-	Subsidies and Grants for Capital Expenditure	-	-	-	-	-	-	-	-	-	-
-	-	Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-
-	-	Increase / (Decrease) in Debt	-	-	-	-	-	-	-	-	-	-
-	-	Gross Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	-	-
-	-	<b>Total Sources of Capital Funding</b>	-	-	-	-	-	-	-	-	-	-
-	-	<b>Applications of Capital funding</b>										
-	-	Capital Expenditure										
-	-	Meet Additional Demand	-	-	-	-	-	-	-	-	-	-
-	-	Improve Levels of Service	-	-	-	-	-	-	-	-	-	-
-	-	Replace Existing Assets	-	-	-	-	-	-	-	-	-	-
266	(98)	Increase / (Decrease) in Reserve	28	(62)	(88)	33	(63)	(90)	41	(67)	(95)	46
-	-	Increase / (Decrease) in Investments	-	-	-	-	-	-	-	-	-	-
266	(98)	<b>Total Applications for Capital Funding</b>	28	(62)	(88)	33	(63)	(90)	41	(67)	(95)	46
(266)	98	<b>Surplus / (Deficit) of Capital Funding</b>	(28)	62	88	(33)	63	90	(41)	67	95	(46)
-	-	<b>Funding Balance</b>	-	-	-	-	-	-	-	-	-	-

## SUPPORT SERVICES



The following section summarises the proposed changes to our support services over the life of the Long Term Plan. Support services are mainly internal, but are critical in keeping the business of Council running. They include things such as finance, human resources, information technology and communications. Support services are not a separate group of activities in themselves, rather the benefits they provide (and costs) are allocated across the range of activities such as roading, regulatory, water and parks.

As part of the 2015-25 Long Term Plan we agreed a number of support service projects. The projects respond to new health and safety accountabilities on us as a result of changes by central government, recruitment, and replacement and improvements to our IT and phone systems. While we are investing in a number of new projects, many of which are funded through depreciation and reserves, we will continue to look at the cost, efficiency and effectiveness of these services to ensure the community receives value for money.

Project	Total Cost Over 10 Years	Rates Impact Over 10 Years	Funding	Year
Health and Safety	552,000	552,000	Rates	2015/16-2024/25
Council phone system upgrade	167,000	47,000	Depreciation/Rates	2016/17-2024/25
Data security improvements	320,000	145,000	Depreciation/Internal Loan	2019/20-2024-25
Offsite IT backups	147,000	72,000	General Reserve/Rates	2018/19-2024/25
Chief Executive Recruitment	40,000	40,000	Rates	2015/16

## A word cloud of terms associated with the community. The most prominent words are 'community', 'invest', and 'food premises'. Other visible words include 'museums', 'biodiversity', 'economy', 'libraries', 'cemeteries', 'services', 'art gallery', 'water', 'diversity', 'roads', 'play', 'work', 'arch', 'safety', 'grow', 'sets', 'bylaws', 'cycling', 'ment', 'pools', 'affordable', and 'lake'.

## 2015-25 LONG TERM PLAN

## SECTION 4: COUNCIL CONTROLLED ORGANISATIONS

A council controlled organisation is an entity in which a council has a controlling stake. This is defined in Section 6 of the Local Government Act 2002. This section describes each company and identifies the reasons why we own and control the companies, what services the company is intended to provide and the means by which company performance will be judged.

We have four subsidiaries:

1. Omarama Airfield Limited
2. Waitaki District Health Services Limited
3. Tourism Waitaki Ltd (formerly known as Waitaki Development Board)
4. Whitestone Contracting Limited

### OMARAMA AIRFIELD LIMITED

#### Background

Omarama Airfield Limited was formed in 1993 to develop and operate the Omarama Airfield. Waitaki District Council and Omarama Soaring Centre Inc. jointly own the company, each with 50% of shares. Our primary objective for ownership of the airfield is to maintain public access for transport and recreational activities which make use of the world class gliding environment of the Omarama area.

#### Objectives for ownership

Omarama Airfield contributes to our outcome of providing and enabling services and facilities so people want to stay and move here.

The principal objective of the company is to provide airfield facilities to support flying activities and opportunities in the Omarama area through:

- Public access to airfield facilities
- Recreational flying activities
- Commercial operations
- Competitions and events

We expect that the company directors will ensure that:

- Business activities are conducted in an efficient and effective manner
- Assets and liabilities are prudently managed
- Overall performance supports the shareholders' reasons for continued ownership
- The company acts as a good employer and as an environmentally conscious and responsible citizen
- Transparent and collaborative relations are maintained with its shareholders

#### Information to be reported to shareholders

Company directors shall deliver to the shareholders an annual report each financial year that includes:

- A report on the operations of the company to enable an informed assessment of the company's performance, including variations from the business plan and achievements against performance targets
- Audited financial statements as required under the Financial Reporting Act 1993
- A report on performance against the Corporate Governance Statement







## Performance targets

The table below describes how Omarama Airfield Ltd will work towards its goals. These are aligned with the 2014/15 Statement of Intent.

Outcome	Level of Service	Performance Measurement	Current Performance	Target Performance	
				Years 1 – 3 (2015/16 – 2017/18)	Years 4 – 10 (2018/19 – 2024/25)
We provide and enable services and facilities so people want to stay and move here.	The financial performance of the airfield shall be sufficient to support its activities	Maintain, operate and provide planned services within budgeted income	Operating income \$125,997 for year end 30 June 2014 vs \$123,599 for year end 30 June 2013  Operating profit for year end 30 June 2014 was \$0 vs \$20,207 year end 30 June 2013	Operate and provide planned services within budgeted income  Achieve a break-even or better result after prudent provision for assets depreciation and replacement, and for future trading requirements	Operate and provide planned services within budgeted income  Achieve a break even or better result after prudent provision for assets depreciation and replacement, and for future trading requirements
	The airfield will provide positive social and community impacts	Enhance the economic benefits to the Omarama and Ahuriri community arising from the operation and development of the airfield as measured by increased patronage of facilities and participation in events	New measure in 2014/15 Statement of Intent to be reported against Annual Report. Current performance based on 30 June 2014:  20 people directly employed during peak season  Estimated 1,500 visitors for year end 30 June 2014	Maintain or improve the level of economic benefits (against 2011/12 benchmarks)	Maintain or improve the level of economic benefits (against 2011/12 benchmarks)

## TOURISM WAITAKI LIMITED

### Background

Tourism Waitaki Limited is the new registered name of the former Waitaki Development Board which was established in December 1996. It is entirely owned by Council and therefore a Council Controlled Organisation under the Local Government Act 2002.

Our primary objective for Tourism Waitaki is to advance tourism within the district by fostering a positive, diverse, sustainable and growing tourism sector. Tourism Waitaki contributes to the following outcomes:

- We enable opportunities for new and existing business
- We provide and enable services and facilities so people want to stay and move here
- Waitaki's distinctive environment is valued and protected

Council expects that in conducting the affairs of the company, the directors shall ensure:

- Business activities are conducted in an efficient and effective manner
- Assets and liabilities are prudently managed
- Overall performance supports our reasons for continued ownership
- Decisions are based on the achievement of long term strategic needs and objectives, not short term expediencies
- The company acts as a good employer and as an environmentally conscious and responsible citizen
- The company in its consultative practices has due regard for Maori
- Transparent and collaborative relations are maintained with the shareholder



### Information to be reported to shareholders

Within two months of the end of each financial year, the directors shall deliver to the shareholders an annual report and financial statements to enable an informed assessment of the company's performance including:

- Performance against the targets in the Statement of Intent
- Performance against the Corporate Governance Statement
- Audited financial statements as required under the Financial Reporting Act 1993
- A report on the compliance with the company's tendering policy
- Any grants awarded by Tourism Waitaki to another party, including information measuring the effectiveness of the grant.



## Performance targets

The table below describes how Tourism Waitaki Ltd will work towards its goals. These are aligned with the 2014/15 Statement of Intent.

Level of Service	Performance Measurement	Current Performance	Target Performance	
			Years 1 – 3 (2015/16 – 2017/18)	Years 4 – 10 (2018/19 – 2024/25)
Facilitate broad regional promotion	Growth in visitors from core domestic markets	22.7% increase in visitor numbers in 2014 Annual Report	x% annual growth in visitors from core domestic markets*	x% annual growth in visitors from core domestic markets*
		New measure, not currently measured	Signage strategy developed and implemented	N/A
Product development	Expansion of current trade ready products	New measure, not currently measured	x% growth in trade ready products*	x% annual growth in trade ready products*
	Travel infrastructure network expanded	New measure, not currently measured	x% growth in travel infrastructure*	x% annual growth in travel infrastructure*
Strategic partnerships	International Marketing Alliance (IMA) agreements in place across the South Island	New measure, not currently measured	x% of IMA South Island agreements in year 1* x% annual increase of IMA agreements in years 2 and 3*	x% annual increase of IMA agreements*
	Industry affiliations expanded	New measure, not currently measured	x number of industry affiliations developed in year 1* x% annual increase of industry affiliations in years 2 and 3*	x% annual increase of industry affiliations*

\* As these are new measures the target is to be identified following the first year (2015/16) of activity



Level of Service	Performance Measurement	Current Performance	Target Performance	
			Years 1 – 3 (2015/16 – 2017/18)	Years 4 – 10 2018/19 – 2024/25
Trade initiatives	Increased inbound operators (IBO) visitors	New measure, not currently measured	x number of IBO visitors in year 1* x% annual increase of IBO visitors in years 2 and 3*	x% annual increase in IBO visitors*
	Growth in TRENZ attendees from the district	New measure, not currently measured	x number of TRENZ attendees in year 1* x% annual increase of TRENZ attendees in years 2 and 3*	x% annual increase in TRENZ visitors*

\* As these are new measures the target is to be identified following the first year (2015/16) of activity

## WAITAKI DISTRICT HEALTH SERVICES LIMITED

### Background

Waitaki District Health Services was established in 1997 for the charitable purpose of providing health services to the community. It is entirely owned by Council and under Section 6 of the Local Government Act 2002, is regarded as a Council Controlled Organisation.

### Objectives for ownership

The principal objective of the company is to operate a successful healthcare business by providing infrastructure and services to meet the healthcare needs of the district's community. Waitaki District Health Services contributes to the following Council Outcomes:

- We provide and enable services and facilities so people want to stay and move here
- We maintain the safest community we can

Council expects the company directors to ensure that:

- Government responsibility for funding of health services for the district is maintained at all times and that no call will be made on us to fund health services to the district
- Business activities are conducted in an efficient and effective manner
- Assets and liabilities are prudently managed
- Overall performance supports Council's reasons for continued ownership
- Expedient short-term decisions that may adversely impact on the achievement of

future long term needs and objectives are avoided

- The company acts as a good employer and as an environmentally conscious and responsible citizen
- Transparent and collaborative relations are maintained with the shareholder
- All avenues of funding that may be available from time to time for Waitaki District Health Services funding are actively pursued

### Information to be reported to shareholders

Within two months after the end of each financial year, the directors shall deliver to the shareholder an annual report and audited financial statements in respect of the financial year, containing the following information as a minimum:

- A report on the operations of the company to enable an informed assessment of the company's performance, including variations from the business plan and achievements against performance targets
- Performance against the Corporate Governance Statement
- Audited financial statements as required under the Financial Reporting Act 1993 (it is noted that time constraints of the company's auditors may delay timely completion of audits and that any such delays are not within the control of the company)
- A report on compliance with the company's Tendering Policy
- Activity statistics with comparable figures for previous year
- A report on service delivery issues and achievements







## Performance targets

The table below describes how Waitaki District Health Services Ltd will work towards its goals. These are aligned with the 2014/15 Statement of Intent.

Level of Service	Performance Measurement	Current Performance	Target Performance	
			Years 1 – 3 2015/16 – 2017/18	Years 4 – 10 2018/19 – 2024/25
Our local hospital provides a high standard of service and maintains transparent and collaborative relations with the shareholder	Fulfilment of all professional and technical standards	All applicable standards as confirmed by regular independent audits have been met	Meet all professional and technical standards	Meet all professional and technical standards
	Forums provided for effective collaboration with stakeholders	Community health forums, including both health-related and other community organisations, have been held during the year	Provide adequate forums for effective collaboration with stakeholders	Provide adequate forums for effective collaboration with stakeholders
	Percentage compliance with all performance targets and service standards required by the Ministry of Health contractual arrangements with the company	Certified under Health and Disability sector standards, Infection Control standards and Restraint and Minimisation standards until the end of 2014	100% compliance with performance targets and service standards required under the Ministry of Health contractual arrangements with the company	Meet and observe performance targets and service standards required under the Ministry of Health contractual arrangements with the company
Our local hospital is well managed	Percentage of planned services provided within budget	Not achieved. Operating surplus of \$491,237 compared with a budget of \$525,091 (2013: 96.24% of budget achieved)	Operate and provide 100% of planned services within budgeted income including services contract with District Health Board	Operate and provide planned services within budgeted income including services contract with District Health Board

## WHITESTONE CONTRACTING LIMITED

### Background

Whitestone Contracting Limited (Whitestone) was established in 1991 and is 100% owned by Council. Under Section 6 of the Local Government Act 2002, it is deemed to be a Council Controlled Trading Organisation. Council's objectives for continued ownership and control include:

- Stimulating a competitive contracting sector in our district
- Supporting local opportunities for a diverse labour market
- Obtaining a good return on investment commensurate with the business risks of Whitestone and the risk appetite of Council
- Providing emergency services support

### Objectives for ownership

The principal objective of Whitestone is to operate as a successful business and grow shareholder wealth. Whitestone has a vision to be a reputable and trusted contractor thereby providing a financial return on investment to its shareholder commensurate with risk, thereby benefitting the region. Whitestone contributes to the following Council outcomes:

- We provide and enable services and facilities so people want to stay and move here
- We enable opportunities for new and existing businesses

The company is focused on improving its systems and processes to improve the way in which it operates. It seeks to support local employment, the environment and the

community while at the same time maximise profit and performance that reflects our objectives for ownership. This includes providing cost effective delivery of local services and assisting in the maintenance and improvement of good quality local infrastructure. In pursuing its principal objective the company and directors shall:

- Manage the company's business activities in an efficient and effective manner
- Grow shareholder wealth
- Ensure assets and liabilities are prudently managed consistent with the nature of a contracting business
- Maximise the long term viability and profitability of the business consistent with Council's objectives for ownership
- Manage the business with the objective of achieving agreed business growth
- Consolidate, and when financially advantageous, expand the company operations in to the private and public sectors using the skill, abilities and management techniques that are available within the business
- Maintain a diversified portfolio of work and clients to ensure continuity of returns to the shareholder
- Continue to review the company's structure to ensure the most efficient structure is in place to enhance profitability
- Be customer focused and ensure good customer contract results as measured against contract specifications
- Provide a work environment that recruits, fosters and maintains safe, competent, motivated, committed and productive employees
- Recognise and reward excellent performance of any staff







- Act in an environmentally and socially responsible manner and implement sustainable business practices
- Ensure transparent and informed relationships are maintained with the shareholder in accordance with the spirit of 'no surprises'.

### **Information to be reported to shareholders**

Within two months after the end of each financial year, the directors are required to deliver to the shareholder an annual report and audited financial statements. This should include information on the operations of the Company to enable an informed assessment of the Company's performance including:

- Performance against targets in this Statement of Intent
- Performance against the Corporate Governance Statement
- Audited financial statements as required under the Financial Reporting Act 1993
- A report on compliance with the Company's Tendering Policy



## Performance targets

The table below describes how Whitestone Contracting Ltd will work towards its goals. These are aligned with the 2014/15 Statement of Intent.

Level of Service	Performance Measurement	Current Performance	Target Performance	
			Years 1 – 3 2015/16 – 2017/18	Years 4 – 10 2018/19 – 2024/25
Operate efficiently and effectively providing a financial benefit to Council	Before income tax return on opening shareholders' funds	Did not achieve the targeted return, but the actual return of 5.85% was an improvement over 0.09% reported in 2013	Achieve a before-income tax return (prior to donations, sponsorships and subvention payments) on opening shareholders' funds that exceeds 7% return on investment	Achieve a before-income tax return on opening shareholders' funds that is better than 10%
Long term viability and profitability	The number of clients spending over \$10,000 annually	Additional 30 clients spending over \$10,000 annually in 2014	Continue to diversify the portfolio of work and clients	Continue to diversify the portfolio of work and clients
All environmental, legislative and regulatory requirement met	Maintenance of the relevant quality standards	Maintained both ISO 9001 and ISO 14001 registration	Maintain ISO 9001 registration and related quality assurance programmes	Maintain ISO 9001 registration and related quality assurance progresses
			Maintain ISO 14001 standard to ensure we have systems in place to meet environmental legislative and regulatory requirements	Maintain ISO 14001 registration by ensuring systems are in place to meet environmental, legislative and regulatory requirements



Level of Service	Performance Measurement	Current Performance	Target Performance	
			Years 1 – 3 2015/16 – 2017/18	Years 4 – 10 2018/19 – 2024/25
The company seeks ways to maximise profit and performance in a way that is sustainable	Percentage increase of revenue from sources other than the Waitaki District Council over the previous year	Not achieved. Company sales to Council increased from 24% of total revenue in 2013 to 31% in 2014. This was due to the company winning open tenders from Council.	Increase the percentage of revenue obtained from sources other than the Waitaki District Council	Increase the percentage of revenue obtained from sources other than the Waitaki District Council
	The ratio of consolidated shareholder funds to total assets	Achieved a ratio of 73.64% at 30 June 2014 (2013: 68%)	In Quarter 4 of each year agree on KPI targets for the following year	Maintain the ratio of consolidated shareholder funds to total assets in the range of 60% - 80%
	The increase in market share in North Otago and other areas of operation	New measure	Maintain and grow market share in North Otago and other areas of operation	Maintain and grow market share in North Otago and other areas of operation

A word cloud featuring terms such as 'community', 'invest', 'biodiversity', 'safety', 'growth', 'work', 'play', 'water', 'gallery', and 'area'.

## Statement of Comprehensive Revenue and Expense

		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
		Actual	Budget	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
	Notes	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenue from non-exchange transactions</b>													
Rates Revenue	1	23,744	24,271	24,432	24,990	25,144	26,081	26,362	27,078	27,724	28,447	29,343	29,979
Targeted Rates for Water Supply	2	5,650	5,698	6,035	6,120	6,611	6,994	7,123	7,299	7,595	7,706	8,019	8,340
Regulatory Charges		1,220	1,323	1,359	1,393	1,430	1,467	1,509	1,554	1,603	1,657	1,712	1,775
Development and RMA Contributions		559	681	641	641	641	641	641	641	641	641	641	641
Government Grants and Subsidies	3	6,861	5,212	6,464	6,783	6,487	6,009	5,896	6,071	6,315	6,433	6,625	7,141
Other Grants and Donations	4	983	215	232	1,232	2,232	232	232	232	232	232	232	232
Petrol Tax		190	195	195	200	205	211	217	223	230	238	246	255
Infringements and Fines		60	34	46	48	50	51	52	55	56	58	59	62
Assets vested in Council		2,834	-	-	-	-	-	-	-	-	-	-	-
<b>Revenue from exchange transactions</b>													
User Charges	5	4,901	4,770	5,689	4,977	4,488	4,630	5,115	5,056	5,124	5,399	5,508	5,834
Finance Income	6	869	835	1,274	1,288	1,308	1,331	1,347	1,417	1,488	1,559	1,638	1,715
Dividend and Subvention Payments		24	150	120	120	120	120	120	120	120	120	120	120
Other Gains and Losses		(929)	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>		<b>46,966</b>	<b>43,384</b>	<b>46,487</b>	<b>47,792</b>	<b>48,716</b>	<b>47,767</b>	<b>48,614</b>	<b>49,746</b>	<b>51,128</b>	<b>52,490</b>	<b>54,143</b>	<b>56,094</b>
<b>Expenditure</b>													
Personnel costs	7	8,930	9,607	10,192	10,363	10,515	10,731	10,987	11,212	11,479	11,786	12,063	12,384
Depreciation and amortisation		12,017	11,894	11,343	11,506	11,826	12,323	12,537	12,933	13,259	13,495	13,985	14,401
Finance Costs	6	10	-	-	-	-	-	-	-	-	-	-	-
Other expenses	8	22,230	22,432	24,516	24,637	23,304	24,022	24,784	25,561	25,922	27,007	27,724	28,610
<b>Total Operating Expenditure</b>		<b>43,187</b>	<b>43,933</b>	<b>46,051</b>	<b>46,506</b>	<b>45,645</b>	<b>47,076</b>	<b>48,308</b>	<b>49,706</b>	<b>50,660</b>	<b>52,288</b>	<b>53,772</b>	<b>55,395</b>
<b>Surplus / (Deficit) from operations</b>		<b>3,779</b>	<b>(549)</b>	<b>436</b>	<b>1,286</b>	<b>3,071</b>	<b>691</b>	<b>306</b>	<b>40</b>	<b>468</b>	<b>202</b>	<b>371</b>	<b>699</b>
<b>Other Comprehensive Income</b>													
Gain/(Loss) on revaluation of Properties		6,309	-	-	5,250	-	-	6,956	-	-	8,674	-	-
Gain/(Loss) on revaluation of Roding assets		-	(2,588)	-	-	14,315	-	-	34,896	-	-	44,743	-
Gain/(Loss) on revaluation of Water assets		-	-	(212)	-	-	12,690	-	-	11,844	-	-	14,983
Gain/(Loss) on revaluation of Forest assets		15	(447)	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income		-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Other Comprehensive Income</b>		<b>6,324</b>	<b>(3,035)</b>	<b>(212)</b>	<b>5,250</b>	<b>14,315</b>	<b>12,690</b>	<b>6,956</b>	<b>34,896</b>	<b>11,844</b>	<b>8,674</b>	<b>44,743</b>	<b>14,983</b>
<b>Total Comprehensive Income</b>		<b>\$10,103</b>	<b>(\$3,584)</b>	<b>\$224</b>	<b>\$6,536</b>	<b>\$17,386</b>	<b>\$13,381</b>	<b>\$7,262</b>	<b>\$34,936</b>	<b>\$12,312</b>	<b>\$8,876</b>	<b>\$45,114</b>	<b>\$15,682</b>



## Statement of Changes in Equity

Projected for years ended 30 June 2016 - 2025

	2014 Actual \$000	2015 Budget \$000	2016 LTP \$000	2017 LTP \$000	2018 LTP \$000	2019 LTP \$000	2020 LTP \$000	2021 LTP \$000	2022 LTP \$000	2023 LTP \$000	2024 LTP \$000	2025 LTP \$000
<b>Public Equity at 1 July</b>	731,425	738,385	737,944	738,168	744,704	762,090	775,471	782,733	817,669	829,981	838,857	883,971
<b>Total Comprehensive Income</b>	10,103	(3,584)	224	6,536	17,386	13,381	7,262	34,936	12,312	8,876	45,114	15,682
<b>Public Equity at 30 June</b>	<u>\$ 741,528</u>	<u>\$ 734,801</u>	<u>\$ 738,168</u>	<u>\$ 744,704</u>	<u>\$ 762,090</u>	<u>\$ 775,471</u>	<u>\$ 782,733</u>	<u>\$ 817,669</u>	<u>\$ 829,981</u>	<u>\$ 838,857</u>	<u>\$ 883,971</u>	<u>\$ 899,653</u>



## Balance Sheet

Projected 2016 - 2025

Note:	2014 Actual \$000	2015 Budget \$000	2016 LTP \$000	2017 LTP \$000	2018 LTP \$000	2019 LTP \$000	2020 LTP \$000	2021 LTP \$000	2022 LTP \$000	2023 LTP \$000	2024 LTP \$000	2025 LTP \$000
<b>Public Equity</b>												
Ratepayers' Equity	308,299	308,369	308,631	309,403	311,246	311,661	311,845	311,869	312,150	312,271	312,494	312,913
Revaluation Reserve	406,823	407,538	410,522	415,772	430,087	442,777	449,733	484,629	496,473	505,147	549,890	564,873
Operating Reserve	14,199	6,479	5,603	6,786	7,854	7,418	6,997	6,131	5,360	4,484	3,827	4,204
Other Reserves	12,207	12,415	13,412	12,743	12,903	13,615	14,158	15,040	15,998	16,955	17,760	17,663
<b>Total Public Equity</b>	<b>\$741,528</b>	<b>\$734,801</b>	<b>\$738,168</b>	<b>\$744,704</b>	<b>\$762,090</b>	<b>\$775,471</b>	<b>\$782,733</b>	<b>\$817,669</b>	<b>\$829,981</b>	<b>\$838,857</b>	<b>\$883,971</b>	<b>\$899,653</b>
<b>Non-Current Assets</b>												
Property Plant and Equipment	712,023	701,990	699,782	711,001	727,565	736,645	739,862	770,237	777,412	781,192	820,755	831,248
Intangible Assets	1,150	1,125	1,185	1,175	1,165	1,155	1,145	1,135	1,125	1,115	1,105	1,095
Forestry	1,035	588	588	588	588	588	588	588	588	588	588	588
Other Financial Assets												
- Investments in CCO's	4,912	5,512	4,912	4,912	4,912	4,912	4,912	4,912	4,912	4,912	4,912	4,912
- Investments in other entities	145	145	145	145	145	145	145	145	145	145	145	145
- Loans to other entities	9 13,016	400	22,430	22,430	22,430	22,430	22,430	5,430	5,430	5,430	5,430	5,430
	732,281	709,760	729,042	740,251	756,805	765,875	769,082	782,447	789,612	793,382	832,935	843,418
<b>Current Assets</b>												
Cash and Cash Equivalents	4,624	6,457	6,360	4,520	4,641	5,402	6,555	6,191	6,251	6,484	7,041	6,249
Receivables from non-exchange transactions	2,322	2,850	3,063	3,151	3,213	3,149	3,206	3,282	3,375	3,466	3,577	3,708
Receivables from exchange transactions	2,541	2,505	2,693	2,770	2,824	2,768	2,818	2,885	2,966	3,046	3,143	3,258
Prepayments	298	265	310	316	322	328	334	340	346	352	358	364
Inventory	10	16	10	10	10	10	10	10	10	10	10	10
Other Financial Assets												
- Term deposits	6,000	7,500	4,500	2,500	3,000	6,000	9,000	14,000	36,000	41,000	46,000	52,000
- Loans to other entities	9 7	12,817	-	-	-	-	-	17,000	-	-	-	-
Non-current Assets held for Sale	253	-	-	-	-	-	-	-	-	-	-	-
Provision for Tax paid in Advance	2	2	-	-	-	-	-	-	-	-	-	-
	16,057	32,412	16,936	13,267	14,010	17,657	21,923	43,708	48,948	54,358	60,129	65,589
<b>Total Assets</b>	<b>748,338</b>	<b>742,172</b>	<b>745,978</b>	<b>753,518</b>	<b>770,815</b>	<b>783,532</b>	<b>791,005</b>	<b>826,155</b>	<b>838,560</b>	<b>847,740</b>	<b>893,064</b>	<b>909,007</b>
<b>Non-Current Liabilities</b>												
Provisions	10 751	625	452	544	528	529	503	487	436	444	428	416
Borrowings	2	-	-	-	-	-	-	-	-	-	-	-
	753	625	452	544	528	529	503	487	436	444	428	416
<b>Current Liabilities</b>												
Trade and Other Payables	5,000	5,695	6,224	7,254	7,162	6,483	6,689	6,899	6,996	7,289	7,482	7,721
Short Term Borrowings	1	1	-	-	-	-	-	-	-	-	-	-
Employee Entitlement Liabilities	931	910	965	981	995	1,015	1,039	1,060	1,085	1,114	1,140	1,170
Provisions	9 125	140	169	35	40	34	41	40	62	36	43	47
	6,057	6,746	7,358	8,270	8,197	7,532	7,769	7,999	8,143	8,439	8,665	8,938
<b>Total Liabilities</b>	<b>6,810</b>	<b>7,371</b>	<b>7,810</b>	<b>8,814</b>	<b>8,725</b>	<b>8,061</b>	<b>8,272</b>	<b>8,486</b>	<b>8,579</b>	<b>8,883</b>	<b>9,093</b>	<b>9,354</b>
<b>Net Assets</b>	<b>\$741,528</b>	<b>\$734,801</b>	<b>\$738,168</b>	<b>\$744,704</b>	<b>\$762,090</b>	<b>\$775,471</b>	<b>\$782,733</b>	<b>\$817,669</b>	<b>\$829,981</b>	<b>\$838,857</b>	<b>\$883,971</b>	<b>\$899,653</b>

## Statement of Cash Flows

Projected for years ended 30 June 2016 - 2025



	2014 Actual \$000	2015 Budget \$000	2016 LTP \$000	2017 LTP \$000	2018 LTP \$000	2019 LTP \$000	2020 LTP \$000	2021 LTP \$000	2022 LTP \$000	2023 LTP \$000	2024 LTP \$000	2025 LTP \$000
Notes												
<b>Cash flows from Operating Activities</b>												
Receipts from Rates Revenue	28,344	29,108	29,602	30,223	30,845	32,141	32,524	33,386	34,298	35,099	36,271	37,189
Interest received	407	435	1,274	1,288	1,308	1,331	1,347	1,417	1,488	1,559	1,638	1,715
Receipts from other revenues	16,299	13,045	15,892	16,326	16,559	14,055	14,730	14,966	15,396	15,883	16,322	17,316
Payments to suppliers and employees	(31,641)	(32,580)	(34,223)	(33,990)	(33,902)	(35,411)	(35,554)	(36,553)	(37,302)	(38,483)	(39,571)	(40,727)
Interest paid	(10)	-	-	-	-	-	-	-	-	-	-	-
Income Tax Refund Received / (Paid)	6	-	-	-	-	-	-	-	-	-	-	-
Net GST	107	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash from Operating Activities</b>	<b>13,512</b>	<b>10,008</b>	<b>12,545</b>	<b>13,847</b>	<b>14,810</b>	<b>12,116</b>	<b>13,047</b>	<b>13,216</b>	<b>13,880</b>	<b>14,058</b>	<b>14,660</b>	<b>15,493</b>
<b>Cash flows from Investing Activities</b>												
Proceeds from Sale of PP&E	311	93	121	138	78	92	132	104	148	142	92	133
Proceeds from Sale of Investments	4,162	-	26,187	26,373	24,686	25,658	28,204	31,132	36,070	41,076	46,002	50,926
Dividends/subvention payments received	24	150	120	120	120	120	120	120	120	120	120	120
Purchase of PP&E	(12,381)	(9,713)	(12,140)	(17,388)	(14,143)	(8,795)	(8,920)	(8,506)	(8,728)	(8,733)	(8,887)	(10,034)
Acquisition of Investments	(6,089)	(525)	(26,930)	(24,930)	(25,430)	(28,430)	(31,430)	(36,430)	(41,430)	(46,430)	(51,430)	(57,430)
<b>Net Cash from Investing Activities</b>	<b>(13,973)</b>	<b>(9,995)</b>	<b>(12,642)</b>	<b>(15,687)</b>	<b>(14,689)</b>	<b>(11,355)</b>	<b>(11,894)</b>	<b>(13,580)</b>	<b>(13,820)</b>	<b>(13,825)</b>	<b>(14,103)</b>	<b>(16,285)</b>
<b>Cash flows from Financing Activities</b>												
Proceeds from Borrowing	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Borrowing	(2)	(2)	-	-	-	-	-	-	-	-	-	-
<b>Net Cash from Financing Activities</b>	<b>(2)</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Increase / (Decrease) in Cash</b>	<b>(463)</b>	<b>11</b>	<b>(97)</b>	<b>(1,840)</b>	<b>121</b>	<b>761</b>	<b>1,153</b>	<b>(364)</b>	<b>60</b>	<b>233</b>	<b>557</b>	<b>(792)</b>
Total Cash Resources at 1 July	5,087	6,446	6,457	6,360	4,520	4,641	5,402	6,555	6,191	6,251	6,484	7,041
Total Cash Resources at 30 June	<b>\$4,624</b>	<b>\$6,457</b>	<b>\$6,360</b>	<b>\$4,520</b>	<b>\$4,641</b>	<b>\$5,402</b>	<b>\$6,555</b>	<b>\$6,191</b>	<b>\$6,251</b>	<b>\$6,484</b>	<b>\$7,041</b>	<b>\$6,249</b>

# STATEMENT OF ACCOUNTING POLICIES

## Reporting entity

The prospective financial statements of the Waitaki District Council are for the years ended 30 June 2016 and for the subsequent ten years, ending 30 June 2025.

We are a territorial local authority governed by the provisions of the Local Government Act 2002.

These prospective financial statements are for Council itself – consolidated group accounts have not been provided. Our consolidated group consists of the Waitaki District Council and its subsidiaries: Whitestone Contracting Limited (100% owned), Waitaki District Health Services Limited (100% owned) and Tourism Waitaki (100% owned). The investment in Omarama Airfield Limited (50% owned) is treated as a joint venture. All companies are incorporated in New Zealand.

Our primary objective is to provide goods or services for community and social benefit rather than making a financial return. Accordingly, these prospective financial statements comply with Public Benefit Entity (PBE) reporting standards, and have been prepared in accordance with Tier 1 PBE standards.

## Basis of preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and the requirements of the Local Government Act 2002. These statements are produced under Section 98, Part 6, and Part 3 of Schedule 10 of the Act. They comply with PBE IPSAS, and other applicable financial reporting standards as appropriate for public benefit entities.



The accounting policies, set out below, have been applied consistently to all periods presented in these prospective financial statements.

The prospective financial statements have been prepared on an historical cost basis, modified by the revaluation of certain property, plant and equipment: land and buildings, infrastructural and biological assets.

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

The prospective financial statements comply with PBE FRS-42 (prospective financial statements).

## Specific accounting policies

The following specific accounting policies that significantly affect the measurement of operating results, cash flows and financial position have been applied:

### Income recognition

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

- Rates are recognised when set.
- Water billing revenue is recognised when earned.
- Government grants and subsidies are recognised when eligibility has been established.
- Operating revenues represent the gross revenue from commercial operations in the ordinary course of business and are recognised when earned.



- Fees and charges are recognised when invoiced.
- Rebates are recognised when received.
- Interest income is recognised when earned.
- Dividends are recognised when received.
- Vested infrastructural assets are recognised when we accept their transfer from the subdivider. The value recognised is based on certified engineers' certificates.
- Development and financial contributions are recognised at the later of invoicing or the event that will give rise to a requirement for a development or financial contribution under the relevant legislation.
- Sales of goods are recognised when a product is sold to the customer. Sales are usually in cash or by credit card. The recorded revenue is the gross amount of the sale.

### Revenue from non-exchange transactions

We derive revenue from non-exchange transactions, where monies are received by us in relation to services which may not be provided specifically to the payer, for which services may not be provided for some time, or for which the service provided may not reflect a value equivalent to the revenue earned. Examples of non-exchange revenue include:

- Rates, which fund services that may not be accessed equally, or at all, by all ratepayers, or which may not be expended in the year in which they are received
- Development Contributions which are held for future infrastructure requirements
- Infringements and fines which are charged by us but for which no service is provided



### Revenue from exchange transactions

We also derive revenue from exchange transactions, where a measurable service is provided by us in exchange for the revenue earned by us. Examples of such transactions include:

- User charges for use of the Waitaki Aquatic Centre, landfill and similar charges
- Regulatory charges for building consents, liquor licences, dog registration and similar charges
- Interest received in relation to funds deposited, invested or lent externally

While all revenues are recognised in accordance with the principles outlined above, we have policies which require certain revenues arising from non-exchange transactions to be held in special reserves until the funds are required.

### Borrowing costs

We have elected to defer the application of PBE IPSAS 5 Borrowing Costs. Borrowing costs are recognised as an expense in the period in which they are incurred, and are not capitalised.

### Leases

#### Finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. The leased assets and corresponding liabilities are recognised and the leased assets are depreciated over the period benefit is expected from their use.

## Operating leases

Operating leases are leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset. These are charged on a straight-line basis over the term of the lease.

## Trade and other receivables

Receivables from non-exchange transactions and receivables from exchange transactions are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

## Goods and Services Tax (GST)

These prospective financial statements have been prepared on a GST exclusive basis. Any net GST due or owing at balance date is included in trade and other payables or receivables from non-exchange transactions or receivables from exchange transactions (as appropriate). Receivables from non-exchange transactions, receivables from exchange transactions and trade and other payables are stated inclusive of GST. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

## Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. The carrying value of cash at bank and term deposits with maturities less than three months approximate fair value.

## Inventories

Inventories, comprising materials on hand, are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis. Any write down from cost to net realisable value is recognised immediately in the surplus or deficit.

## Financial assets

We classify our financial assets in four categories: financial assets at fair value through surplus or deficit, held to maturity investments, loans and receivables and available for sale. The classification depends on the purpose for acquiring the investments. Management determines the classification of investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit.

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

The fair value of financial instruments traded in active markets is based on quoted market prices at balance sheet date. The quoted market price used is the current bid price. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. We use a variety of methods and make assumptions based on market conditions existing at each balance date. Techniques,



such as discounted expected cash flows, are used to determine fair value for the remaining financial instruments.

Of the four categories of financial assets, only two are relevant to us.

### Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit. Loans and receivables are classified as *receivables from non-exchange transactions*, *receivables from exchange transactions* or *other financial assets* as appropriate in the balance sheet.

### Available for sale financial assets

These financial assets are either designated as *available-for-sale* or cannot be classified in the other categories above. This category encompasses:

- investments that we intend to hold long-term but which may be realised before maturity; and
- shareholdings that we hold for strategic purposes.

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

Gains and losses are recognised in other comprehensive income except for impairment losses, which are recognised in the surplus or deficit. In the event of impairment, any cumulative losses previously recognised in other comprehensive income will be reclassified from equity and recognised in the surplus or deficit even though the asset



has not been de-recognised. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is recognised in the surplus or deficit.

### Impairment of financial assets

At each balance date we assess whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in surplus or deficit.

A provision for impairment of receivables is established when there is objective evidence that we will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

### Financial liabilities

Interest bearing borrowings are classified as other non-derivative financial instruments and are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest rate method.

### Trade and other payables

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

### Investment properties

Investment properties are held to earn income or for capital appreciation, do not include

properties held for strategic purposes or to provide a social service, and are initially measured at cost including transaction costs unless acquired at less than fair value when they are recognised at fair value. They are not depreciated, and are de-recognised when disposed of or permanently withdrawn from use and no future benefit is expected. Gains or losses on de-recognition are recognised in the surplus or deficit in the year of de-recognition.

We currently propose there are no properties that we would classify as investment properties over the life of this Long Term Plan.

### **Non-current assets held for sale**

Non-current assets held for sale are recognised as a current asset when the sale is highly probable, there is commitment to a plan to sell, and that sale is expected to occur within one year. They are valued at the lower of the carrying value and their fair value less disposal costs.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets are not depreciated while they are classified as held for sale.

### **Forestry**

Forestry is the estimated worth of maturing tree stocks in our forests as at date of valuation. The valuation method adopted is net present value based on the age and condition of the trees. Our forests are revalued annually as at 30 June each year.



The costs to maintain the forestry assets are included in the reported surplus or deficit. Our forestry plantations are professionally managed, and we adhere strictly to a replanting plan developed by our advisers to ensure we have no liability under the Emissions Trading Scheme.

### **Property, plant and equipment**

Property, Plant and Equipment consists of:

**Operational assets** – including land, buildings, landfill (post closure), library books, plant and equipment, furniture and fittings, and motor vehicles.

**Restricted assets** – including parks and reserves owned by us to provide benefit or service to the community and which cannot be disposed of because of legal or other restrictions.

**Infrastructure assets** – the fixed utility systems owned by us. Each 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 are shown at cost or valuation, less accumulated depreciation and impairment losses.

### **Additions**

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits or service potential associated with the item will flow to us and the cost of the item can be measured reliably. In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

## Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

## Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to us and the cost of the item can be measured reliably.

## Revaluations

Certain classes of assets, as detailed below, are revalued. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value.

## Land and buildings

Property holdings are valued every three years – the results of the next such revaluation will be recognised in the 2017 financial year.

## Infrastructural assets

Infrastructural assets are utility assets that provide a continuing service to the community. They are recorded at valuation, based on optimised depreciated replacement cost, with subsequent additions recorded at cost until the next revaluation.



Valuations are performed every three years. The next revaluation of water infrastructure will be recognised in the 2016 financial year and of roading infrastructure in the 2018 financial year.

Vested infrastructural assets are initially recorded at valuation based on engineers' certificates. This Long Term Plan does not include the receipt of any vested assets.

## Infrastructural assets – work in progress

Capital projects that are incomplete at balance date are regarded as work in progress. The value of work in progress is included in fixed assets, but is not depreciated until it has been commissioned. Movements into work in progress represent the value of work done on incomplete capital projects, while movements out of work in progress represent the final capitalisation of the completed project.

## Harbour assets

Harbour wharves and structures and the Oamaru Harbour breakwater were valued at June 1992. This value represents deemed cost, with subsequent additions recorded at cost. These assets are not revalued.

## Library collection

Library collections are carried at depreciated replacement cost. Valuations are performed annually by the Head Librarian and are not subject to independent review because they are based on readily available market prices.

## Cultural and heritage assets



These assets provide a cultural or heritage service to the community, and include North Otago Museum artefacts, the Forrester Gallery art collection and the libraries’ resources. They are recorded at valuation, based on net current value, with subsequent additions recorded at cost.

**Accounting for revaluations**

Results of revaluations of property, plant and equipment are reflected in other comprehensive income and are held in an asset revaluation reserve for that class of asset. Where a revaluation causes a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then in other comprehensive income.

**Depreciation**

**General**

Unless otherwise stated, all our fixed assets are depreciated on a straight-line basis at rates that will write-off their cost or valuation, less any estimated realisable value, over their expected useful lives.

**Land**

Land is not depreciated.

**Buildings**

Buildings are depreciated over their expected lives of 15 to 100 years, dependent on the method of construction.

**Cultural and heritage assets**

Other than library resources, cultural and heritage assets are not depreciated. Library resources are depreciated over their expected lives of seven years.

**Depreciation**

Depreciation has been calculated on a straight-line basis as follows:

Asset Category	Depreciation Base
<b>Infrastructural Assets</b>	
Roading	
formation, base course	not depreciated
pavement structure	30 – 70 years
surfacing	4 – 17 years
drainage, footpaths	10 – 100 years
bridges, retaining structures	50 – 100 years
streetlights, railings	4 – 35 years
Water schemes	
head works	10 – 100 years
reservoirs	10 – 150 years
pumps	10 – 20 years
reticulation	40 – 150 years



Sewerage schemes	
reticulation	50 – 120 years
pumps	10 – 20 years
treatment works	10 – 100 years
Stormwater reticulation	80 – 150 years
Transfer stations and landfill developments	3 – 25 years
Alps2Ocean Cycle Trail	
track formation, base course	not depreciated
track surface	10 years
bridges, retaining structures	50 – 60 years
facilities: signage	12 years
facilities: livestock proofing (gates, fencing, etc)	35 years
<b>Harbour Assets</b>	
Wharves and Breakwater	40 – 100 years
<b>Other Assets</b>	
Other assets are depreciated over their expected useful lives:	
<b>Asset Category</b>	<b>Depreciation Base</b>
Motor vehicles	3 – 10 years
Office equipment	2 – 5 years
Office furniture and fittings	2 – 10 years

## Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance. The main categories of intangible assets are:

### Software

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring into use. Costs associated with maintaining computer software are expensed when incurred. The useful life of software is three to 10 years and the cost is amortised on a straight-line basis.

### Other intangible assets including:

#### Emissions Trading Scheme – carbon credits

Carbon credits received under the Emissions Trading Scheme were assessed at their fair value at 30 June 2013, while carbon credits purchased since that time are valued at their cost price. Carbon credits are not amortised, as they represent current expenditure relating to a known future event, and market pricing for these commodities is generally trending upwards. Carbon credits surrendered to meet our obligations relating to assessed landfill emissions are treated as disposals.

### Other

These are other intangible assets with an identifiable useful life of 25 years, which are amortised on a straight-line basis.

### Impairment of property, plant and equipment, and intangible assets

Intangible assets with a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indication 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 asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service.

For revalued assets the impairment loss is recognised against other comprehensive income and the revaluation reserve for that class of asset. If that would result in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

## **Employee entitlements**

### **Short-term benefits**

Employee benefits that we expect 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, and long service leave entitlements expected to be settled within 12 months.

We recognise a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

### **Long service leave**

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave are calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cash flows, using an appropriate discount rate and inflation factor.

## **Superannuation schemes**

### **Defined contribution schemes**

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

### **Multi-employer defined benefit schemes**

We belong to a Defined Benefit Plan Contributors Scheme (the scheme), 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 accounting, as it is not possible to determine, from the terms of the scheme, the extent to which the 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.





## Provisions

We recognise a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

The most significant provisions relate to landfill post closure costs. We own Oamaru and Palmerston operational landfills, and are also responsible for several closed landfills throughout the district. We have a legal obligation to apply for resource consents when the landfills reach the end of their operating life and are to be closed.

These resource consents set out the closure requirements including an obligation for on-going maintenance and monitoring at the landfill site after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

The provision is measured on the present value of future cash flows expected, taking into account future events, including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure.

The calculations assume no change in the legislative requirements for post-closure treatment.

Amounts provided for landfill post-closure are capitalised to the landfill assets where they give rise to future economic benefits. The capitalised landfill asset is depreciated over the life of the landfill based on the anticipated capacity used.

## Financial instruments

We are party to financial instrument arrangements as part of everyday operations. These financial instruments include bank overdraft and draw-down facilities, short-term deposits, investments, debtors and creditors.

All financial instruments are recognised in the Balance Sheet, while related income and expenditure is recognised in the surplus or deficit.

## Equity

Equity is the community's interest in us, measured as the difference between total assets and total liabilities. Public equity is disaggregated and classified into a number of reserves to enable clearer identification of the specified uses that we make of its accumulated surpluses.

The components of equity are:

- Ratepayers equity
- Restricted reserves (Special Funds)
- Operating reserves
- Asset revaluation reserves

## Reserves

Reserves are a component of equity generally representing a particular purpose to which various parts of equity have been assigned. Reserves may be legally restricted or created by us.





Restricted reserves are subject to specific conditions accepted as binding by us and which may not be revised without reference to the Courts or third parties. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Operating reserves are established by Council decision, and may be altered without reference to any third parties or the Courts. Transfers to and from these reserves are at our discretion.

Asset revaluation reserves represent unrealised gains on assets owned by us. The gains are held in the reserve until the gain is realised and a transfer can be made to operating reserves.

## Capital management

Council's capital is its equity (or ratepayers' funds), comprising retained earnings and reserves. Net equity is represented by net assets.

The Act requires us to manage our revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by us. Intergenerational equity requires today's ratepayers to meet the costs of utilising our assets but does not expect them to meet the full cost of long term assets that will benefit ratepayers in future generations.

We have in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the full costs of deferred renewals and maintenance.

The Act requires us to make adequate and effective provision in our Long Term Plan to meet the expenditure needs identified in those plans, and sets out factors that we must consider when determining the most appropriate sources of funding for each activity. The sources and levels of funding are set out in the funding and financial policies in this Long Term Plan.

## Comparative figures

Figures presented for the 2013/14 financial year are sourced directly from the audited annual report for the year ended 30 June 2014, and are subject to minor changes as outlined in the section *Changes in Accounting Policy*.

Figures presented for the 2014/15 financial year are sourced from our audited annual plan for that period.

## Groups of activities

Groups of Activities report the net cost of services for significant Council activities, and represent the costs of providing the service less all revenue that can be allocated to these activities.

## Cost allocation

We derive the net cost of service for each significant activity using a cost allocation system whereby direct costs are charged directly to those activities, while indirect

costs are charged to those activities based on cost drivers and related activity/usage information.

### Criteria for direct and indirect costs

*Direct costs* are directly attributable to an activity. *Indirect costs* are costs that cannot be attributed in an economically feasible manner to a specific significant activity.

### Cost drivers for allocation of indirect costs

Internal services not directly charged to activities are allocated as overheads using appropriate cost drivers such as actual usage, staff numbers, and floor area.

## Critical accounting estimates and assumptions

In preparing these prospective financial statements we have made estimates and assumptions concerning the future, which may differ from the subsequent actual results.

### Infrastructural assets

A number of assumptions and estimates are made when performing depreciated replacement cost valuations of infrastructural assets. These include:

- Assessing the physical deterioration and condition of an asset - for example we may be carrying an asset at an amount that does not reflect its actual condition, especially for those assets that are not visible, such as stormwater, wastewater and water supply pipes that are underground. We minimise this risk by performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and

- Estimating the remaining useful lives over which assets will be depreciated. Such estimates can be affected by local conditions such as weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then we could over- or under-state the annual depreciation charge recognised as an expense in arriving at the surplus or deficit. To minimise this risk, infrastructural assets' useful lives are determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are carried out regularly as part of our asset management planning activities to give further assurance over the estimates of useful life.

## Critical judgements in applying our accounting policies

Management has exercised the following critical judgements in applying accounting policies over the ten years of this Long Term Plan.

### Classification of property

#### Community housing

We own and maintain properties for community housing. The receipt of market-based rental is incidental to holding these properties, which are held for service delivery objectives as part of our social housing policy, and are accounted for as property, plant and equipment.

#### Unoccupied land

We own unoccupied land. Given the uncertainty over the future intended use of the land, we, in applying our judgement, have not classified the property as investment





property.

## Forestry

Reliance has been placed on the advice of external forestry managers in determining the likely timing of harvesting operations related to forestry. The proceeds of forestry harvesting do not have an impact on the determination of rates requirements.

## Changes in accounting policies

These prospective financial statements have been prepared in accordance with the PBE standards, implying compliance with NZ GAAP. We have previously reported in accordance with NZ IFRS (PBE).

These are the first financial statements to be prepared using the new accounting standards. No significant changes have arisen as a consequence of the transition to the new standards, except for the following:

*PBE IPSAS 1: Presentation of Financial Statements and PBE IPSAS 23: Revenue from Non-Exchange Transactions* prescribe the requirements for reporting revenue arising from non-exchange transactions separately to revenue from exchange transactions. There was no equivalent reporting standard under NZ IFRS. In applying this new standard, we have been required to consider our policy regarding each form of revenue received, and also to reallocate elements of revenue previously reported as part of Other Gains/Losses.

Category	2014 Annual Report \$000	Re-stated Income Figures \$000	PBE Standard applied
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Other gains / (losses)	1,920	(929)	<i>PBE IPSAS 1.88</i> <i>PBE IPSAS 23.106</i>
Assets vested in Council at no cost	N/A	2,834	
Gain/(loss) on revaluation of forestry assets	N/A	15	

*PBE IPSAS 1: Presentation of Financial Statements* also requires Receivables from Non-Exchange Transactions to be stated separately to Receivables from Exchange Transactions.

Category	2014 Annual Report \$000	Re-stated Income Figures \$000	PBE Standard applied
Trade and other receivables	4,863	-	<i>PBE IPSAS 1.88</i>
Receivables from non-exchange transactions	N/A	2,322	
Receivables from exchange transactions	N/A	2,541	

*PBE IPSAS 20: Related Party Disclosures* requires the disclosure of remuneration, including non-financial benefits, of key management personnel, including councillors. Payment of Fringe Benefit Tax relates directly to non-financial benefits enjoyed by certain councillors and employees, and is more correctly disclosed as part of personnel costs. The remuneration of councillors relates to their services as members of the governing body of Council.



# NOTES



## Notes to support the Statement of Comprehensive Income

Projected for years ended 30 June 2016 - 2025

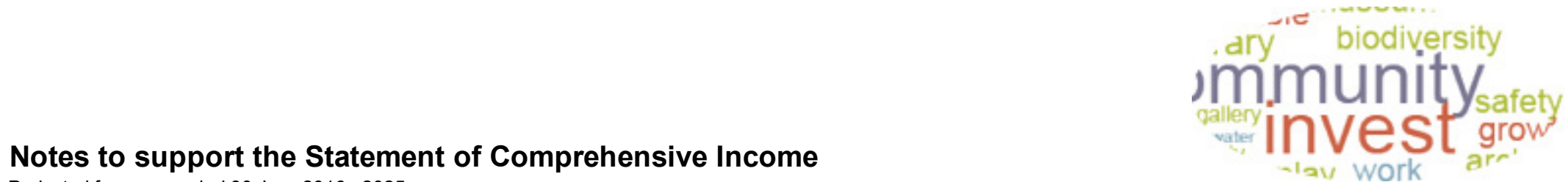
	2014 Actual \$000	2015 Budget \$000	2016 LTP \$000	2017 LTP \$000	2018 LTP \$000	2019 LTP \$000	2020 LTP \$000	2021 LTP \$000	2022 LTP \$000	2023 LTP \$000	2024 LTP \$000	2025 LTP \$000
<b>Note 1: Rates Revenue</b>												
General Rates	2,170	2,160	1,900	1,939	1,834	1,888	1,958	2,076	2,172	2,293	2,400	2,410
District Services Rates	1,433	1,637	1,301	1,322	1,243	1,265	1,351	1,405	1,461	1,589	1,633	1,684
Uniform Annual General Charge	4,408	4,345	4,649	4,780	4,945	5,031	5,117	5,097	5,185	5,325	5,422	5,498
Ward Rates	6,351	6,334	6,433	6,645	6,850	7,043	7,150	7,320	7,454	7,660	7,848	8,015
Separate Rates	8,820	9,370	9,724	9,868	9,825	10,395	10,314	10,693	10,950	11,062	11,504	11,817
Rates Penalties charged	562	425	425	436	447	459	472	487	502	518	536	555
	<b>23,744</b>	<b>24,271</b>	<b>24,432</b>	<b>24,990</b>	<b>25,144</b>	<b>26,081</b>	<b>26,362</b>	<b>27,078</b>	<b>27,724</b>	<b>28,447</b>	<b>29,343</b>	<b>29,979</b>
<b>Note 2: Targeted Rates for Water Supply</b>												
Targeted Rates for water supply	5,168	5,261	5,595	5,669	6,148	6,519	6,634	6,795	7,076	7,170	7,464	7,765
User charges for water supply by meter	482	437	440	451	463	475	489	504	519	536	555	575
	<b>5,650</b>	<b>5,698</b>	<b>6,035</b>	<b>6,120</b>	<b>6,611</b>	<b>6,994</b>	<b>7,123</b>	<b>7,299</b>	<b>7,595</b>	<b>7,706</b>	<b>8,019</b>	<b>8,340</b>
<b>Note 3: Government Grants and Subsidies</b>												
New Zealand Transport Agency subsidies	6,084	5,072	6,344	6,664	6,368	5,890	5,776	5,950	6,195	6,313	6,504	7,022
Ministry of Business, Innovation & Employment	501	-	-	-	-	-	-	-	-	-	-	-
Department of Conservation	155	-	-	-	-	-	-	-	-	-	-	-
Ministry for the Environment	66	60	60	60	60	60	60	60	60	60	60	60
Ministry for Youth Development	-	-	-	-	-	-	-	-	-	-	-	-
Other Government grants and subsidies	55	80	60	59	59	59	60	61	60	60	61	59
	<b>6,861</b>	<b>5,212</b>	<b>6,464</b>	<b>6,783</b>	<b>6,487</b>	<b>6,009</b>	<b>5,896</b>	<b>6,071</b>	<b>6,315</b>	<b>6,433</b>	<b>6,625</b>	<b>7,141</b>
<b>Note 4: Other Grants and Subsidies</b>												
Alps2Ocean Cycletrail construction	281	-	-	-	-	-	-	-	-	-	-	-
Omarama Hall upgrade	105	-	-	-	-	-	-	-	-	-	-	-
Moeraki community - Haven Street rebuild	-	-	-	-	-	-	-	-	-	-	-	-
Est P T Mulligan (bequest)	250	-	-	-	-	-	-	-	-	-	-	-
Cultural Facility upgrade	-	-	-	1,000	2,000	-	-	-	-	-	-	-
Other Grants & Subsidies	347	215	232	232	232	232	232	232	232	232	232	232
	<b>983</b>	<b>215</b>	<b>232</b>	<b>1,232</b>	<b>2,232</b>	<b>232</b>	<b>232</b>	<b>232</b>	<b>232</b>	<b>232</b>	<b>232</b>	<b>232</b>

## Notes to support the Statement of Comprehensive Income

Projected for years ended 30 June 2016 - 2025

	2014 Actual \$000	2015 Budget \$000	2016 LTP \$000	2017 LTP \$000	2018 LTP \$000	2019 LTP \$000	2020 LTP \$000	2021 LTP \$000	2022 LTP \$000	2023 LTP \$000	2024 LTP \$000	2025 LTP \$000
<b>Note 5: User Charges</b>												
Property rentals	1,412	1,356	1,429	1,468	1,506	1,547	1,591	1,639	1,690	1,745	1,804	1,869
Landfill and waste disposal	1,036	896	746	765	627	644	662	682	703	727	751	778
Proceeds of forestry logging	433	433	1,233	408	-	-	236	114	-	-	-	-
Other user charges	2,020	2,085	2,281	2,336	2,355	2,439	2,626	2,621	2,731	2,927	2,953	3,187
	4,901	4,770	5,689	4,977	4,488	4,630	5,115	5,056	5,124	5,399	5,508	5,834
<b>Note 6: Finance</b>												
<b>- Finance Income</b>												
Interest - Bank	394	264	117	131	151	174	190	260	331	1,274	1,353	1,430
Interest - North Otago Irrigation Company Ltd	462	550	872	872	872	872	872	872	872	-	-	-
Interest - Waitaki District Health Services Ltd	-	-	263	263	263	263	263	263	263	263	263	263
Interest - Other community loans	13	21	22	22	22	22	22	22	22	22	22	22
Total Finance Income	869	835	1,274	1,288	1,308	1,331	1,347	1,417	1,488	1,559	1,638	1,715
<b>- Finance expense</b>												
Interest on bank borrowings	-	-	-	-	-	-	-	-	-	-	-	-
Interest on bank overdraft	-	-	-	-	-	-	-	-	-	-	-	-
Use of money interest charges	10	-	-	-	-	-	-	-	-	-	-	-
Total Finance Costs	10	-	-	-	-	-	-	-	-	-	-	-
<b>Note 7: Personnel Costs</b>												
Salaries and wages	8,257	8,993	9,539	9,698	9,836	10,039	10,279	10,488	10,737	11,026	11,283	11,583
Defined contribution plan employer contributions	200	183	222	226	231	235	241	246	252	258	265	272
Fringe Benefit Tax	31	39	39	40	40	41	42	43	44	45	46	48
Redundancy and severance payments	71	-	-	-	-	-	-	-	-	-	-	-
Total Staff costs	8,559	9,215	9,800	9,964	10,107	10,315	10,562	10,777	11,033	11,329	11,594	11,903
Elected Members' Remuneration	360	369	369	376	384	392	400	410	419	430	441	453
Reimbursing Allowances	7	19	19	19	20	20	21	21	22	22	23	23
Fringe Benefit Tax	4	4	4	4	4	4	4	4	5	5	5	5
Total Elected Members' Remuneration	371	392	392	399	408	416	425	435	446	457	469	481
	8,930	9,607	10,192	10,363	10,515	10,731	10,987	11,212	11,479	11,786	12,063	12,384





# Notes to support the Statement of Comprehensive Income

Projected for years ended 30 June 2016 - 2025

	2014 Actual \$000	2015 Budget \$000	2016 LTP \$000	2017 LTP \$000	2018 LTP \$000	2019 LTP \$000	2020 LTP \$000	2021 LTP \$000	2022 LTP \$000	2023 LTP \$000	2024 LTP \$000	2025 LTP \$000
<b>Note 8: Other Operating costs</b>												
Audit Fees - Annual Report	109	125	125	127	130	133	136	139	142	146	149	153
Audit Fees - Long Term Plan	-	75	-	-	78	-	-	83	-	-	90	-
Community grants and donations	741	1,062	757	759	616	601	606	614	622	628	637	645
Total Bad Debts written off	101	250	250	256	263	270	278	286	295	305	315	326
Rate remissions (refer also to Note 1)	243	245	312	251	258	265	272	280	289	299	309	320
Renting and Leasing	127	130	115	118	121	124	128	132	136	140	146	150
Electricity	1,655	1,592	1,573	1,573	1,690	1,690	1,690	1,906	1,906	1,906	2,188	2,188
Insurance	509	532	495	510	521	535	554	567	584	607	624	647
Forestry harvesting costs	408	413	994	446	113	87	240	130	91	93	94	98
Other Expenditure	18,337	18,008	19,895	20,597	19,514	20,317	20,880	21,424	21,857	22,883	23,172	24,083
	22,230	22,432	24,516	24,637	23,304	24,022	24,784	25,561	25,922	27,007	27,724	28,610



## Notes to support the Balance Sheet

Projected for years ended 30 June 2016 - 2025



	2014 Actual \$000	2015 Budget \$000	2016 LTP \$000	2017 LTP \$000	2018 LTP \$000	2019 LTP \$000	2020 LTP \$000	2021 LTP \$000	2022 LTP \$000	2023 LTP \$000	2024 LTP \$000	2025 LTP \$000
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### Note 9: Loans to Other Entities - Non-current portion

North Otago Irrigation Company Ltd	12,644	-	17,000	17,000	17,000	17,000	17,000	-	-	-	-	-
Oamaru Whitestone Civic Trust	365	400	420	420	420	420	420	420	420	420	420	420
Waitaki District Health Services Ltd	-	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Other entities	7	-	10	10	10	10	10	10	10	10	10	10
	13,016	400	22,430	22,430	22,430	22,430	22,430	5,430	5,430	5,430	5,430	5,430

### - Current portion

North Otago Irrigation Company	-	12,810	-	-	-	-	-	17,000	-	-	-	-
Oamaru Whitestone Civic Trust	-	-	-	-	-	-	-	-	-	-	-	-
Waitaki District Health Services Ltd	-	-	-	-	-	-	-	-	-	-	-	-
Other entities	7	7	-	-	-	-	-	-	-	-	-	-
	7	12,817	-	-	-	-	-	17,000	-	-	-	-
	13,023	13,217	22,430	22,430	22,430	22,430	22,430	22,430	5,430	5,430	5,430	5,430

The advance to the North Otago Irrigation Company is due for repayment in the 2016 financial year. However, in July 2015 additional funds will be provided, and the loan effectively replaced with a new advance due to be repaid in June 2022. Hence the debt is reported as current in both 2015 and 2021.

### Note 10: Provision for Closed Landfills

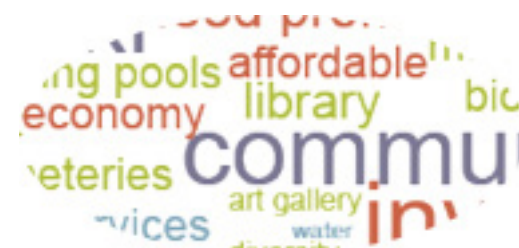
Opening balance	730	751	765	607	579	568	563	544	527	498	480	471
Additional provision made	311	275	79	141	24	35	15	24	11	44	27	35
Provision used	(165)	(275)	(223)	(169)	(35)	(40)	(34)	(41)	(40)	(62)	(36)	(43)
	876	751	621	579	568	563	544	527	498	480	471	463
Analysed as												
- Non-current portion	751	625	452	544	528	529	503	487	436	444	428	416
- Current portion	125	140	169	35	40	34	41	40	62	36	43	47
	876	765	621	579	568	563	544	527	498	480	471	463

The provision for closed landfills has been established to recognise Council's obligation to restore land formerly used for landfill operations, and to monitor the sites to ensure that adverse effects are mitigated. The provision at any time represents the net present value of Council's projected costs over the thirty year period commencing at the closure date

## RECONCILIATIONS & OTHER DISCLOSURES

### Reconciliation of Net Operating Surplus to Cash Flows from Operating Activities

Projected for years ended 30 June 2016 - 2025



	2014 Actual \$000	2015 Budget \$000	2016 LTP \$000	2017 LTP \$000	2018 LTP \$000	2019 LTP \$000	2020 LTP \$000	2021 LTP \$000	2022 LTP \$000	2023 LTP \$000	2024 LTP \$000	2025 LTP \$000
Notes												
Net Operating Surplus	3,779	(549)	436	1,286	3,071	691	306	40	468	202	371	699
Less Dividends	(24)	(150)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)
<u>Add/(Less) Non-cash items</u>												
Depreciation/Amortisation	12,017	11,894	11,343	11,506	11,826	12,323	12,537	12,933	13,259	13,495	13,985	14,401
Interest compounded	(462)	(400)	-	-	-	-	-	-	-	-	-	-
Net Loss/(Profit) on sale of Assets	509	-	-	-	-	-	-	-	-	-	-	-
Vested Assets	(2,834)	-	-	-	-	-	-	-	-	-	-	-
	9,230	11,494	11,343	11,506	11,826	12,323	12,537	12,933	13,259	13,495	13,985	14,401
<u>Add/(Less) movement in other Working Capital items</u>												
Total budgeted movement	-	(787)	-	-	-	-	-	-	-	-	-	-
Decrease/(Increase) in Receivables from non-exchan	588	-	213	88	62	(64)	57	76	93	91	111	131
Decrease/(Increase) in Receivables from exchange transactions	-	-	188	77	54	(56)	50	67	81	80	97	115
Decrease/(Increase) in Prepayments	(43)	-	45	6	6	6	6	6	6	6	6	6
Decrease/(Increase) in Inventories	60	-	-	-	-	-	-	-	-	-	-	-
Increase/(Decrease) in Trade and other Payables	(267)	-	529	1,030	(92)	(679)	206	210	97	293	193	239
Increase/(Decrease) in Employee Entitlements	41	-	55	16	14	20	24	21	25	29	26	30
Increase/(Decrease) in Landfill Closure provision	142	-	(144)	(42)	(11)	(5)	(19)	(17)	(29)	(18)	(9)	(8)
Increase/(Decrease) in Provision for Taxation	6	-	-	-	-	-	-	-	-	-	-	-
	527	(787)	886	1,175	33	(778)	324	363	273	481	424	513
<b>Net Cash from Operating Activities</b>	<b>13,512</b>	<b>10,008</b>	<b>12,545</b>	<b>13,847</b>	<b>14,810</b>	<b>12,116</b>	<b>13,047</b>	<b>13,216</b>	<b>13,880</b>	<b>14,058</b>	<b>14,660</b>	<b>15,493</b>

## Reconciliation of Funding Impact Statements by Group of Activities

### Summary Income and Expenditure by Group of Activities



	2014 Actual \$000	2015 Budget \$000	2016 LTP \$000	2017 LTP \$000	2018 LTP \$000	2019 LTP \$000	2020 LTP \$000	2021 LTP \$000	2022 LTP \$000	2023 LTP \$000	2024 LTP \$000	2025 LTP \$000
<b>Operating Revenue</b>												
Roads & Footpaths	4,135	3,241	4,251	4,257	3,786	3,835	3,934	4,044	4,162	4,290	4,430	4,576
Waste Water	574	657	729	736	744	752	761	771	781	792	804	817
Stormwater Drainage	-	-	-	-	-	-	-	-	-	-	-	-
Water Supply	950	813	815	826	838	850	864	879	894	911	930	950
Waste Management & Minimisation	1,116	956	806	825	687	704	722	742	763	787	811	838
Arts, Heritage & Community	881	641	652	673	694	725	757	793	831	871	913	959
Parks & Recreation	1,322	1,294	2,212	1,414	1,031	1,059	1,325	1,236	1,157	1,194	1,235	1,280
Democracy, Accountability & Planning	114	34	31	87	31	31	92	31	31	98	31	31
Commercial & Development Activities	2,264	1,977	2,432	2,431	2,506	2,571	2,682	2,823	2,968	3,134	3,263	3,531
Environment, Regulation & Safety	1,483	1,515	1,441	1,475	1,512	1,552	1,595	1,592	1,641	1,696	1,753	1,816
Support Services (Net Allocated)	14,251	15,056	16,160	16,507	16,820	17,104	17,595	17,992	18,393	18,966	19,368	19,862
<b>Operational Revenue per Activity FIS</b>	<b>27,090</b>	<b>26,184</b>	<b>29,529</b>	<b>29,231</b>	<b>28,649</b>	<b>29,183</b>	<b>30,327</b>	<b>30,903</b>	<b>31,621</b>	<b>32,739</b>	<b>33,538</b>	<b>34,660</b>
<b>Total Sources of Capital Funding</b>												
Roads & Footpaths	2,560	2,706	2,992	3,323	3,519	3,024	2,833	2,923	3,075	3,093	3,174	3,576
Waste Water	89	116	116	116	116	116	116	116	116	116	116	116
Stormwater Drainage	-	-	-	-	-	-	-	-	-	-	-	-
Water Supply	300	275	275	275	275	275	275	275	275	275	275	275
Waste Management & Minimisation	-	-	-	-	-	-	-	-	-	-	-	-
Arts, Heritage & Community	6	-	-	1,000	2,000	-	-	-	-	-	-	-
Parks & Recreation	9	-	-	-	-	-	-	-	-	-	-	-
Democracy, Accountability & Planning	-	-	-	-	-	-	-	-	-	-	-	-
Commercial & Development Activities	3,092	374	46	53	52	55	63	62	66	74	74	63
Environment, Regulation & Safety	71	150	110	110	110	110	110	110	110	110	110	110
Support Services (Net Allocated)	61	90	74	85	26	37	69	42	82	68	18	70
<b>Capital Revenue per Activity FIS</b>	<b>6,188</b>	<b>3,711</b>	<b>3,613</b>	<b>4,962</b>	<b>6,098</b>	<b>3,617</b>	<b>3,466</b>	<b>3,528</b>	<b>3,724</b>	<b>3,736</b>	<b>3,767</b>	<b>4,210</b>
Add total Rates	28,351	29,107	29,601	30,218	30,842	32,140	32,520	33,383	34,297	35,093	36,267	37,188
Less Internal recoveries included	(14,338)	(15,153)	(16,137)	(16,484)	(16,797)	(17,079)	(17,570)	(17,966)	(18,367)	(18,939)	(19,339)	(19,832)
<b>Revenue per Total Activities FIS</b>	<b>47,291</b>	<b>43,849</b>	<b>46,606</b>	<b>47,927</b>	<b>48,792</b>	<b>47,861</b>	<b>48,743</b>	<b>49,848</b>	<b>51,275</b>	<b>52,629</b>	<b>54,233</b>	<b>56,226</b>
Remove increase/decrease in debt	2	2	1	-	-	-	-	-	-	-	-	-
Adjust Sales contra account	(311)	(466)	(121)	(138)	(78)	(92)	(132)	(104)	(148)	(142)	(92)	(133)
Adjust internal revenue	-	(1)	1	3	2	(2)	3	2	1	3	2	1
Adjust Forestry revaluation	(16)	-	-	-	-	-	-	-	-	-	-	-
<b>Revenue per Statement of Comprehensive Income</b>	<b>46,966</b>	<b>43,384</b>	<b>46,487</b>	<b>47,792</b>	<b>48,716</b>	<b>47,767</b>	<b>48,614</b>	<b>49,746</b>	<b>51,128</b>	<b>52,490</b>	<b>54,143</b>	<b>56,094</b>



## Reconciliation of Funding Impact Statements by Group of Activities (continued)

### Summary Income and Expenditure by Group of Activities

	2014 Actual \$000	2015 Budget \$000	2016 LTP \$000	2017 LTP \$000	2018 LTP \$000	2019 LTP \$000	2020 LTP \$000	2021 LTP \$000	2022 LTP \$000	2023 LTP \$000	2024 LTP \$000	2025 LTP \$000
<b>Total Applications of Operating Funding</b>												
Roads & Footpaths	7,772	6,158	7,869	7,992	7,177	7,368	7,519	7,735	7,936	8,160	8,436	8,691
Waste Water	1,357	1,544	1,899	1,732	1,803	1,949	1,953	1,959	2,103	2,050	2,138	2,323
Stormwater Drainage	151	197	190	193	197	250	406	411	417	422	428	436
Water Supply	4,062	4,317	4,540	4,544	4,851	4,936	5,020	5,170	5,253	5,329	5,588	5,646
Waste Management & Minimisation	1,721	1,608	1,636	1,713	1,622	1,662	1,674	1,720	1,750	1,832	1,865	1,928
Arts, Heritage & Community	3,688	3,764	3,933	4,064	4,170	4,306	4,416	4,525	4,615	4,748	4,861	4,974
Parks & Recreation	4,292	4,492	5,175	4,820	4,520	4,594	4,862	4,894	4,981	5,125	5,303	5,466
Democracy, Accountability & Planning	3,345	3,633	3,410	3,597	3,642	3,590	3,838	3,897	3,855	4,135	4,201	4,168
Commercial & Development Activities	3,149	3,693	3,016	3,185	2,645	2,902	2,842	3,187	3,122	3,567	3,416	3,829
Environment, Regulation & Safety	3,147	3,823	3,953	4,124	4,176	4,161	4,259	4,313	4,415	4,532	4,649	4,639
Support Services (Net Allocated)	13,370	14,491	15,624	15,922	16,217	16,522	16,969	17,347	17,746	18,262	18,677	19,169
<b>Total Operational expenditure per FIS</b>	<b>46,054</b>	<b>47,720</b>	<b>51,245</b>	<b>51,886</b>	<b>51,020</b>	<b>52,240</b>	<b>53,758</b>	<b>55,158</b>	<b>56,193</b>	<b>58,162</b>	<b>59,562</b>	<b>61,269</b>
Less internal recoveries	(14,337)	(15,152)	(16,139)	(16,485)	(16,797)	(17,079)	(17,571)	(17,965)	(18,367)	(18,940)	(19,338)	(19,832)
<b>Expenditure per Total Activities FIS</b>	<b>31,717</b>	<b>32,568</b>	<b>35,106</b>	<b>35,401</b>	<b>34,223</b>	<b>35,161</b>	<b>36,187</b>	<b>37,193</b>	<b>37,826</b>	<b>39,222</b>	<b>40,224</b>	<b>41,437</b>
Less internal charges included in capital	(547)	(530)	(398)	(402)	(406)	(410)	(415)	(420)	(426)	(431)	(438)	(444)
Adjust internal charges	-	1	(1)	-	1	1	(1)	(1)	-	2	1	-
Add Depreciation and Amortisation (below)	12,017	11,894	11,344	11,507	11,827	12,324	12,537	12,934	13,260	13,495	13,985	14,402
<b>Expenditure per Statement of Comprehensive Income</b>	<b>43,187</b>	<b>43,933</b>	<b>46,051</b>	<b>46,506</b>	<b>45,645</b>	<b>47,076</b>	<b>48,308</b>	<b>49,706</b>	<b>50,660</b>	<b>52,288</b>	<b>53,772</b>	<b>55,395</b>
<b>Depreciation and Amortisation</b>												
Roads & Footpaths	5,674	5,674	5,079	5,096	5,247	5,249	5,263	5,637	5,637	5,637	6,126	6,126
Waste Water	955	955	969	969	971	1,120	1,125	1,138	1,247	1,247	1,247	1,384
Stormwater Drainage	208	208	208	208	208	233	233	233	256	256	256	285
Water Supply	1,722	1,722	1,731	1,731	1,797	2,067	2,067	2,067	2,261	2,261	2,261	2,510
Waste Management & Minimisation	57	57	57	57	57	57	57	57	57	57	57	57
Arts, Heritage & Community	195	188	190	190	190	241	241	241	241	241	241	241
Parks & Recreation	872	844	870	913	913	913	967	967	967	1,035	1,035	1,035
Democracy, Accountability & Planning	0	0	-	-	-	-	-	-	-	-	-	-
Commercial & Development Activities	1,073	1,050	1,093	1,155	1,255	1,255	1,340	1,340	1,340	1,440	1,440	1,440
Environment, Regulation & Safety	114	111	24	24	24	24	24	24	24	24	24	24
Support Services (Net Allocated)	1,149	1,086	1,124	1,165	1,165	1,165	1,220	1,229	1,229	1,298	1,298	1,298
<b>Total Depreciation and Amortisation charges</b>	<b>12,017</b>	<b>11,894</b>	<b>11,344</b>	<b>11,507</b>	<b>11,827</b>	<b>12,324</b>	<b>12,537</b>	<b>12,934</b>	<b>13,260</b>	<b>13,495</b>	<b>13,985</b>	<b>14,402</b>

## RESERVE FUND SCHEDULE



Reserves are held to ensure that funds received for a particular purpose are used for that purpose and any surplus created is managed in accordance with the reason for which the reserve was established. Surpluses held in reserves are credited with interest.

We have five types of reserves. Three of the reserve types are restricted reserves. These are reserves that have rules set by legal obligation that restrict the use that we may put the funds towards. These are described as Trust Reserves, Development Reserves and Special Reserves.

The remaining Council-created reserves are discretionary reserves which we have established for the fair and transparent use of monies. The two types are Operating Reserves and Renewal (Depreciation) Reserves.

Reserves are not separately held in cash and the funds are managed as part of our treasury management.

On the following pages are summaries of the current reserves outlining the purpose for holding each type of reserve, together with summary financial information across the ten years of the Long Term Plan.

Other reserves – trust reserves	Opening Balance July 2015 \$000s	Deposits \$000s	Expenditure \$000s	Closing Balance June 2025 \$000s
This is a collection of 39 individual reserves. They have all been funded from sources outside of Council and are subject to specific conditions accepted as binding by us. These include bequests, specific donations and similar funds. The largest single item is the funds received from Resource Management Act financial contributions. Most of the other funds are for cultural facilities including the North Otago Museum, Oamaru Public Library and Forrester Gallery. Further details of these reserves are available at <a href="http://www.waitaki.govt.nz">www.waitaki.govt.nz</a> .	3,179	2,306	(2,439)	3,100



Other reserves – development reserves	Opening Balance July 2015 \$000s	Deposits \$000s	Expenditure \$000s	Closing Balance June 2025 \$000s
These are reserves that have been created to properly record and allocate the funds received under the Development Contributions Policy. Further details of these reserves are available at <a href="http://www.waitaki.govt.nz">www.waitaki.govt.nz</a> .	3,387	7,566	(3,203)	7,750
Other reserves – special reserves	Opening Balance July 2015 \$000s	Deposits \$000s	Expenditure \$000s	Closing Balance June 2025 \$000s
This is a collection of 19 different funds. These are similar to trust funds in that they are for a specific purpose. However, these funds are Council-created and we have greater discretion about how they are funded and used. The largest fund is the Disaster Fund. These can be both ongoing or of limited duration. An example is the Community Housing fund. This was created by the sale of some community houses and will be reinvested in a similar development. Further details of these reserves are available at <a href="http://www.waitaki.govt.nz">www.waitaki.govt.nz</a> .	4,803	2,703	(693)	6,813



Council created reserves – separate rate operating	Opening Balance July 2015 \$000s	Deposits \$000s	Expenditure \$000s	Closing Balance June 2025 \$000s
We use a large number of separate rates. These are described in the Funding Impact Section over the page. As we set rates to match the funding required for each rate each year, there is no budgeted movement in these reserves. The movement occurs when there is a difference between budget and actual expenditure and revenue. The only exception is when we consider the surplus or deficit in the reserve is too large and make a specific decision to fund or reduce the amount. Only these amounts are recorded in the deposits and expenditure columns to the right. This balance forms part of the overall operating reserves.	7,874	1,168	(3,400)	5,642

Council created reserves – renewal (depreciation)	Opening Balance July 2015 \$000s	Deposits \$000s	Expenditure \$000s	Closing Balance June 2025 \$000s
We maintain a number of depreciation reserves to fund the renewal of existing assets that are owned by us when the assets reach the end of their economic lives. The deposits to these reserves are based upon the annual depreciation expense calculations less any unfunded depreciation on assets where we decide it is not necessary to cash-fund the depreciation expense in full or in part. The current assets that have depreciation unfunded are included in a schedule at the end of the Financial Strategy (pages 198 to 200). The expenditure is where depreciation reserves are used to fund either replacement assets or to maintain the economic life and service potential of existing assets	30,911	85,781	(66,680)	50,012



# SECTION 6: RATES

## RATING FUNDING IMPACT STATEMENT

### Background

We have worked through the requirements of the Revenue and Financing Policy under the Local Government Act 2002. The Local Government Act 2002 and Local Government (Rating) Act 2002 require us to disclose some funding and rating information and policies in this Long Term Plan, while other information is disclosed by other means, primarily by being available at [www.waitaki.govt.nz](http://www.waitaki.govt.nz).

### Introduction

Section 95 of the Local Government Act 2002 requires the inclusion of a Funding Impact Statement, the document that supports the setting of the rates for any year. The Funding Impact Statement shows what rates we will charge, what the basis of the rate is, what activities the rate funds and the amount of the rate. This section also includes a number of other policies required by the Local Government Act 2002, which relate to rates collection, remissions, relief and postponement.

The Funding Impact Statement includes the following matters, with the Local Government (Rating) Act 2002 section references:

- The basis of setting the general rate ie land value, annual value or capital value (Section 13)
- Any category or categories that will be used for differentiating the general rate (Section 14)
- The function or functions for which a targeted rate will be set (Section 16)
- Any category or categories of land that will be used to set a targeted rate on a differential basis or determine whether a property will be liable for a targeted rate (Section 16)
- Any factor or factors that will be used to calculate liability for a targeted rate (Section 18)



- An indication that we wish to set a charge for water supply by volume of water consumed if we are intending to do so (Section 19)

Within this document there is further information on our policies relating to rate remissions, postponements and relief for Maori land that may be in effect.

Maps showing boundaries of targeted rates based on locality are available on request.

### General rates

#### General Rate

We set a general rate based on the land value of each rating unit in the district. The general rate will be set at a uniform rate in the dollar.

The general rate will contribute to the funding for:

Council and Community Boards	Community Planning and Consultation
Economic Development	Waitaki Lakes Camping Grounds
Sports Fields	Oamaru Harbour – Port Operations
Resource Consents Processing	Health Licensing
Otago Museum Grant	Community Grants and Forestry
District Planning	Waitaki Community Recreation Centre
Noxious Plants	Forestry

These activities are funded from a variety of funding sources. For detailed information on this refer to the Revenue and Financing Policy.



## Uniform Annual General Charge

We will charge a Uniform Annual General Charge on each Separately Used or Inhabited Part (SUIP) of a rating unit in the district.

The Uniform Annual General Charge will contribute to the funding for:

Community Planning and Consultation	Council and Community Boards
Community Safety	Development and Grants
Cemeteries	Sports Grounds
Civil Defence	Building Control
District Planning	Environmental Monitoring
Liquor Licensing	Public Toilets
Solid Waste Disposal	Residual Waste Disposal and Waste Minimisation
Tourism Development and Visitor Services	Otago Museum Grant
Health Licensing	Enforcement

These activities are funded from a variety of funding sources. For detailed information on this refer to the Revenue and Financing Policy.

## Targeted rates

### Targeted rate – district services

We set a targeted rate for district services, based on the capital value of each rating unit in the district. The targeted rate will be set at a uniform rate in the dollar.



The District Services rate will contribute to the funding for:

Council	Economic Development
Oamaru Harbour – Coastal Protection	Rural Fire
Building Control	Community Housing
Community Boards	Community Planning and Consultation
Streetscape and Town Centres	Water Supply
Property	

These activities are funded from a variety of funding sources. For detailed information on this refer to the Revenue and Financing Policy.

## Targeted rates by ward

Targeted rates by ward are charged on rating units within the ward boundaries.

### Ahuriri Ward Services Rate

We set a targeted rate for Ahuriri Ward Services, based on the capital value of each rating unit in the Ahuriri Ward. The targeted rate will be set at a uniform rate in the dollar.

The Ahuriri Ward Services Rate will contribute to the funding for:

Community Boards	Reserves
Greenspaces and Playgrounds	Township Works
Community Safety	Development and Grants

These activities are funded from a variety of funding sources. For detailed information on this refer to the Revenue and Financing Policy.

### Ahuriri Ward Community Board Rate

We set a targeted rate for Ahuriri Community Board, based on the land value of each rating unit in the Ahuriri Ward. The targeted rate will be set at a uniform rate in the dollar.

The Ahuriri Ward Community Board Rate will be used to fund 60% of the costs of the Ahuriri Community Board.

### Ahuriri Ward Services Charge

We set a charge on each Separately Used or Inhabited Part (SUIP) of a rating unit in the district differentiated by ward.

The Ahuriri Ward Services Charge will contribute to the funding for:

Forrester Gallery and North Otago Museum	District Libraries
Oamaru Public Gardens	Oamaru Opera House
Streetscapes and Town Centres	Waitaki Aquatic Centre

### Corriedale Ward Services Rate

We set a targeted rate for Corriedale Ward Services, based on the capital value of each rating unit in the Corriedale Ward. The targeted rate will be set at a uniform rate in the dollar.



The Corriedale Ward Services Rate will contribute to the funding for:

Community Safety	Greenspaces and Playgrounds
Township Works	Reserves
Development and Grants	

These activities are funded from a variety of funding sources. For detailed information on this refer to the Revenue and Financing Policy.

### Corriedale Ward Services Charge

We set a charge on each Separately Used or Inhabited Part (SUIP) of a rating unit in the District differentiated by ward.

The Corriedale Ward Services Charge will contribute to the funding for:

Forrester Gallery and North Otago Museum	District Libraries
Oamaru Public Gardens	Oamaru Opera House
Streetscapes and Town Centres	Waitaki Aquatic Centre

These activities are funded from a variety of funding sources. For detailed information on this refer to the Revenue and Financing Policy.

### Oamaru Ward Services Rate

We set a targeted rate for Oamaru Ward Services, based on the capital value of each rating unit in the Oamaru Ward. The targeted rate will be set at a uniform rate in the dollar.



The Oamaru Ward Services Rate will contribute to the funding for:

Reserves	Greenspaces and Playgrounds
Township Works	Community Safety
Development and Grants	

**Oamaru Ward Services Charge**

We set a charge on each Separately Used or Inhabited Part (SUIP) of a rating unit in the district differentiated by ward.

The Oamaru Ward Services Charge will contribute to the funding for:

Forrester Gallery and North Otago Museum	District Libraries
Oamaru Public Gardens	Waitaki Aquatic Centre
Oamaru Opera House	Oamaru Harbour – Port Operations
Streetscapes and Town Centres	

These activities are funded from a variety of funding sources. For detailed information on this refer to the Revenue and Financing Policy.

**Waihemo Ward Services Rate**

We set a charge on each Separately Used or Inhabited Part (SUIP) of a rating unit in the district differentiated by ward. The targeted rate will be set at a uniform rate in the dollar.

The Waihemo Ward Services Rate will contribute to the funding for:

Community Board	Waihemo Service Centre
Reserves	Greenspaces and Playgrounds
Township Works	Community Safety
Development and Grants	

These activities are funded from a variety of funding sources. For detailed information on this refer to the Revenue and Financing Policy.

**Waihemo Ward Community Board Rate**

We set a targeted rate for Waihemo Community Board, based on the land value of each rating unit in the Waihemo Ward. The targeted rate will be set at a uniform rate in the dollar.

The Waihemo Ward Community Board Rate will be used to fund 60% of the Waihemo Community Board and Waihemo Service Centre.

**Waihemo Ward Services Charge**

We set a charge on each Separately Used or Inhabited Part (SUIP) of a rating unit in the district differentiated by ward.

The Waihemo Ward Services Charge will contribute to the funding for:

Forrester Gallery and North Otago Museum	District Libraries
Oamaru Public Gardens	Oamaru Opera House
Streetscapes and Town Centres	Waitaki Aquatic Centre



These activities are funded from a variety of funding sources. For detailed information on this refer to the Revenue and Financing Policy and Funding Needs Analysis.

**Targeted rates by locality**

**Oamaru Business Area Rates**

We set a targeted rate for services to the Oamaru Business Areas, based on the capital value of each rating unit in the Oamaru Business Areas that is not used exclusively for residential purposes. We have established two Oamaru Business Areas, ‘A’ and ‘B’.

The targeted rates will be set at a uniform rate in the dollar. The rate in dollars for area ‘B’ will be set at 50% of the rate for area ‘A’.

The Oamaru Business Area Rates will contribute to the funding for:

Tourism Development and Visitor Services	Parking Enforcement
Forrester Gallery and North Otago Museum	District Libraries
Waitaki Aquatic Centre	Oamaru Public Gardens
Christmas Decorations	Public Toilets
Oamaru Opera House	Community Safety

These activities are funded from a variety of funding sources. For detailed information on this refer to the Revenue and Financing Policy.

**Oamaru Urban Area**

We set a targeted rate for coastal protection and port operations to the Oamaru urban area, based on the capital value of each rating unit in the Oamaru urban area. The boundaries of the Oamaru urban area are available from us. The targeted rate will be set at a uniform rate in the dollar.

The Oamaru Urban Area Rate will be used to fund 80% of the cost of coastal protection works at the Oamaru Harbour.

**Loan Rates**

For reasons of public safety or due to private benefit we may agree to fund the private benefit of works by specific local rates on targeted properties.

**Targeted rates by activity**

**Roading and Civil Defence Rate**

We set a targeted rate for roads and bridges, and civil defence based on the capital value of each rating unit in the district.

The Roothing and Civil Defence Rate will be set on a differential basis based on land use and area (the categories are Hydro-Electric Power Generation Installations, Mining and Mineral Extraction and Other Uses).



The differential categories are defined thus:

Differential Category	Description of Category	% of Roading Activity funded from Differentials	% of Civil Defence Activity funded from Differentials
Hydroelectric Power General Installations	All rating units used primarily or predominantly for the generation of hydroelectric power from Lakes Aviemore, Benmore, Ohau or Waitaki	5%	25%
Mining and Mineral Extraction	All rating units with an area greater than 30 hectares used primarily or predominantly for the purposes of mining or mineral extraction	5%	12.5%
Other Uses	All rating units not either used primarily or predominantly for the generation of hydro-electric power from Lakes Aviemore, Benmore, Ohau or Waitaki or with an area greater than 30 hectares used primarily or predominantly for the purposes of mining or mineral extraction	90%	12.5%

### Lakes Camping Rate

We set a targeted rate for Waitaki lakes camping based on the land value of each rating unit in the district. The Lakes Camping Rate will be set on a differential basis based on land use (the categories are Hydro-Electric Power Generation Installations and Other Uses).

The differential categories are defined thus:

Differential Category	Description of Category	% of Roading Activity funded from Differentials
Hydroelectric Power Generation Installations	All rating units used primarily or predominantly for the generation of hydro-electric power from Lakes Aviemore, Benmore, Ohau or Waitaki	70%
Other Uses	All rating units not used primarily or predominantly for the generation of hydro-electric power from Lakes Aviemore, Benmore, Ohau or Waitaki	30%



The separate targeted rates are:

The separate uniform targeted rates for public halls:

The targeted rates will be used to fund public halls and community centres.

## Sewerage (Waste Water) Rates

We set targeted rates for sewage treatment and disposal based on a fixed amount per water closet. A rating unit used primarily as a residence for one household is not treated as having more than one water closet or urinal.

Some uniform targeted rates will be differentiated based on the following differential categories:

- Connected – all urinals or water closets connected to the sewerage reticulation, provided that the maximum number of charges made for rating units comprising a household used exclusively for residential purposes shall be one
- Serviceable – all rating units within 30 metres of the sewerage reticulation and all

rating units with buildings within 60 metres of the sewerage reticulation. No rating units at Duntroon are considered serviceable. Serviceable charges are 50% of the connected charge.

The uniform targeted sewerage rates are charged in the following areas. The charging of a serviceable rate does not require us to make a connection available to the rating unit. The charge confirms the rating unit is within 30 meters of the public sewer. The rating maps are indicative only. Any information regarding a particular rating unit may require a site inspection.

Duntroon	Moeraki	Otematata
Kakanui	Oamaru	Palmerston
Kurow	Omarama	Weston

### Water Rates – Urban

We will use several different rating tools to charge the targeted rates for water supply. These tools are:

- A targeted rate for water supply that will be charged based on the number of connections the rating unit has to the system
- A targeted rate for treatment and supply of water to an appropriate standard, based on the number of connections the rating unit has to the system
- A targeted rate to fund the cost of the reticulation network. This will be charged to each connected rating unit
- A uniform targeted rate based on the type of connection that allows a specified volume to be supplied to a rating unit (a unit) or the total volume supplied recorded by a meter.



Some rates will be set on a differentiated basis:

- Geographic supply zone. This is a specific area with a larger rating area
- Connected – all separately used and inhabited portions of rating units connected to the water reticulation
- Serviceable – all rating units within 100 metres of the water reticulation. Serviceable charges are 50% of the connected charge.

### Water Rates – Rural

We set targeted rates for water supply to rural water schemes based on the type of connection that allows a specified volume of water (a unit) to be supplied to the rating unit. Multiple units can be supplied to a single connected property.

The specified base unit volume of water for connected properties are:

Township/locality	Activity and basis for charge	Unit Volume (litres/day)
Awamoko	Supply per unit	1,818
Dunback	Supply per unit	1,818
Duntroon	Supply per unit	1,818
Enfield	Supply per unit	1,818
Goodwood	Supply per unit	1,818
Herbert/Waianakarua	Supply per unit	1,818
Kauru Hill	Supply per unit	1,818
Lower Waitaki	Supply per unit	1,818





Township/locality	Activity and basis for charge	Unit Volume (litres/day)
Otekaieke Water Supply	Supply per unit	1,818
Stoneburn	Supply per unit	1,000
Tokarahi	Supply per unit	1,818
Weston	Supply per unit	1,818
Windsor	Supply per unit	1,818

The Hampden/Moeraki Rural Water Scheme is differentiated by the nature of the connection that allows the supply of a volume using the following definitions:

- Domestic Unit – rating units supplied to the original townships of Hampden and Moeraki
- Rural Unit – rating units supplied outside of the original townships of Hampden and Moeraki.

The Kakanui Rural Water Scheme rate is differentiated by the nature of the connection that allows the supply of a volume using the following definitions:

- Unit – uniform volume of water supplied to a connected rating unit.
- Crib Unit – uniform volume of water supplied to a connected rating unit to properties identified as cribs in the rating information database.

The specified volumes of water for connected properties are:

Township/locality	Activity and basis for charge	Unit Volume (litres/day)
Hampden/Moeraki	Domestic supply per unit (crib)	909
	Rural Supply per unit	1,818
Kakanui	Supply per unit	1,818
	Crib supply per unit	909

The metered water rates will be set on all rating units serviced by meter. The targeted rates will be used to fund water supply.

### Construction Loan Rates

We set targeted rates for significant capital upgrades to sewerage and water schemes per serviced rating unit within a defined boundary.

The targeted rates for the Oamaru Water Treatment Upgrade Loan Rate are charged to all non-commercial non-metered rating units connected to the water reticulation system, but are only levied on properties that have not contributed to a lump sum option for the particular.

These rates fund the cost of financing the capital works. We annually review these charges and provide ratepayers the opportunity to pay each rating unit's lump sum share of the outstanding debt.





The uniform targeted rates are:

- Moeraki Sewerage Reticulation Construction Loan Rate
- Moeraki Sewerage Treatment Construction Loan Rate
- Omarama Water Upgrade Loan Rate (connected)
- Omarama Water Upgrade Loan Rate (serviceable)

#### **Definition of *Separately Used or Inhabited Parts* of a rating unit**

Separately used or inhabited parts of a rating unit shall be such parts of a property that can be separately used or occupied in addition to the principal habitation or use, except where the use is an accessory one or is ancillary to principal use. In the situation where a rating unit contains both commercial or industrial uses, and a residential or agricultural use, they will be treated as two or more separate uses except where the ratepayer resides on the rating unit.

For example:

- Not separately used parts of a rating unit:
  - o A residential sleep-out or 'granny flat' without independent kitchen facilities
  - o An hotel room with or without independent kitchen facilities
  - o A motel room with or without independent kitchen facilities
  - o Rooms in a residential dwelling or hostel with common kitchens
  - o Separately leased commercial areas with shared access, reception or other facilities
- These are separately used parts of a rating unit:
  - o Flats, apartments and other residential units with independent kitchen facilities
  - o Separately leased commercial areas with separate access, sanitary or other facilities.

# WHOLE OF COUNCIL FUNDING IMPACT STATEMENT



Funding Impact Statement - Total Activities												
2013/14 Actual \$(000)	2014/15 Budget \$(000)		2015/16 LTP \$(000)	2016/17 LTP \$(000)	2017/18 LTP \$(000)	2018/19 LTP \$(000)	2019/20 LTP \$(000)	2020/21 LTP \$(000)	2021/22 LTP \$(000)	2022/23 LTP \$(000)	2023/24 LTP \$(000)	2024/25 LTP \$(000)
6,579	6,504	Sources of Operating Funding	6,550	6,718	6,780	6,919	7,075	7,172	7,358	7,617	7,822	7,908
21,772	22,603	General Rates, Uniform Annual General Charge, Rates Penalties	23,051	23,500	24,062	25,221	25,445	26,211	26,939	27,476	28,445	29,280
28,351	29,107	Targeted Rates	29,601	30,218	30,842	32,140	32,520	33,383	34,297	35,093	36,267	37,188
4,302	2,713	Rates Revenue	3,695	3,683	3,192	3,209	3,286	3,372	3,464	3,564	3,675	3,788
5,862	5,674	Subsidies and Grants for Operating Purposes	5,798	5,954	5,960	6,150	6,345	6,505	6,726	6,970	7,229	7,512
893	985	Fees and Charges	1,394	1,408	1,428	1,451	1,467	1,537	1,608	1,679	1,758	1,835
14,338	15,153	Interest and Dividends from Investments	16,137	16,484	16,797	17,079	17,570	17,966	18,367	18,939	19,339	19,832
1,695	1,659	Internal Charges and Overheads Recovered	2,505	1,702	1,272	1,294	1,659	1,523	1,456	1,587	1,537	1,693
		Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts										
27,090	26,184	Operating Revenue	29,529	29,231	28,649	29,183	30,327	30,903	31,621	32,739	33,538	34,660
55,441	55,291	Total Sources of Operating Funding	59,130	59,449	59,491	61,323	62,847	64,286	65,918	67,832	69,805	71,848
31,707	32,568	Applications of Operating Funding	35,106	35,401	34,223	35,161	36,187	37,193	37,826	39,222	40,224	41,437
10	-	Payments to Staff and Suppliers	-	-	-	-	-	-	-	-	-	-
14,337	15,152	Finance Costs	16,139	16,485	16,797	17,079	17,571	17,965	18,367	18,940	19,338	19,832
-	-	Internal Charges and Overheads Applied	-	-	-	-	-	-	-	-	-	-
46,054	47,720	Other Operating Funding Applications	51,245	51,886	51,020	52,240	53,758	55,158	56,193	58,162	59,562	61,269
9,387	7,571	Total Applications of Operating Funding	7,885	7,563	8,471	9,083	9,089	9,128	9,725	9,670	10,243	10,579
		Surplus / (Deficit) of Operating Funding										
3,401	2,567	Sources of Capital funding	2,853	4,184	5,380	2,885	2,694	2,784	2,936	2,954	3,035	3,437
3,407	680	Subsidies and Grants for Capital Expenditure	640	640	640	640	640	640	640	640	640	640
(2)	(2)	Development and Financial Contributions	(1)	-	-	-	-	-	-	-	-	-
(618)	466	Increase / (Decrease) in Debt	121	138	78	92	132	104	148	142	92	133
6,188	3,711	Gross Proceeds from Sale of Assets	3,613	4,962	6,098	3,617	3,466	3,528	3,724	3,736	3,767	4,210
		Total Sources of Capital Funding										
-	-	Applications of Capital funding	-	-	-	-	-	-	-	-	-	-
4,713	2,131	Capital Expenditure	2,169	9,119	5,471	1,167	1,237	532	532	532	682	532
7,165	6,952	Meet Additional Demand	9,572	7,868	8,265	7,217	7,266	7,552	7,769	7,768	7,767	9,057
3,697	2,199	Improve Levels of Service	(243)	(4,462)	833	4,316	4,052	4,572	5,148	5,106	5,561	5,200
-	-	Replace Existing Assets	-	-	-	-	-	-	-	-	-	-
15,575	11,282	Increase / (Decrease) in Reserve	11,498	12,525	14,569	12,700	12,555	12,656	13,449	13,406	14,010	14,789
		Increase / (Decrease) in Investments										
(9,387)	(7,571)	Total Applications for Capital Funding	(7,885)	(7,563)	(8,471)	(9,083)	(9,089)	(9,128)	(9,725)	(9,670)	(10,243)	(10,579)
		Surplus / (Deficit) of Capital Funding										
-	-	Funding Balance	-	-	-	-	-	-	-	-	-	-

## RATES SCHEDULE 2015/16



This table specifies, with reference to the revenue and financing mechanism used to cover the estimated expenses of Council, the amount of revenue to be collected from the rate, and the rate to be charged. All rates and revenues shown are GST inclusive and all value based factors are shown per \$100 of value.

### Abbreviations:

LV = Land Value  
Unit = Quantity Supplied  
SRU = Serviceable Rating Unit

CRU = Connected Rating Unit  
RU = Rating Unit  
SUIP = Separately Used or Inhabited Part of a Rating Unit

CV = Capital Value  
m<sup>3</sup> = Cubic Metre  
WC = Water Closet

Name of rate	2015/16		
	Proposed rate	Basis for rate	Budgeted total revenue
General Rate	\$0.0575	LV	\$2,185,542
Uniform Annual General Charge	\$405	SUIP	\$5,345,998
District Services Rate	\$0.0209	CV	\$1,495,934
Ahuriri Ward Services Rate	\$0.0210	CV	\$342,553
Ahuriri Community Board Rate	\$0.0073	LV	\$41,668
Ahuriri Ward Services Charge	\$179	SUIP	\$282,259
Corriedale Ward Services Rate	\$0.0095	CV	\$272,153
Corriedale Ward Services Charge	\$317	SUIP	\$880,613
Oamaru Ward Services Rate	\$0.0650	CV	\$1,190,421
Oamaru Ward Services Charge	\$492	SUIP	\$3,390,459
Waihemo Ward Services Rate	\$0.0614	CV	\$516,938
Waihemo Community Board Rate	\$0.0234	LV	\$125,074
Waihemo Ward Services Charge	\$179	SUIP	\$356,843
Oamaru Business Area Rate A	\$0.4824	CV	\$590,269
Oamaru Business Area Rate B	\$0.2412	CV	\$99,617
Oamaru Urban Area	\$0.0280	CV	\$408,158
			<b>\$17,524,498</b>



Name of rate	2015/16		
	Proposed rate	Basis for rate	Budgeted total revenue
<b>Township amenity rate</b>			
Township Amenity - Duntroon	\$0.0606	LV	\$1,725
Township Amenity - Hampden	\$0.2191	LV	\$34,500
Township Amenity - Herbert	\$0.0547	LV	\$1,725
Township Amenity - Kakanui	\$0.0124	LV	\$5,750
Township Amenity - Kurow	\$0.1422	LV	\$20,879
Township Amenity - Maheno	\$0.0915	LV	\$1,725
Township Amenity - Moeraki	\$0.0186	LV	\$5,750
Township Amenity - Oamaru	\$0.1149	LV	\$533,760
Township Amenity - Ohau	\$0.0248	LV	\$3,939
Township Amenity - Omarama	\$0.0550	LV	\$20,013
Township Amenity - Otematata	\$0.1239	LV	\$61,841
Township Amenity - Palmerston	\$0.3574	LV	\$65,289
Township Amenity - Shag Point	\$0.0163	LV	\$1,725
Township Amenity - Weston	\$0.1346	LV	\$46,795
			<b>\$805,416</b>



Name of rate	2015/16		
	Proposed rate	Basis for rate	Budgeted total revenue
<b>Civil Defence and Roothing Rate</b>			
CD & Roothing - General	\$0.0946	CV	\$6,063,407
CD & Roothing - Electrical Generation	\$0.0594	CV	\$436,923
CD & Roothing - Mineral Extraction	\$3.2122	CV	\$385,460
			<b>\$6,885,790</b>
<b>Lakes Camping Rates</b>			
General, Mineral Extraction	\$0.0017	LV	\$64,699
Electrical Generation	\$1.2599	LV	\$150,963
			<b>\$215,662</b>
<b>Public Hall Rates</b>			
Airedale Public Hall Rate	\$20	SUIP	\$540
Ardgowan Public Hall Rate	\$20	SUIP	\$2,320
Awamoko Public Hall Rate	\$30	SUIP	\$2,430
Dunback Public Hall Rate	\$30	SUIP	\$3,840
Duntroon Public Hall Rate	\$20	SUIP	\$2,820
Enfield Public Hall Rate	\$20	SUIP	\$2,560
Five Forks Public Hall Rate	\$20	SUIP	\$1,400
Hampden Public Hall Rate	\$30	SUIP	\$8,070



Name of rate	2015/16		
	Proposed rate	Basis for rate	Budgeted total revenue
<b>Public Hall Rates (continued)</b>			
Kakanui Public Hall Rate	\$20	SUIP	\$7,180
Kurow Public Hall Rate	\$50	SUIP	\$14,800
Lower Waitaki Public Hall Rate	\$60	SUIP	\$10,680
Macraes Public Hall Rate	\$60	SUIP	\$3,060
Maheno Public Hall Rate	\$30	SUIP	\$5,460
Moeraki Public Hall Rate	\$40	SUIP	\$8,480
Ngapara Public Hall Rate	\$20	SUIP	\$1,520
Omarama Public Hall Rate	\$50	SUIP	\$16,600
Otekaieke Public Hall Rate	\$20	SUIP	\$1,020
Otematata Public Hall Rate	\$40	SUIP	\$18,440
Otepopo Public Hall Rate	\$20	SUIP	\$3,160
Palmerston Public Hall Rate	\$30	SUIP	\$20,400
Pukeuri Public Hall Rate	\$20	SUIP	\$1,900
Tokarahi Public Hall Rate	\$30	SUIP	\$3,240
Totara Public Hall Rate	\$40	SUIP	\$8,560
Waianakarua Public Hall Rate	\$30	SUIP	\$1,650
Waitaki Bridge Public Hall Rate	\$20	SUIP	\$2,820
Weston Public Hall Rate	\$40	SUIP	\$20,560
Windsor Public Hall Rate	\$30	SUIP	\$1,860
			<b>\$175,370</b>



Name of rate	2015/16		
	Proposed rate	Basis for rate	Budgeted total revenue
<b>Water Rates - Urban</b>			
<b>Oamaru</b>	<b>Oamaru Total</b>		<b>\$4,054,358</b>
Oamaru Water - Supply	\$236	CRU	\$1,530,898
Oamaru Water - Reticulation	\$176	CRU	\$1,068,485
Oamaru Water Treatment Loan (excludes businesses with water meters)	\$107	CRU	\$598,890
Oamaru Water - Enfield Zone	\$519	CRU	\$136,715
Oamaru Water - Weston Zone	\$519	CRU	\$485,376
Oamaru Water - Kakanui ordinary supply	\$519	Unit	\$215,174
Oamaru Water - Kakanui crib unit supply	\$400	Unit	\$18,821
Oamaru Water - metered supply	\$0.98	m <sup>3</sup>	N/A
* Loan lump sum repayment option	\$864	CRU	N/A
<b>Waihemo Water</b>	<b>Waihemo Total</b>		<b>\$637,399</b>
Waihemo Water - Palmerston Zone	\$685	CRU	\$355,496
Waihemo Water - Dunback Zone	\$685	CRU	\$133,239
Waihemo Water - Goodwood Zone	\$685	CRU	\$148,664
Waihemo Water - Palmerston Zone - metered supply	\$0.98	m <sup>3</sup>	N/A



Name of rate	2015/16		
	Proposed rate	Basis for rate	Budgeted total revenue
<b>Other Urban Water</b>			
Kurow Water Supply	\$459	CRU	\$128,283
Kurow metered supply	\$0.47	m <sup>3</sup>	N/A
Lake Ohau Village Water Supply	\$240	CRU	\$13,466
Lake Ohau Village - connection availability	\$120	SRU	\$8,777
Omarama Water Supply	\$560	CRU	\$170,133
Omarama - metered supply	\$0.87	m <sup>3</sup>	N/A
Omarama Water Upgrade Loan rate	\$102	CRU	\$15,777
* Loan lump sum repayment option	\$279	CRU	N/A
Otematata water supply	\$410	CRU	\$203,674
Otematata - metered supply	\$0.47	m <sup>3</sup>	N/A
<b>Other Rural Water</b>			
Awamoko Water Supply	\$439	Unit	\$109,750
Duntroon Water Supply	\$544	Unit	\$39,966
Hampden/Moeraki Domestic Water Supply	\$339	Unit	\$163,102
Hampden/Moeraki Water Supply	\$426	Unit	\$41,540
Hampden/Moeraki - metered supply	\$0.29	m <sup>3</sup>	N/A
Herbert/Waianakarua Water Supply	\$304	Unit	\$173,358
Kauru Water Supply	\$433	Unit	\$80,563





Name of rate	2015/16		
	Proposed rate	Basis for rate	Budgeted total revenue
<b>Other Rural Water (continued)</b>			
Lower Waitaki Water Supply	\$446	Unit	\$192,334
Otekaieke Water Supply	\$125	Unit	\$12,277
Stoneburn Water Supply	\$298	Unit	\$90,796
Tokarahi Water Supply	\$348	Unit	\$239,943
Windsor Water Supply	\$318	Unit	\$58,832
			<b>\$6,434,329</b>

\* Lump sum loan repayment options are available only if paid by 30 June 2016 and are in addition to the current year's rates

Name of rate	2015/16		
	Proposed rate	Basis for rate	Budgeted total revenue
<b>Sewerage Rates and Charges</b>			
Sewerage - Oamaru	\$154	WC	\$1,168,020
Sewerage - Kakanui	\$154	WC	\$48,212
Sewerage - Duntroon	\$81	WC	\$810
Sewerage - Kurow	\$237	WC	\$65,520
Sewerage - Lake Ohau Village	\$222	WC	\$11,979
Sewerage - Lake Ohau Village - connection availability	\$111	SRU	\$8,097



## RATES EXAMPLES

Ahuriri Properties	Capital Value		Ward & UAGC	Roading & Services	Water	Sewer	All Other	Total Rates
Residential - Otematata	240,000	Final 2014/15	617	317	357	394	228	1,913
	245,000	Final 2015/16	635	283	410	365	211	1,905
	<b>5,000</b>	<b>Movement</b>	<b>\$19</b>	<b>(\$34)</b>	<b>\$53</b>	<b>(\$29)</b>	<b>(\$17)</b>	<b>(\$9)</b>
	2%	Movement %	3.0%	(10.8%)	14.8%	(7.4%)	(7.4%)	(0.5%)
Commercial - Otematata	740,000	Final 2014/15	735	978	714	1,182	962	4,572
	740,000	Final 2015/16	739	855	820	1,095	876	4,385
	-	<b>Movement</b>	<b>\$4</b>	<b>(\$124)</b>	<b>\$106</b>	<b>(\$87)</b>	<b>(\$86)</b>	<b>(\$187)</b>
	-	Movement %	0.5%	(12.6%)	14.8%	(7.4%)	(9.0%)	(4.1%)
Residential - Omarama	200,000	Final 2014/15	607	264	588	232	201	1,893
	210,000	Final 2015/16	628	243	560	241	185	1,857
	<b>10,000</b>	<b>Movement</b>	<b>\$21</b>	<b>(\$22)</b>	<b>(\$28)</b>	<b>\$9</b>	<b>(\$17)</b>	<b>(\$37)</b>
	5%	Movement %	3.4%	(8.3%)	(4.8%)	3.9%	(8.2%)	(1.9%)
Commercial - Omarama	1,225,000	Final 2014/15	850	1,619	688	3,480	557	7,195
	1,230,000	Final 2015/16	842	1,421	662	3,615	506	7,046
	<b>5,000</b>	<b>Movement</b>	<b>(\$8)</b>	<b>(\$199)</b>	<b>(\$26)</b>	<b>\$135</b>	<b>(\$51)</b>	<b>(\$149)</b>
	0%	Movement %	(0.9%)	(12.3%)	(3.8%)	3.9%	(9.2%)	(2.1%)
Residential - Kurow	220,000	Final 2014/15	612	291	428	226	166	1,723
	190,000	Final 2015/16	624	219	459	237	156	1,696
	<b>(30,000)</b>	<b>Movement</b>	<b>\$12</b>	<b>(\$71)</b>	<b>\$31</b>	<b>\$11</b>	<b>(\$10)</b>	<b>(\$27)</b>
	(14%)	Movement %	1.9%	(24.5%)	7.2%	4.9%	(5.9%)	(1.6%)
Residential - Lake Ohau	280,000	Final 2014/15	626	370	240	200	117	1,553
	295,000	Final 2015/16	646	341	240	222	100	1,548
	<b>15,000</b>	<b>Movement</b>	<b>\$20</b>	<b>(\$29)</b>	-	<b>\$22</b>	<b>(\$17)</b>	<b>(\$5)</b>
	5%	Movement %	3.1%	(8.0%)	-	11.0%	(14.8%)	(0.3%)
Agricultural - Ahuriri	5,850,000	Final 2014/15	1,946	7,734	-	-	4,289	13,969
	7,200,000	Final 2015/16	2,096	8,316	-	-	4,140	14,552
	<b>1,350,000</b>	<b>Movement</b>	<b>\$150</b>	<b>\$582</b>	-	-	<b>(\$149)</b>	<b>\$583</b>
	23%	Movement %	7.7%	7.5%	-	-	(3.5%)	4.2%

Corriedale Properties	Capital Value		Ward & UAGC	Roading & Services	Water	Sewer	All Other	Total Rates
Residential - Oamaru	290,000	Final 2014/15	1,072	383	503	156	303	2,418
	315,000	Final 2015/16	1,102	364	519	154	358	2,497
	<b>25,000</b>	<b>Movement</b>	<b>\$30</b>	<b>(\$20)</b>	<b>\$16</b>	<b>(\$2)</b>	<b>\$55</b>	<b>\$79</b>
	9%	Movement %	2.8%	(5.1%)	3.2%	(1.3%)	18.2%	3.3%
Residential - Kakanui	330,000	Final 2014/15	730	436	503	156	136	1,961
	350,000	Final 2015/16	755	404	519	154	112	1,945
	<b>20,000</b>	<b>Movement</b>	<b>\$26</b>	<b>(\$32)</b>	<b>\$16</b>	<b>(\$2)</b>	<b>(\$24)</b>	<b>(\$16)</b>
	6%	Movement %	3.5%	(7.3%)	3.2%	(1.3%)	(17.4%)	(0.8%)
Residential - Maheno	165,000	Final 2014/15	713	218	-	-	58	989
	170,000	Final 2015/16	738	196	-	-	56	990
	<b>5,000</b>	<b>Movement</b>	<b>\$25</b>	<b>(\$22)</b>	-	-	<b>(\$2)</b>	<b>\$1</b>
	3%	Movement %	3.5%	(10.0%)	-	-	(3.7%)	0.1%
Residential - Herbert	118,000	Final 2014/15	709	156	283	-	40	1,187
	180,000	Final 2015/16	739	208	304	-	43	1,294
	<b>62,000</b>	<b>Movement</b>	<b>\$30</b>	<b>\$52</b>	<b>\$21</b>	-	<b>\$3</b>	<b>\$106</b>
	53%	Movement %	4.3%	33.3%	7.4%	-	7.8%	9.0%
Agricultural - Awamoko	1,950,000	Final 2014/15	890	2,578	1,162	-	1,254	5,884
	1,735,000	Final 2015/16	887	2,004	1,218	-	853	4,962
	<b>(215,000)</b>	<b>Movement</b>	<b>(\$3)</b>	<b>(\$574)</b>	<b>\$56</b>	-	<b>(\$401)</b>	<b>(\$922)</b>
	(11%)	Movement %	(0.4%)	(22.3%)	4.8%	-	(32.0%)	(15.7%)
Agricultural - Waitaki Bridge	6,675,000	Final 2014/15	2,055	8,824	-	-	4,158	15,037
	7,650,000	Final 2015/16	2,171	8,836	-	-	3,681	14,687
	<b>975,000</b>	<b>Movement</b>	<b>\$116</b>	<b>\$11</b>	-	-	<b>(\$477)</b>	<b>(\$350)</b>
	15%	Movement %	5.6%	0.1%	-	-	(11.5%)	(2.3%)
Agricultural - Papakaio	13,400,000	Final 2014/15	4,812	17,715	-	-	8,769	31,296
	15,440,000	Final 2015/16	5,077	17,833	-	-	7,818	30,728
	<b>2,040,000</b>	<b>Movement</b>	<b>\$265</b>	<b>\$118</b>	-	-	<b>(\$951)</b>	<b>(\$567)</b>
	15%	Movement %	5.5%	0.7%	-	-	(10.8%)	(1.8%)





Oamaru Properties	Capital Value		Ward & UAGC	Roading & Services	Water	Sewer	All Other	Total Rates
Residential - Oamaru	89,000	Final 2014/15	962	118	503	156	89	1,828
	89,000	Final 2015/16	955	103	519	154	86	1,817
	-	<b>Movement</b>	<b>(\$7)</b>	<b>(\$15)</b>	<b>\$16</b>	<b>(\$2)</b>	<b>(\$3)</b>	<b>(\$11)</b>
	-	Movement %	(0.7%)	(12.6%)	3.2%	(1.3%)	(3.7%)	(0.6%)
Residential - Oamaru	245,000	Final 2014/15	1,048	324	503	156	211	2,241
	250,000	Final 2015/16	1,060	289	519	154	237	2,258
	<b>5,000</b>	<b>Movement</b>	<b>\$12</b>	<b>(\$35)</b>	<b>\$16</b>	<b>(\$2)</b>	<b>\$26</b>	<b>\$17</b>
	2%	Movement %	1.1%	(10.8%)	3.2%	(1.3%)	12.4%	0.8%
Residential - Weston	270,000	Final 2014/15	1,061	357	503	156	207	2,284
	280,000	Final 2015/16	1,079	323	519	154	193	2,269
	<b>10,000</b>	<b>Movement</b>	<b>\$18</b>	<b>(\$34)</b>	<b>\$16</b>	<b>(\$2)</b>	<b>(\$14)</b>	<b>(\$15)</b>
	4%	Movement %	1.7%	(9.4%)	3.2%	(1.3%)	(6.6%)	(0.7%)
Commercial - Oamaru	390,000	Final 2014/15	1,127	516	503	156	2,339	4,640
	395,000	Final 2015/16	1,154	456	519	154	2,295	4,578
	<b>5,000</b>	<b>Movement</b>	<b>\$27</b>	<b>(\$59)</b>	<b>\$16</b>	<b>(\$2)</b>	<b>(\$44)</b>	<b>(\$63)</b>
	1%	Movement %	2.4%	(11.5%)	3.2%	(1.3%)	(1.9%)	(1.4%)
Commercial - Oamaru	4,325,000	Final 2014/15	3,287	5,718	643	312	24,412	34,372
	4,350,000	Final 2015/16	3,725	5,024	648	308	24,030	33,735
	<b>25,000</b>	<b>Movement</b>	<b>\$437</b>	<b>(\$693)</b>	<b>\$5</b>	<b>(\$4)</b>	<b>(\$381)</b>	<b>(\$637)</b>
	1%	Movement %	13.3%	(12.1%)	0.8%	(1.3%)	(1.6%)	(1.9%)
Agricultural - Maerewhenua	2,225,000	Final 2014/15	1,614	2,941	2,656	-	1,400	8,612
	2,420,000	Final 2015/16	1,674	2,795	2,784	-	1,149	8,402
	<b>195,000</b>	<b>Movement</b>	<b>\$60</b>	<b>(\$146)</b>	<b>\$128</b>	-	<b>(\$251)</b>	<b>(\$210)</b>
	9%	Movement %	3.7%	(5.0%)	4.8%	-	(17.9%)	(2.4%)

Waihemo Properties	Capital Value		Ward & UAGC	Roading & Services	Water	Sewer	All Other	Total Rates
Residential - Palmerston	230,000	Final 2014/15	694	304	628	264	195	2,085
	230,000	Final 2015/16	725	266	685	304	188	2,168
	-	<b>Movement</b>	<b>\$31</b>	<b>(\$38)</b>	<b>\$57</b>	<b>\$40</b>	<b>(\$7)</b>	<b>\$83</b>
	-	Movement %	4.5%	(12.6%)	9.1%	15.2%	(3.3%)	4.0%
Residential - Goodwood	130,000	Final 2014/15	636	172	628	-	62	1,498
	120,000	Final 2015/16	658	139	685	-	55	1,536
	<b>(10,000)</b>	<b>Movement</b>	<b>\$22</b>	<b>(\$33)</b>	<b>\$57</b>	-	<b>(\$7)</b>	<b>\$39</b>
	(8%)	Movement %	3.4%	(19.4%)	9.1%	-	(11.4%)	2.6%
Residential - Moeraki	200,000	Final 2014/15	677	264	304	868	160	2,273
	200,000	Final 2015/16	707	231	339	843	146	2,266
	-	<b>Movement</b>	<b>\$30</b>	<b>(\$33)</b>	<b>\$35</b>	<b>(\$25)</b>	<b>(\$14)</b>	<b>(\$7)</b>
	-	Movement %	4.5%	(12.6%)	11.5%	(2.9%)	(8.8%)	(0.3%)
Residential - Hampden	220,000	Final 2014/15	688	291	304	-	183	1,466
	230,000	Final 2015/16	725	266	339	-	166	1,496
	<b>10,000</b>	<b>Movement</b>	<b>\$37</b>	<b>(\$25)</b>	<b>\$35</b>	-	<b>(\$18)</b>	<b>\$29</b>
	5%	Movement %	5.4%	(8.7%)	11.5%	-	(9.6%)	2.0%
Commercial - Palmerston	630,000	Final 2014/15	927	833	628	3,432	740	6,560
	650,000	Final 2015/16	983	751	685	3,952	712	7,083
	<b>20,000</b>	<b>Movement</b>	<b>\$56</b>	<b>(\$82)</b>	<b>\$57</b>	<b>\$520</b>	<b>(\$28)</b>	<b>\$523</b>
	3%	Movement %	6.0%	(9.9%)	9.1%	15.2%	(3.8%)	8.0%
Agricultural - Waihemo	1,075,000	Final 2014/15	1,187	1,421	1,256	-	880	4,743
	1,410,000	Final 2015/16	1,450	1,629	1,370	-	955	5,403
	<b>335,000</b>	<b>Movement</b>	<b>\$263</b>	<b>\$207</b>	<b>\$114</b>	-	<b>\$76</b>	<b>\$660</b>
	31%	Movement %	22.2%	14.6%	9.1%	-	8.6%	13.9%
Agricultural - Waihemo	6,570,000	Final 2014/15	4,950	8,686	-	-	6,120	19,756
	8,925,000	Final 2015/16	6,648	10,308	-	-	6,645	23,602
	<b>2,355,000</b>	<b>Movement</b>	<b>\$1,698</b>	<b>\$1,623</b>	-	-	<b>\$525</b>	<b>\$3,846</b>
	36%	Movement %	34.3%	18.7%	-	-	8.6%	19.5%

## REVENUE & FINANCING POLICY



This policy outlines the choices we have made to determine the appropriate funding of operational and capital expenditure from the sources<sup>1</sup> of funds listed in the Local Government Act 2002 (LGA). The policy also shows how we have complied with section 101(3) . The comprehensive section 101(3)<sup>2</sup> analysis is separately documented in the Funding Needs Analysis.

Determining the appropriate way to fund our activities is complex. It is a process that takes account of many variables including, but not limited to, the following matters:

- Legal
- Affordability
- Equity
- Transparency
- Strategic Alignment
- Social
- Impact of change
- Cost
- Accountability
- Benefit
- Competition
- Efficiency
- Intergenerational equity
- Business

In determining the appropriate Revenue and Financing Policy, we plan to meet the current and future needs of communities 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.

## Funding principles

We have determined the following basic principles to guide the appropriate use of funding sources:

- User charges are preferred when a private benefit can be identified and it is efficient to collect the revenue.

- Subsidies, grants and other income options are fully explored prior to rates being used.
- Each generation of ratepayers should pay for the services they receive and borrowing can assist to achieve this outcome.
- Capital expenditure to replace assets that reach their projected economic life is firstly funded from rates, which accumulate in asset renewal reserves until needed. Borrowing is then used if there is a shortfall in the total funding required.
- Capital expenditure to upgrade or build new assets is funded firstly from other sources (eg subsidies, grants, fundraising, financial contributions) and then borrowing.
- Growth related capital expenditure is funded by development contributions. Borrowing will be used if the expenditure is required in advance of the contributions being received.

Complying with these principles can at times be challenging. We must apply judgement in assessing many options to determine appropriateness in our development of budgets or acquisition of assets and the choice of funding sources to implement these.

## Related Policies

The Development and Financial Contributions Policy provides further analysis, as required by section 106(2)(c). This explains why we have chosen to use development and financial contributions to fund the capital expenditure needed to meet increased demand for community infrastructure.

The Liability Management and Investment Policy places restrictions on the use of borrowing as a funding source. Both the Development and Financial Contributions Policy and the Liability Management and Investment Policy can be found at [www.waitaki.govt.nz](http://www.waitaki.govt.nz).

1 The sources of funds are listed in section 103(2)

2 All legislative references are to the Local Government Act 2002 unless otherwise stated

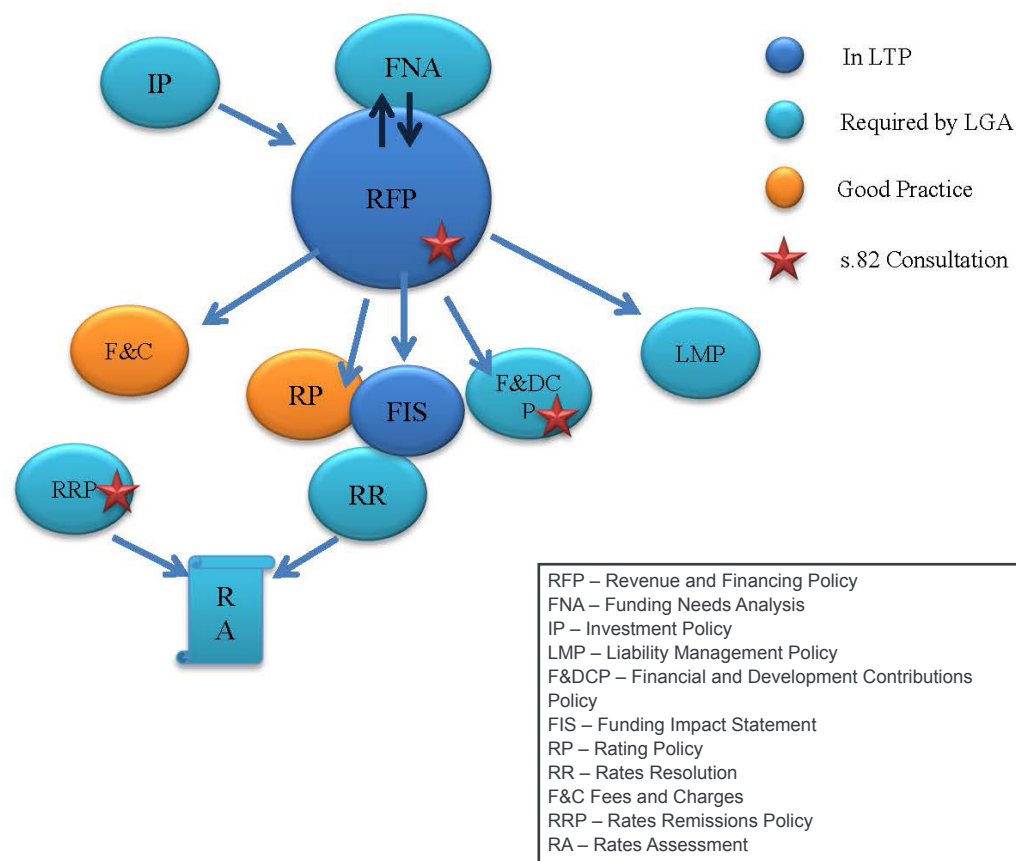
The Rating Policy further clarifies our funding requirements by documenting matters not included in the Funding Impact Statement, rates resolution or this policy. It includes the allocation of activity rates requirements to different rate types, detailed definitions and maps for rating areas.

The Funding Impact Statement is included in each Long Term Plan and Annual Plan as required by clauses 15 or 20 of schedule 10 of the LGA. This statement shows the results of the detailed rates calculation for the coming year.

Together the following documents form the necessary components to lawfully charge under the LGA for the revenue requirements of Council. We must also comply with other legislation in regard to the setting of some fees and charges and the Local Government (Rating) Act 2002 for the setting of rates.

1. The Funding Needs Analysis (s.101(3)) is informed by the high level policies of the Revenue and Financing Policy, but the Revenue and Financing Policy (RFP) must demonstrate how we have complied with s.101(3)
2. The Investment Policy informs the RFP of investment income sources
3. The Liability Management Policy, having been informed by the RFP of what borrowing will be needed for, determines how we manage our borrowings
4. The Development and Financial Contributions Policy is informed by the RFP as to when we need to use these as a funding source (Neil Construction vs. North Shore City, found the RFP and Funding Needs Analysis as being fundamental to a lawful development contribution – in theory this logic applies to rates, fees and charges and other income sources but this has not been tested)
5. The Rating Policy contains matters not required to be in the RFP but which support the decisions needed for rate setting under the LGRA
6. The Rate Remission Policy amends the FIS for some ratepayers prior to the issue of the Rates Assessment
7. The Fees and Charges Schedule is handy because it locates them all in one place

## Revenue and Financing Policy Relationships





## Previous reviews

We undertook a major first principles review of our funding policy in 2002/3. This review fundamentally altered the allocation of rates liabilities in the district. It saw a move to the current area of benefit targeted rate system away from the traditional differentiated land value rating system previously in place. In 2004 Council prepared its first Long Term Council Community Plan (later to be named the Long Term Plan). A requirement of the plan was to every three years include the Revenue and Financing Policy and thus review and consult on it. The Funding Needs Analysis was incorporated in its entirety in these previous Revenue and Financing Policies.

At each review we have considered particular activities that may need re-analysis. We do not reconsider all of the options for funding each activity at each review; this would be impractical and inefficient.

Although the policy has been redrafted a number of times to more clearly articulate its purpose there have been only minor amendments to some of the allocations since the policy was first adopted in 2003.

## Funding sources for operating costs

Operating costs are the day to day spending that maintains the services delivered by us. This includes contributions to the wear and tear on assets used (depreciation), interest charged on borrowing and corporate overheads.

We must consider the funding of each activity in a way that relates exclusively to that activity. Some activities may be best funded by user charges, such as swimming pool admission fees, others with targeted rates, such as a water rate, and others from a

general rate, such as the cost of us including all of our planning and decision making processes. Distinct funding enables ratepayers or payers of other charges to assess more readily whether or not the cost of the service provided to them, either directly or indirectly, represents good value. They can also more easily determine how much money is being raised for the service and spent on the service, which promotes transparency and accountability.

The funding sources for operating costs include:

### User charges

User charges are used for services where there is a benefit to an individual or group. Users charges is a broad group of revenue charged directly to an individual or entity. It includes:

- Entry fees
- Hire
- Permits
- Fines and penalties
- Disposal fees
- Private works
- Planning and consent fees
- Retail sales
- Service charges
- Rent, lease, licenses for land and buildings
- Regulatory charges
- Connection fees
- Deposits
- Memberships
- Statutory charges





The price of the service is based on a number of factors, including:

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

Our ability to impose user charges is limited by the powers conferred to us by many statutes and regulations. As a general rule, fees for statutory functions should be set at no more than the cost of providing the service. In some cases legislation sets the fees at a level that is below cost and in other cases, where provided by legislation (eg Waste Minimisation Act 2008) we may set fees at greater than the cost of providing the service. We consider it appropriate to incorporate overhead charges in the determination of the cost of providing a service.

Where we are charging for the sale of goods or services not required by statute, our preference is to charge a market price, having regard to the powers conferred by section 12 and the policy on competing with local businesses. This includes leases, rents and licenses for land and buildings.

Actual fees and charges may be set by us at any time and are reviewed by us annually. A list of regular fees and charges is maintained on our website.

User charges revenue is allocated to the activity which generates the revenue.

### **Policy of competing with local business**

Certain activities earn revenue from retail sales that compete with other businesses in the local community. Where we are in competition with local business for discretionary retail activities, the policy is that for our retail operations rates should not be used to subsidise unfair competition and considers that it is appropriate for our activities to sell goods and services associated with their operations at market value.

### **Grants, sponsorship, subsidies and other income**

Grants, sponsorship and subsidies are used where they are available. Many of these items are regular and predictable and therefore can be budgeted for. Some items of other income are unexpected or unpredictable and may not be able to be prudently budgeted (eg reparation payments, civil defence and other reimbursements, legal settlements and insurance payouts).

We expect to continue receiving substantial subsidies for road maintenance from government or its agencies.

### **Investment income**

Our investment policy is documented in our Liability Management and Investment Policy. These investments generate income such as dividends, interest, forestry returns and rents. Each source of income is receipted to the activity that owns the asset.

We maintain reserves funds and much of the income received by us is allocated to reserve balances and is not used to reduce rates requirements for operating costs.



## Financial contributions

We collect financial contributions under the Resource Management Act 2001. The purpose of these contributions is outlined in the Waitaki District Plan. Most contributions are made by vesting assets in Council. Some contributions are paid in cash and the Waitaki District Plan allows for some of these contributions to be used for operating expenses.

Our approach is to deposit receipts into a reserve fund and to withdraw from that fund for specific projects. These projects are in addition to the normal operating budgets but may not meet the accounting definition of capital expenditure (eg the establishment of a garden).

## Development contributions, proceeds from the sale of assets and lump sum contributions

We do not collect revenue from these funding sources to fund operating costs.

## Reserve funds

We maintain reserve funds. These cash reserves have generally come about from unspent rates, investment income or other revenue source in a previous year. Many of these reserve funds are for capital expenditure however some of these reserve funds are available to meet operating costs.

We generally use these funds for the purposes that the reserve was created and usually for new projects additional to normal operating expenditure. We at times may use these funds to minimise or smooth changes in rates.

## Borrowing

We do not borrow to fund operating costs. This is not allowed under our policies on borrowing, documented in the Liability Management and Investment Policy.

## Rates

Having been prudent and appropriately exhausting all other funding sources, we fund our remaining operating expenses from rates. For many activities this is the main funding source.

We must determine whether the portion of an activity to be funded from rates is to be funded from the general rate or a targeted rate.

In doing this, while considering all the matters of section 101(3), we place emphasis on 'the area of benefit'. By this, we mean that we review each activity and determine where the benefits from the provision of the service is received and choose a rating option that most closely charges that group. Matters we have considered are:

**Table 1: Our rating preferences**

Type of benefit	Preferred rating solution
To an area of the district (eg town or ward)	Establish targeted rates based on areas defined by map
To the value of the land	General rate – land value
To the property improvements	Targeted rate – capital value
To people	Uniform annual general charge (where everyone in the district receives a similar level of benefit). Targeted rate – uniform basis





We have, when considering the requirements of section 101(3)(a), allocated the rate portion of an activity on the basis of whether the activity contributes more to the value of the land, rather than the value of improvements or to benefit people.

### Summary of sources of funding for operating expenditure by activity

We have applied the above preferences for the use of the funding sources to each activity in our Funding Needs Analysis. The table describes the extent each funding source is used expressed in ranges. These ranges are expressed as a percentage of the cost of the activity. A key to interpret the graphics follows the table.

**Table 2: Summary of funding sources by activity**

Activity	User charges	Grants, subsidies & other	Invest. Income	Fin. Cont.	Dev. Cont.	Reserve Funds	Borrowing	General Rates	Targeted rates
Animal Control	✓	x	x	x	x	x	x	x	x
Parking Enforcement	✓	x	x	x	x	x	x	x	x
Oamaru Harbour - Port Operations	✓	x	x	x	x	✓	x	✓	✓
Community Housing	✓	x	x	x	x	x	x	x	✓
Building Control	✓	x	x	x	x	x	x	✓	x
Waste Management - Residual Waste Disposal	✓	x	x	x	x	✓	x	✓	x
Waitaki Aquatic Centre	✓	x	x	x	x	x	x	x	✓
Cemeteries	✓	✓	x	x	x	✓	x	✓	x

Activity	User charges	Grants, subsidies & other	Invest. Income	Fin. Cont.	Dev. Cont.	Reserve Funds	Borrowing	General Rates	Targeted rates
Waitaki Lakes Camping Grounds	✓	x	x	x	x	x	x	x	✓
Environmental Health	✓	x	x	x	x	x	x	✓	x
Liquor Licensing	✓	x	x	x	x	x	x	✓	x
Oamaru Opera House	✓	✓	x	x	x	x	x	x	✓
Resource Consent Processing	✓	x	x	x	x	x	x	✓	x
Roads and Bridges	✓	✓	x	x	x	x	x	x	✓
Waste Management - Waste Minimisation	x	✓	x	x	x	x	x	✓	x
Commercial Property	x	x	✓	x	x	x	x	x	x
Forestry	x	x	✓	x	x	x	x	x	x
Operational Property	x	x	✓	x	x	x	x	x	x
Treasury	✓	✓	✓	x	x	✓	x	x	x
Oamaru Airport	✓	x	✓	x	x	✓	x	x	x
Community Safety and Grants - Otago Museum	x	x	x	x	x	x	x	✓	x
District Planning	x	x	x	x	x	x	x	✓	x
Sports Grounds	✓	x	x	x	x	✓	x	✓	x
Waste Management - Closed Landfills	x	x	x	x	x	✓	x	✓	x
Noxious Plants	x	✓	x	x	x	x	x	✓	x
Environmental Monitoring and Hazardous Substances	✓	x	x	x	x	x	x	✓	x
Public Toilets	x	x	x	x	x	x	x	✓	✓



Activity	User charges	Grants, subsidies & other	Invest. Income	Fin. Cont.	Dev. Cont.	Reserve Funds	Borrowing	General Rates	Targeted rates
Community Safety and Grants - Other	✓	✓	x	x	x	✓	x	✓	✓
Tourism Development and Visitor Services	x	x	x	x	x	✓	x	✓	✓
Council	✓	✓	x	x	x	✓	x	✓	✓
Economic Development	x	x	x	x	x	✓	x	✓	✓
Civil Defence	✓	x	x	x	x	x	x	✓	✓
Community Planning and Consultation	x	x	x	x	x	x	x	✓	✓
Cm'ty Safety & Grants - Waitaki Cm'ty Recreation Centre	✓	x	x	x	x	x	x	✓	✓
Community Boards	x	x	x	x	x	x	x	✓	✓
Oamaru Harbour - Coastal Protection	x	x	x	x	x	x	x	x	✓
Stormwater	x	x	x	x	x	x	x	x	✓
Town Centre Services - Township Works	x	x	x	x	x	x	x	x	✓
Town Centre Services - Christmas Decorations	x	x	x	x	x	x	x	x	✓
Rural Fire	x	x	x	x	x	x	x	x	✓
Waihemo Service Centre	x	x	x	x	x	x	x	x	✓
Waitaki District Libraries (including Archives)	✓	✓	x	x	x	✓	x	x	✓
Water Supplies	✓	x	✓	x	x	x	x	x	✓
Oamaru Public Gardens	✓	x	x	x	x	✓	x	x	✓
Reserves, Green Spaces and Playgrounds	✓	x	x	x	x	✓	x	x	✓
Forrester Gallery and North Otago Museum	✓	✓	x	x	x	x	x	x	✓

Activity	User charges	Grants, subsidies & other	Invest. Income	Fin. Cont.	Dev. Cont.	Reserve Funds	Borrowing	General Rates	Targeted rates
Public Halls and Community Centres	✓	x	✓	x	x	✓	x	x	✓
Waste Water	✓	✓	✓	x	x	x	x	x	✓

Range Name	Range	Key
Unlikely	0	x
Minimal	0% - 20%	✓
Low	20% - 40%	✓
Moderate	40% - 60%	✓
High	60% - 80%	✓
Most	80% - 100%	✓
All	100%	✓

Key

Our budgets will normally be set within these ranges. As these ranges are expressed as a percentage of the cost of the activity they may change over time because of changes in expenditure rather than changes in revenue. If budgets were marginally outside these ranges, it is unlikely that we will consider that matter to have a high degree of significance and therefore warrant a consultation to change the Revenue and Financing Policy. It is also likely that actual funding sources will be different from budgeted funding sources.

### Funding sources for capital costs

Capital costs are those costs associated with the purchase and improvement of assets and for the repayment of debt. The funding sources for capital costs include:



may include bequests, depreciation or asset renewal reserves, financial contribution reserves, and development contribution reserves.

### Borrowing

For larger capital projects that provide a long-term benefit to the community, we may determine that borrowing the funds is an appropriate method of allocating the costs of a project over time to users.

Borrowing, both the capital (principal) and interest components, is generally repaid by future rates. We may resolve to capitalise interest repayments on some debt, where it considers it most likely (prudent) that another funding source (eg property sales or development contributions) will be able to repay the accumulating debt.

Where it is not practical to obtain third party revenue and where reserve funds haven't previously been set aside, we prefer borrowing as a funding source. Borrowing spreads the cost of the project over a longer period, smoothing changes in rates and contributing to help achieve intergenerational equity.

### Lump sum contributions

We have the option when undertaking a major project to seek lump sum contributions to the capital cost of the project from those who are identified in the project's capital project funding plan<sup>4</sup>. Lump sum contributions are provided for in the Local Government (Rating) Act 2002 and have stringent requirements placed on how they are used. Where a lump sum payment option is proposed ratepayers choose to participate or not. We have previously used these provisions and may do so in the future.

<sup>4</sup> Local Government (Rating) Act 2002 - s.117A



For major projects, we will consider requiring funding from borrowing and whether we wish to seek lump sum contributions.

### Rates

Rates are used firstly to fund day-to-day expenses, including depreciation and borrowing interest costs. A portion of rates funds the capital (principal) repayments of debt, generally using table loan calculations. Rates will be used to fund some small items of capital expenditure. Rates are not a practicable method to fund large projects in the year of expenditure.

We will fund in advance some capital projects that will maintain service levels by collecting rates for depreciation (an operating expense). These funds are placed in depreciation or asset renewal reserve funds until they are required.

### Analysis for capital expenditure by activity

We have applied the above preferences for the use of the funding sources for capital to each activity in its Funding Needs Analysis. We will fund capital costs on the same basis as determined by the operating costs funding policy, unless we resolve otherwise. It is not practicable to determine a funding policy for an unknown future project at this time.

We use the following guidelines when considering the funding of capital projects:

- All projects are first funded from grants, subsidy or other income.
- Renewal projects that maintain service levels are then funded from reserves set aside for this purpose.
- Growth projects for network infrastructure that are required to meet increased

- demand are funded from development contributions.
- Other reserve funds (eg financial contributions) are considered.
  - Lump sum rating options are considered.
  - Capital projects that have exhausted previous funding sources or are for new or increased service levels or for growth in non-network infrastructure are then funded from borrowing.

A single project may have a mix of each of these funding options.

Generally it is not practical to create separate funding policies for each and every capital project. We will only do this when a project is particularly large, affects a particular group or does not fit with an existing funding policy or activity. Whenever we resolve to consider a separate funding policy we will consider the sources of funds above, the Revenue and Financing Policy and complete a section 101(3) assessment to determine an appropriate funding policy for the project. Generally we will resolve the funding policy at the time the project is proposed in an Annual Plan or Long Term Plan.

## Rates

### General rates

The general rate is allocated to properties based on the value of that property. We have chosen to use land value as the basis by which to calculate the amount of rates to allocate to each property. We have chosen to have an undifferentiated general rate (ie every fully rateable property pays the same rate in the dollar). In considering the area of benefit approach we have allocated the cost of activities to the general rate where we have determined there is a primary benefit to the use or value of the land.

We have determined in our Funding Needs Analysis that all or part of the following activities should be funded from the general rate:

- |   |                                    |
|---|------------------------------------|
| • Council   | • Community Boards                 |
| • Community planning and accountability             | • Resource consent processing      |
| • District planning                                 | • Health licensing                 |
| • Noxious plants                                    | • Forestry                         |
| • Community safety and grants                       | • Sports grounds                   |
| • Otago museum grant                                | • Oamaru harbour - port operations |
| • Waitaki community recreation centre               | • Economic development             |
| • Waitaki lakes camping                             | • Operational property             |
| • Environmental monitoring and hazardous substances |                                    |

The uniform annual general charge is allocated to each separately used or uninhabited part of a rating unit<sup>5</sup>. The uniform annual general charge is used to fund activities where we have determined that the primary benefit is to people and that all people in the district receive a similar benefit.

We have determined in our Funding Needs Analysis that all or part of the following activities should be funded from the uniform annual general rate:

- |  |                                    |
|--|------------------------------------|
| • Council                                  | • Building control                 |
| • Environmental health                     | • Liquor licensing                 |
| • Cemeteries                               | • Otago museum grant               |
| • Waste management                         | • Closed landfills                 |
| • Tourism development and visitor services | • Community development and grants |
| • Sports grounds                           | • Public toilets                   |
| • Community planning and consultation      | • Civil defence                    |



<sup>5</sup> Separately used or inhabited part of a rating unit – is a factor listed in the Local Government (Rating) Act 2002 - Schedule 2, which we may use for the charging of rates. Each council is required to define this term in the Funding Impact Statement in each Long-term Plan and Annual Plan.



## Targeted rates

Owing to the widespread nature of the district, distance from services and variability of services, we have developed a rating system with a strong emphasis on the use of targeted rates.

We view the use of targeted rates as creating a much more transparent and equitable allocation of the cost of services.

We have determined in its Funding Needs Analysis that all or part of the following activities should be funded from the targeted rates:

- Council
- Roads and bridges
- Tourism development and visitor services
- Oamaru harbour - port operations
- Public halls and community centres
- Town centre services -township works
- Water supplies
- North Otago Museum
- Waitaki district libraries
- Public toilets
- Christmas decorations
- Waitaki community recreation centre
- Community planning and consultation
- Waihemo service centre
- Reserves, greenspaces and playgrounds
- Community Boards
- Civil defence
- Oamaru harbour - coastal protection
- Community housing
- Waitaki lakes camping
- Rural fire
- Waste water
- Forrester Gallery
- Oamaru Public Gardens
- Parking enforcement
- Waitaki Aquatic Centre
- Oamaru opera house
- Economic development
- Stormwater



In funding the above activities from targeted rates we use the following types of targeted rates. More information on the calculation of each rate, including the percentage of the rate requirement of an activity to be collected from each rate, and the rating area maps, can be found in the Rating Policy.

**Table 3: Targeted rate types**

Name	Activities funded	Basis for rate
District services rate	Activities that we consider to benefit every property in the district.	Capital value across whole district.
Ward services rate	Activities that we consider to benefit a ward.	Capital value across each ward.
Ward services charge	Activities that we consider to benefit a ward.	Uniform charge across each ward to every separately used or inhabited part of a rating unit.
Name	Activities funded	Basis for rate
Community Board rate	Activities that we consider are directed by the community within a ward's choice to have a community board.	Land value across each ward with a community board.





Name	Activities funded	Basis for rate
Oamaru business area rate	Activities that we consider to benefit the business area.	Capital value set differentially based on use and location of the rating unit.
Oamaru urban area rate	Activities that we consider to benefit the Oamaru urban area.	Uniform charge across the Oamaru urban area to every separately used or inhabited part of a rating unit.
Loan rates	For reasons of public safety or due to private benefit we may agree to fund the private benefit of works by specific local rates on targeted properties.	Uniform charge to each identified rating unit.

Name	Activities funded	Basis for rate
Roading and Civil Defence Rate	To fund roads and bridges and civil defence activities.	Capital value rate across the district set differentially. There are three differentials based on use; hydroelectric power generation installations, mining and mineral extraction and other uses.
Lakes camping rate	To fund the rates portion of the Waitaki lakes camping activity.	Land value rate across the district set differentially. There are two differentials based on use; hydroelectric power generation installations, other uses.
Local amenity rate	To fund those activities that provide local amenity to townships.	Land value rate across each property within a town area.

Public hall rates	To fund public halls and community centres.	Uniform charge to each separately used or inhabited part of a rating unit within a hall area.
Sewerage rates	To fund sewerage treatment and disposal.	Uniform charge to each water closet set differentially to connected water closets and serviceable rating units.
Name	Activities funded	Basis for rate
Water rates	To fund water supply.	Uniform charge for each connected property based on location, the nature of connections, volume of water supplied, the number of connections, or serviceability.
Construction loan rates	To fund significant capital upgrades to sewerage and water schemes per serviced rating unit within a defined boundary.	Uniform charge for each connected or serviceable property that has not paid a lump sum contribution.

## Overall funding consideration

We are required by section 101(3)(b) to consider the overall impact of the allocation of liability for revenue needs on the community. It allows us, as a final measure, to modify the overall mix of funding in response to these considerations.

1. We are required to adjust the total amount collected from the 'uniform annual general charge' portion of the general rate to be within the 30% rule<sup>6</sup>. If the sum of the activities to be funded from the uniform annual general charge is more than the 30% cap, we will adjust the rate down to the cap and the balance will be funded from the general rate.
2. We may use accounting provisions and reserve funds to spread the costs of activities over multiple years for the purpose of smoothing the cost to users and ratepayers.
3. We may waive or discount fees and charges where it considers it appropriate to do so. Some matters we may consider when deciding whether it is appropriate to waive fees are:
  - a. for social reasons
  - b. for the promotion of events and facilities
  - c. for commercial reasons
  - d. due to poor or interrupted service provision
  - e. to minimise risk

<sup>6</sup> Local Government Rating Act 2002 – s.21

## A word cloud featuring various terms related to community and development. The most prominent word is 'community' in a large, dark blue font. Other visible words include 'invest' in red, 'biodiversity' in green, 'safety' in red, 'grow' in red, 'work' in blue, 'play' in blue, 'water' in blue, 'gallery' in blue, and 'are' in red. The words are arranged in a circular pattern.

Postponement policies have been prepared under Sections 108 to 110 of the Local Government Act 2002 and Sections 85 to 87 of the Local Government Rating Act 2002.

The ratepayer(s) (or authorised agent) must make written application to Council. We will consider, on a case-by-case basis, all applications received that meet the criteria described in paragraphs 1 and 2 under this section.

We will delegate authority to approve a first application for rates postponement to the Chief Executive.

When considering whether extreme financial circumstances exist, all of the ratepayer(s) personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.

Before approving an application we must be satisfied that the ratepayer(s) is (are) unlikely to have sufficient funds left over, after the payment of overdue rates, for normal health care, as well as making provision for normal day to day living expenses.

Where we decide to postpone rates the ratepayer(s) must first make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

Any postponed rates will be postponed until:

- The death of the ratepayer(s); or
- Until the ratepayer(s) ceases to be the owner or occupier of the rating unit;

or

- Until the ratepayer(s) ceases to use the property as his/her residence; or
- Until a date specified by us.

We will only postpone rates to a value up to the capital value of the property as recorded in the Rating Information Database.

We will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover our administrative and financial costs and may vary from year to year. The fee will be set annually in our annual plan.

The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

Postponed rates will be registered as a statutory land charge on the rating unit title.

This means that we will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

### **Rights of appeal**

The ratepayer(s) may appeal any decision by us under this policy. The appeal must be in writing (verbal presentation of the written appeal will be accepted). We will hear the appeal.

### **Postponement of rates on Maori freehold land**

Maori freehold land is defined in the Local Government Rating Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Maori Land Court. Only land that is subject to such an order may qualify for a postponement of rates under this policy.

### **Objectives**

The objective of this policy is to facilitate the development and use of the land for economic use where we consider utilisation would be uneconomic if full rates are required during the years of development or establishment of a crop.



### **Conditions and criteria**

We will consider postponement of rates where previously unoccupied land is subject to clearing, development or growing of crops.

Application should be made prior to 30 April of each year and will be applied from 1 July of that year.

Owners or Trustees making application should include the following information in their application:

- Details of the property
- The objectives that will be achieved by providing the postponement
- Details of the proposed development.

We will consider postponement for each individual application according to the circumstances of that application.

No postponement will be granted on targeted rates for water supply, sewerage disposal or refuse collection.

We may, at our discretion, partially remit rates that are otherwise subject to postponement.

### **Remission of rates**

Remission Policies have been prepared under Sections 108 to 110 of the Local Government Act 2002 and Sections 85 to 87 of the Local Government Rating Act 2002.

## Remission of rates – general

Remission policies have been prepared under Sections 108 to 110 of the Local Government Act 2002 and Sections 85 to 87 of the Local Government Rating Act 2002.

## Remission of rates on bare land

### Objectives

We may cancel any separate targeted rate or uniform annual general charge in respect of one or more rating units occupied by the same ratepayer (as stated in the district valuation roll) if we consider it reasonable in the circumstances to do so.

### Criteria and conditions

Our policy is that where properties are occupied by the same ratepayer (as stated on the district valuation roll) we will not charge a uniform annual general charge or ward targeted rate on properties considered to be bare land, provided that the ratepayer pays at least one uniform annual general charge within the district. Bare land is defined as properties with no improvements other than fences and irrigation. For the purposes of this policy forestry blocks (without buildings or other constructions) are deemed to be bare land. To receive and retain this remission the property must be maintained and kept safe, and not present a hazard of any kind that may require our action or attention.

## Remission of Rates on Waitaki River Kaik, Waitaki Bridge Camp, Gemmell's Crossing Camp and Moeraki Kaik Camp

### Objectives

The objective of this policy is to recognise the limited opportunity to occupy the various parts of the rating units and other factors in relation to the impact of full charges.

### Criteria and conditions

We may remit, on application from the ratepayer, all or part of the Uniform Annual General Charges and Ward Charges on the rating units that make up the Waitaki River Kaik, Waitaki Bridge Camp, Gemmell's Crossing Camp and Moeraki Kaik Camp. The level of remission will be set annually.

## Remission of rates on rating units with multiple single bedroom inhabitable parts

### Objectives

The objective of this policy is to recognise potential inequity of charging properties that have multiple single bedroom inhabitable parts on the same basis as other residential inhabited parts.

### Criteria and conditions

We may remit, on application from the ratepayer, part of the Uniform Annual General Charges and Ward Charges on the rating units that have single bedroom inhabited parts. The level of remission will be set annually.

## Remission of rates on properties with mixed residential and other uses in the Oamaru business areas

### Objectives

The objective of this policy is to recognise potential inequity of charging properties that are used for residential and another purpose in the Oamaru Business area on the same basis as a property used for business purposes.



## Criteria and conditions

We may remit, on application from the ratepayer, all or part of the Oamaru Business Area Rates where the majority of a property is used for residential purposes. The level of remission will be determined by a number of factors including but not limited to the floor area and value of the residential portion.

## Remission of rates on Maori freehold land

Maori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a Freehold Order issued by the Maori Land Court. Only land that is subject to such an order may qualify for a remission under this policy.

This policy aims to:

- Ensure the fair equitable collection of rates from all sectors of the community recognising that certain Maori owned lands have particular conditions, features, ownership structures, or other circumstances, which make it appropriate to provide relief from rates.
- Implement a policy for providing rate relief on Maori land pursuant to Section 108 of the Local Government Act 2002.

## Objectives

The objectives of the policy are to:

- Recognise situations where there is no occupier or person gaining an economic or financial benefit from the land



- Set aside land that is better set aside for non-use because of its natural features
- Recognise matters related to physical accessibility of the land
- Recognise and take into account of the presence of waahi tapu that may affect the use of the land for other purposes

## Conditions and criteria

We will consider a remission for property that comes within the following criteria:

- The land is unoccupied and no income is derived from the use or occupation of that land, or
- The land is better set aside for non-use because of its natural features or as unoccupied and no income is derived from the use or occupation of that land
- The land is inaccessible and is unoccupied.

The remission for land meeting the criteria will be 100% of any rates except for targeted rates made for the supply of water, sewerage or waste collection.

Applications for land to be considered for remission must be made by 30 April of each year for the rating year commencing on the following 1 July of that year.



Owners or Trustees making an application should include the following information in their applications:

- Details of the property
- The objectives that will be achieved by providing the remission
- Documentation that proves the land, which is the subject of the application, is Maori freehold land.

The extent of the relief is at the sole discretion of us and may be cancelled or reduced at any time.

We will review the register annually and may require information on whether the circumstances relating to the property receiving the remission have changed, or no longer comply with the policy.

## Remission of rates penalties

We grant to the Chief Executive or his/her nominee delegated authority in the following circumstances to approve on receipt of an application the remission of such penalty charges which have been incurred by any ratepayer as a consequence of their payment being received after the due date:

- On a 'one-off' basis where the ratepayer has had a previous satisfactory payment history
- Where a property changes hands (sale or lease) and the new owner/lessee is responsible for an instalment when the original account was issued in the name of the previous owner/lessee
- On compassionate grounds, ie where a ratepayer has been ill or in hospital or suffered a family bereavement or tragedy of some type, and has been unable to attend to payment (elderly persons living on their own etc)



- Rate account not received where it can be proved a genuine case exists
- In such instances where an error has been made on the part of us or arising through an error in the general processing or levying of same which has subsequently resulted in a penalty charge being imposed.

## Arrears – penalty remissions

In situations where there are arrears from previous years, negotiation may be entered into over the amount of accumulated arrears penalty that is ultimately to be paid on such accounts subject to the proviso that dispensations subsequently granted shall be conditional upon settlement being made of the total account due, and that in implementing this policy the circumstances of each case be taken into consideration on their individual merits and it be conditional upon the full amount of such rates due having been paid.

In considering the application of this policy the following matters shall be considered:

1. The remission does not go back for more than three years
2. That the rates are paid
3. That we prefer those ratepayers who have communicated in advance and reached an agreement or an arrangement by which the base rates will be paid within a period of two years
4. Our outgoings are always recovered
5. The ratepayer's entire relationship with us will be reviewed to ensure a benefit is not provided to a ratepayer when costs are being incurred because of the ratepayer's other interactions with us
6. The remission of the penalty will facilitate the sale of the property, on the basis we are better off with a future revenue stream



## Remission of sewerage charges on schools

### Objectives

To provide for relief from sewerage charges for rating units used for educational establishments, so that educational establishments shall be required to pay no more for sewerage charges than previously determined under the Rating Powers (Special Provision for Certain Rates for Educational Establishments) Amendment Act 2001 ('the Donnelly Act').

### Conditions and criteria

Rating units that meet the criteria under this policy shall receive a remission of sewerage charges so that the total sewerage charges payable shall be no more than that previously determined under the Donnelly Act.

To be eligible for remission, the rating units must be used for the purposes of an educational establishment as defined in the Donnelly Act.

## General remission – extraordinary circumstances

### Objectives

The objective of this policy is to give us an option to respond to extraordinary events that affect a ratepayer or group of ratepayers that could not be foreseen or mitigated against at the start of the rating year.

### Conditions and criteria

Applications must be made in writing. The application should set out the circumstances

and impact on the ratepayer(s). We will consider all applications; there will be no right of appeal.

## General Matters

### Council Discretion

The extent of the relief is at the sole discretion of us and may be cancelled or reduced at any time.

### Information to be supplied

We will review the level of remission annually and may require information to be provided by the ratepayer before the remission is granted.

### Deadline for application of remissions

In order that we can correctly set the rates, written application for any remission must be received by 31 May of the year prior to the year that the rates are set for.

We may consider granting a remission in the year it is applied for if the remission policy was adopted as part of that year's Long Term Plan or Annual Plan process and the ratepayer would otherwise have been eligible for the remission.

### Delegation to the Chief Executive

Unless otherwise stated, the Chief Executive or other delegated officer, is delegated authority to determine if ratepayers meet the criteria of any remission applied for, request any further information required to make a decision and grant remission in accordance with the adopted policies.



## Administration of rates

### Payment methods and places

Rates will be collected by quarterly instalments due on the following due dates of each year or the first working day thereafter:

- 25 August
- 25 November
- 25 February
- 25 May

Rates may be paid by any of the following methods:

- Cash
- Eftpos
- Automatic payment
- Cheque
- Internet banking
- Credit card
- Direct debit

Rates may be paid at Council offices:

- Waitaki District Council Headquarters, 20 Thames Street, Oamaru between the hours of 8.30am to 5pm Monday to Friday except Thursday 8.30am to 4pm
- Waihemo Service Centre, 54 Tiverton Street, Palmerston between the hours of 8.30am to 5pm Monday to Friday except Thursday 9.30am to 5pm.

### Minimum economic rate

We will exercise our powers under section 54 of the Local Government (Rating) Act 2002 and will not collect the rates payable on a rating unit if the sum of those rates is so small as to be uneconomic to collect. We have determined that it is uneconomic to collect rates owing on any rating unit of less than \$10.00 (including GST) per annum.

### Rates penalties

Under Section 58 of the Local Government (Rating) Act 2002, we may impose penalties. Under Section 58(1)(a) a 10% penalty will be added on the next business day to so much of any instalment not paid by due date.

Under Section 58(1)(b) of the Local Government (Rating) Act 2002, a 10% penalty will be added to rates that remain unpaid from previous years. This will be added on 1 July of each year, or five working days after we have passed the rates resolution (whichever is the later).

Under Section 58(1)(c) of the Local Government (Rating) Act 2002, a further 10% penalty will be added to rates that remain unpaid from previous years. This will be added six months after the penalty made in accordance with Section 58(1) (b).

Payments are applied to the oldest debt first.

### Rates refund policy

We will only make a refund in any of the following circumstances:

- Rates have been fully paid for the rating year and are in credit for the next rating year or





- Payment has been made into an incorrect account and the other party has consented to a refund or
- A property is sold and a rate refund is requested by both the buyer and seller or
- When in the view of the Chief Executive Officer or Chief Financial Officer, extraordinary circumstances exist, particularly in relation to hardship, and the account is in credit on an instalment basis.

Only one refund per ratepayer per year will be made.

#### **Public availability of information**

We will charge a fee for supplying any person with a copy of information from the rating information database except when requested in person at our offices in Oamaru and Palmerston.

For more information please go to [www.waitaki.govt.nz](http://www.waitaki.govt.nz).

#### **Early payment of loan rates for subsequent financial years**

We will allow early payment of loan rates by lump sum for subsequent financial years. We will accept early payment of construction charge rates by lump sum at any time.

We will specify in the Annual Plan the amount of the lump sum required to fully discharge each loan construction charge rate and assessed by us. This charge will apply for each period from 1 July to 30 June of the following year.

The amount of the lump sum required to fully discharge each construction charge rate set and assessed by us will be recalculated annually.

The annual calculation will take account of the prevailing interest rate and the estimated remaining ratepayers paying the loan.

## SECTION 8: GENERAL POLICIES

### VARIATION BETWEEN COUNCIL'S LONG TERM PLAN AND ASSESSMENT OF WATER AND SANITARY SERVICES AND WASTE MANAGEMENT PLAN



We are required to have a Water and Sanitary Services Assessment and a Waste Management and Minimisation Plan. Under the Local Government Act 2002 we must identify and explain any variation between these two documents and the Long Term Plan.

#### Water and Sanitary Services

The Water and Sanitary Services Assessment is a review of all public and private services relating to:

- Water
- Wastewater
- Rubbish and recycling
- Public toilets
- Cemeteries

Its purpose is to assess the adequacy of water and other sanitary services for communities within the district from a public health perspective. The assessment takes account of health risks, quality of services, current and estimated future demands, the extent to which drinking water provided by water supply services meets applicable regulatory standards and the actual or potential consequences of stormwater and sewage discharges. We completed this assessment in 2005 and the following significant variations have been identified as part of the 2015 review:

#### Divestment of water supplies

Operation and maintenance of the Corriedale group water supplies (Awamoko, Kauru Hill, Tokarahi, Windsor) is now performed by the community. We will perform a six-monthly review of business practice to monitor the supplies and ensure risks are managed appropriately.

#### Council management of Hampden onsite wastewater systems

Due to ongoing issues associated with Hampden onsite wastewater systems (septic tanks), we have agreed to manage inspection and cleaning. This has led to reduced risks to the community and an increased level of service.

#### Expected life of operational landfills

At its current rate, the Oamaru landfill is expected to close in 2015/16 (year one of the Long Term Plan). The Oamaru landfill consent expires in 2016 and the Palmerston landfill consent in 2023.

#### Residual waste disposal options

We are proposing a joint venture waste transfer station with a 50/50 public private partnership when the Oamaru landfill closes. Palmerston landfill will be replaced by a transfer station once the consent expires or if capacity is reached prior to consent expiry.

#### Public toilets

Privy-type (long drop) toilets will not be phased out. Vault toilets are serviced regularly to prevent any environmental risks.

#### Waste management and minimisation plan

Our Waste Management and Minimisation Plan was adopted in 2012 and sets out the funding, objectives and methods for achieving effective and efficient waste management and minimisation. There are no significant variations between the Waste Management and Minimisation Plan and the proposals in the Long Term Plan.

Our Water and Sanitary Services Assessment and Waste Management and Minimisation Plan can be found at [www.waitaki.govt.nz](http://www.waitaki.govt.nz).

# FOSTERING MAORI CONTRIBUTION TO THE DECISION-MAKING PROCESS

## Existing arrangements

We acknowledge Māori as people with whom there is a special relationship. We are committed to giving effect to the principles and intent of the Treaty of Waitangi, and to engaging in genuine and appropriate consultation with Māori.

We have in place protocols for ensuring Tangata Whenua are consulted in regard to decisions made under the Resource Management Act 1991, Local Government Act 2002, and in 2012 received and adopted a Memorandum of Understanding with Te Runanga o Moeraki to guide the ongoing relationship between Council and the Runanga. We also have a Relationship Agreement with Waitaha Taiwhenua O Waitaki Trust Board.

We continue to focus on their wider role, including:

- Encouraging Maori contribution to decision-making processes of all our activities, not simply decisions under the Resource Management Act
- Reference to Maori rather than to Tangata Whenua, thus including Mana Whenua and Taura Here
- Reference not only to enabling contribution to decision-making but also to fostering Māori capacity to contribute.

We report back annually against the Memorandum of Understanding through our Annual Report.

## Legal considerations

Section 81 of the Local Government Act 2002 states that:

- “(1) A local authority must:
- (a) Establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority

- (b) Consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority
  - (c) Provide relevant information to Maori for the purposes of paragraphs (a) and (b).
- (2) A local authority, in exercising its responsibility to make judgments on the manner in which subsection (1) is to be complied with, must have regard to:
- (a) The role of the local authority, as set out in section 11
  - (b) Such other matters as the local authority considers on reasonable grounds to be relevant to those judgments.”

Schedule 10 Part 1 Section 8 to the Local Government Act states that:

“A long-term plan must set out any steps that the local authority intends to take, having undertaken the consideration required by section 81(1)(b), to foster the development of Māori capacity to contribute to the decision-making processes of the local authority over the period covered by that plan.”

## Steps that we intend to take

Over the life of this plan, we will review the Memorandum of Understanding with Te Runanga o Moeraki and the Relationship Agreement with Waitaha Taiwhenua O Waitaki Trust Board to ensure the documents are working and remain relevant. We will continue to find ways to ensure that all Māori have the opportunity to contribute to decision-making, and will continue to liaise with Te Runanga o Moeraki in the first instance and Waitaha Taiwhenua O Moeraki Trust Board thereafter to guide protocol and process.



## SIGNIFICANCE & ENGAGEMENT POLICY

In November 2014 we adopted a Significance and Engagement Policy. The purpose of the policy is to:

1. Enable Council and our communities to identify the degree of significance attached to proposals relating to issues, assets, and other matters.
2. Provide clarity about how and when communities can expect to be engaged in decisions made by us.
3. Inform us from the beginning of a decision-making process about the appropriate extent, form and type of engagement that may be required.

### General approach to determining significance

Under the policy, we will take the following criteria into account when assessing the degree of significance of any proposals or decisions:

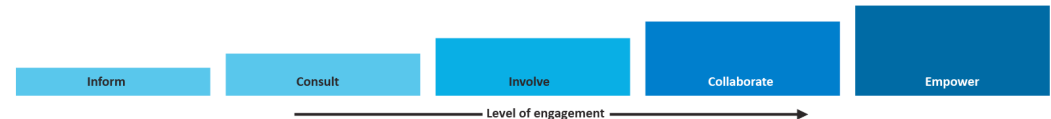
- Whether the proposal or decision is consistent with previous decisions or plans
- The level of financial consequences of the proposal or decision
- The likely impact on present and future interests of the community, recognising Māori cultural values and their relationship to land and water
- Whether the likely consequences are controversial
- The extent to which the decision or proposal is difficult to reverse
- The level of uncertainty associated with the proposal or decision
- Whether the proposal relates to a strategic asset, for example the roading network or water collection, treatment and distribution systems

The more criteria, outlined above, that apply to a proposal, the more likely it is to have a higher degree of significance.



### General approach to engagement

The policy sets out the relationship between significance and engagement. The more significant an issue, the greater the need for community engagement. Engaging with the community is often needed to understand the views and preferences of people likely to be affected by or interested in a proposal or decision. The policy identifies the form of engagement we may use to respond to some specific issues. It also provides examples of types of issues and how and when communities could expect to be engaged in the decision making process, guided by the spectrum of engagement below.



### Legally required engagement

For some decisions, the process of engagement is identified in law, regardless of whether these decisions are considered significant as part of this policy. For a full version of the policy go to [www.waitaki.govt.nz](http://www.waitaki.govt.nz).



## APPENDIX 1 - FINANCIAL STRATEGY

### Overview

We developed and adopted a financial strategy for the first time as part of our 2012-22 Long Term Plan. Although this was a new requirement, what it meant in practice was formalising and expressing issues and ideas that had always been considered to a greater or lesser extent in the past. The financial strategy is one of the main ways we can ask and seek answers to such fundamental questions as:

- What services should we provide, who should pay for them, and how should they be paid for?
- What types of assets should we own and how well should we look after them? This will be set in conjunction with the Infrastructure Strategy.
- How much should we be paying for now, and how much debt should we have (to be considered along with the Revenue and Financing Policy and Borrowing Policy)?
- What might change, and how would this change the things we have decided above?

These are all issues that families, businesses and we have to consider. The purpose of the financial strategy is to put them all in one place in a cohesive manner, consider the alternatives, choose an answer and then discuss it with the community. At the end of the process this should produce something that helps make decisions over the life of the Long Term Plan.

The current financial strategy was summarised in the phase *The future we want at the price we can afford*. This sets out the ongoing balancing act we face when wanting to do more to make the community better while at the same time recognising the financial impact rates and other charges can have.



### The strategy – in a sentence

To continue to deliver high quality services that meet the needs of the community while improving rates affordability by focusing on efficiency and effectiveness, maximising value and repaying debt.

The ways this will be achieved and hence the heart of the strategy is:

- Limiting the number of new or increased services we choose to provide and only considering these if the funding can be provided from new sources, or transferred from another Council activity or when the service meets the purposes of Local Government, or will assist or enable the meeting of other Council outcomes or is an agreed Annual or Long Term Plan objective.
- Reviewing what is required to deliver existing services with the aim of achieving better value, particularly from the assets involved, and disposing of assets that do not contribute to efficient and effective service delivery.
- Using assets for their maximum possible life and ensuring any replacement assets represent the most efficient and effective way of meeting the community's needs.

This strategy has a real focus on maintaining the status quo, especially in terms of core services and infrastructure. This would be relatively easy to achieve if nothing changes, however, this is seldom the case. The following sets out how this strategy could be applied in a changing environment and what options are available given our current position. It will consider how the three factors of service levels, rates and debt would move under the different options available. It will also consider the level of risk we are willing to accept that a service won't be delivered (under delivery), and conversely, that a service delivered will provide little or no benefit (over delivery).



## Where we were and where are we now?

### Where we began

When the Waitaki district began it had established communities with a large amount of older assets, reasonable levels of external debt, limited reserves, and few investments or other sources of revenue apart from rates and roading subsidies. The first few Waitaki councils took a conservative approach and limited rates income in part by deferring spending on major assets. This was an approach many councils adopted and was part of the reason for the changes made to the Local Government Act in 2002. The council of the day responded with two significant changes in their approach to financial matters. The first was a change to the rating system, particularly the change to capital value rating and targeted rates. The second was the decision to fully fund, with only two major exceptions, all of the depreciation it was required to recognise.

The impact of these changes is now seen in the financial position we are in. Although we have relatively high rates, especially residential rates, we have no external debt, improved assets and facilities and well-funded reserves to allow asset replacement as it is required, and we have the capacity to respond to some community requests when required. This is a position we want to build on.

### Where are we now – overall financial position

Overall, we continue to be in a very sound financial position. This has improved over the last three years as we have reported operating surpluses in each of the last two years, and are forecasting another surplus in 2014/15, and in each of these three years we have required less total rates than was predicted in the 2012-22 Long Term Plan. We also have lower debt and more investments than was anticipated in the last Long



Term Plan. These are all positive results which have put us in a good place to consider the next 10 years and is illustrated with the charts later in this strategy.

Over the last year we also developed and adopted a new vision and desired outcomes for the district. The vision of *Growing Waitaki – the best place to live, work and play* and the outcome of *We keep our district affordable* are both different ways of expressing the intent of the current financial strategy.

Given this, we are carrying forward much of the current strategy with changes only being made to reflect the changed environment since the last Long Term Plan and where it is thought the messages could be made clearer and simpler.

### Where are we – expenditure and levels of service

Expenditure levels reflect the decisions we have made about the level and mix of services we need and want to provide. Once we have made these decisions, we fund the necessary expenditure using the methods and mix of funding set out in the Revenue and Financing Policy.

The Operating Expenses chart later in the strategy shows that not only do we continue to spend most of the funding we receive on core infrastructure and services but the proportion spent on these key activities has remained fairly consistent over the last 10 years with spikes only really occurring when an adverse event like flooding has to be dealt with.

### Where are we – debt

At the start of the 2015-25 Long Term Plan period we will have no external term debt. We do, however, have a significant balance of internal loans. An internal loan is where



we invest with ourself, with one area that has funds in reserve lending these to another part of Council.

We use this debt to fund a very limited range of expenditure. At present this is limited to:

- Purchasing new assets: internal loans may be used to fund the residual after all other appropriate funding sources have been used (term debt);
- Renewing assets or other scheduled spending if there are insufficient funds in a reserve or available from other sources but there is regular inflow into the reserve;
- Funding accumulated or exceptional operating deficits, but only on a short-term basis (overdraft).

## Where are we – investments

The largest investment we have are our internal loans. The activities with the surplus funds receive a return equivalent to what would have been received had the funds been invested externally, so they are no worse off.

The next largest investment is our loan to the North Otago Irrigation Company (NOIC). We have increased the amount we have loaned to NOIC to \$17 million in July 2015 to assist with the expansion of the scheme. This will provide a commercial rate of return to us until the scheduled repayment in 2022.

The other major investment is in Whitestone Contracting Limited (100% owned Council Controlled Organisation).

We also have surplus and reserve funds which we invest with banks and other financial institutions on a short to medium term basis in accordance with the Investment Policy. We are also considering an investment in the retirement village promoted by Waitaki

District Health Services Ltd. Based on the latest timetable a decision on any investment will now be made prior to the end of 2015.

## Where are we – revenue and rates

Although rates are the largest source of income for us, they are not the only way services are paid for. The other major types of income received include:

- Government grants (particularly NZTA funding for roads)
- User charges; and
- Interest.

Of these, we only have any real ability to impact on the level and type of user charge. We try to maximise other sources of external funding, but this can be challenging given the level of competition for these funds.

Rates are used to fund the difference between the expenditure to meet the required service levels and all other sources of funds. Our Rating Policy is complex and uses many of the rating options that are available to all councils. This system was developed to recognise the different needs of sections of the community and to try to improve ratepayers' understanding of how much they contribute to each Council activity. However, it is very difficult to make simple statements about how much rates will move and it makes comparisons with other districts and cities challenging.

## Affordability

In terms of actual levels of rates, these are relatively high compared to many other districts and cities, particularly in terms of residential rates. The main reasons are:

- The extent of the roading network compared to the number of properties /residents.
- The number and size of the communities in the district means that these are more expensive to service than a single built up area.
- The number and scale of community facilities and activities.
- The lack of a major source of external investment or other income other than roading subsidies.
- The mix of rating tools used (which more closely reflect the usage of services) meaning the residential ratepayer here pays a greater share than their counterpart in other areas where councils load differentials against business and farming rate payers.

These factors, along with increasing requirements from Central Government have and will continue to impact rates affordability.

To monitor the reliance on rates as a funding source we will track and report total rates to operating expenditure. Although this is not a perfect measure it is simple and robust.

## **Where do we want to be in ten years, and what are the key issues and options that are available?**

### **Overview**

We have a goal of making rates more affordable, while still providing relevant, high quality services that meet the changing needs of the community. Achieving this is beneficial to all ratepayers including the commercial and agricultural sectors. This goal helps create the capacity to have more choice and the ability to respond to changes going forward. This is not only in terms of how much of existing services are delivered but also includes the ability to meet new demands and respond to unexpected events.



There are a number of key issues that need to be considered here and throughout the Long Term Plan.

The first of these is how will the people in the district change over the 10 years and beyond? Based on the work we have done, we expect, like most of rural/provincial New Zealand, to have an older population with a greater number on fixed incomes. There will be some areas that go against this trend, particularly where irrigation is introduced and a change in farming practice occurs. In these areas the number of people is expected to grow. They will also be younger and have a higher household income than district averages. These are factors that will primarily be considered in the affordability section later in the strategy and in the Infrastructure Strategy.

Another key consideration is the way people will change how they use the properties they own. We need to have an understanding of this because changes in use affect the type and amount of Council services they require. Part of the effect of this is considered in the Development Contributions Policy. However, it does not consider all changes or the potential effects on all services. The impact of these other matters will be considered here.

Unlike some faster growing districts and cities, Waitaki is not expecting a large increase in households or the number of businesses based in the district. Growth is anticipated but it is not expected to be significant, especially in any one year. This issue is considered in the Infrastructure Strategy and we consider we have the capacity and ability to respond to anticipated needs.

The area that will need most careful consideration is the potential changes in farming use and practice as irrigation expands further. In addition to the population changes noted above, we will consider two main issues. The first is the impact on the roading

network with more intensive land use and the other is the impact of property values and how these affect where rates are charged.

We have already considered and acted on both these issues over the last year. We recognised the need to respond to the change in agriculture practice with the Rural Resilience Project. This continues for the first two years of the Long Term Plan.

The other change is the impact on capital values and how this changes where rates are charged. The rating revaluation took place in November 2014. This saw the value of many farms increase between 20% and 30% while most other properties increased between 3% and 5%. How this changes the rate the properties will face is illustrated in the rating examples that we produce each year.

## **Expenditure and levels of service**

As noted earlier, what we do drives what we spend. To maintain or improve affordability, this is the area where the greatest change would be required. To make significant changes in a short period of time would involve a major change in the level of service being delivered. Given the impact this type of sudden change can have, we have not identified any areas where we consider this to be necessary or desirable.

This does not mean we are happy to just stay with the status quo. There are a number of options that can be considered, each with varying degrees of impact and risk.

The option we have chosen is to continue to place an emphasis on identifying and implementing more efficient and effective ways to deliver services and look for ways to improve the impact of the money we spend. This is and will continue to be an iterative, ongoing process. We have already had a number of successes over the last three

years, including an improved understanding and more effective maintenance allowing key assets to last longer and so reduce annual depreciation costs. We also joined with other councils to get better prices for power, phones and some other major cost items.

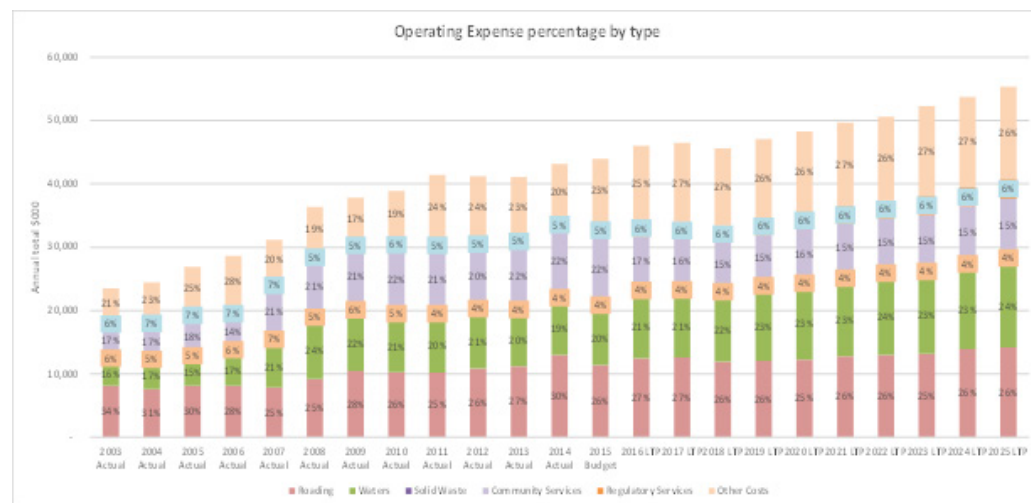
There are no proposals to make major reductions in service, however we will consider this as an option if we identify an area that no longer meets a need or where the demand has changed. What is more likely to occur are incremental changes in and between activities to meet the changing needs and make-up of the people in the district. The most likely changes will be driven by the changed needs of an older and a more diverse community and where it is appropriate, consultation will occur.

Although there are no proposals to lower service levels there are a number of changes and proposals to increase levels of service. The key changes are:

- More money spent on roads
- Wastewater: planned extensions to existing wastewater schemes and investigations into potential new schemes in small coastal communities
- Cultural Facility project
- Waste management and transfer stations
- Improved drinking water
- Improved access to online services and information



How the mix in spending has and is expected to change is illustrated below.



The last option that has been identified that could make a material difference relates to the level of risk the community is willing to accept in terms of paying for the replacement of key assets.

Prudent financial management requires organisations to plan for the replacement or renewal of their assets when they reach the end of their useful lives. The inter-generational equity principle suggests that, ideally, today's ratepayers should pay for the 'asset life' they are consuming and likewise, future generations should pay for their share of the asset's life.



There are three principal ways this can be achieved.

### 1. Pay as you go (renewal funding)

Capital is funded annually by rating existing ratepayers to cover expenses incurred in that year. This is suitable when capital expenditure is very predictable and evenly spread over the years, so there is less risk that today's ratepayers are not paying their fair share when compared to future ratepayers.

### 2. Saving for asset replacement (charge rates over the life of the asset – spend later) (funded depreciation)

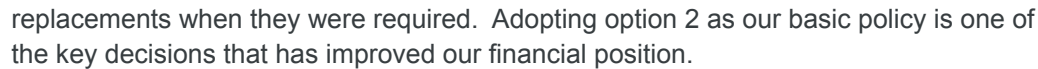
Ratepayers are rated annually to fund depreciation, which builds up in a reserve account for the future replacement of assets. This must be modified if there is debt outstanding, otherwise today's ratepayers would be paying twice for the asset, once through debt repayment and interest, and again through financing the depreciation.

### 3. Borrowing to fund asset replacement (spend now – charge rates over the life of the asset) (total debt funding)

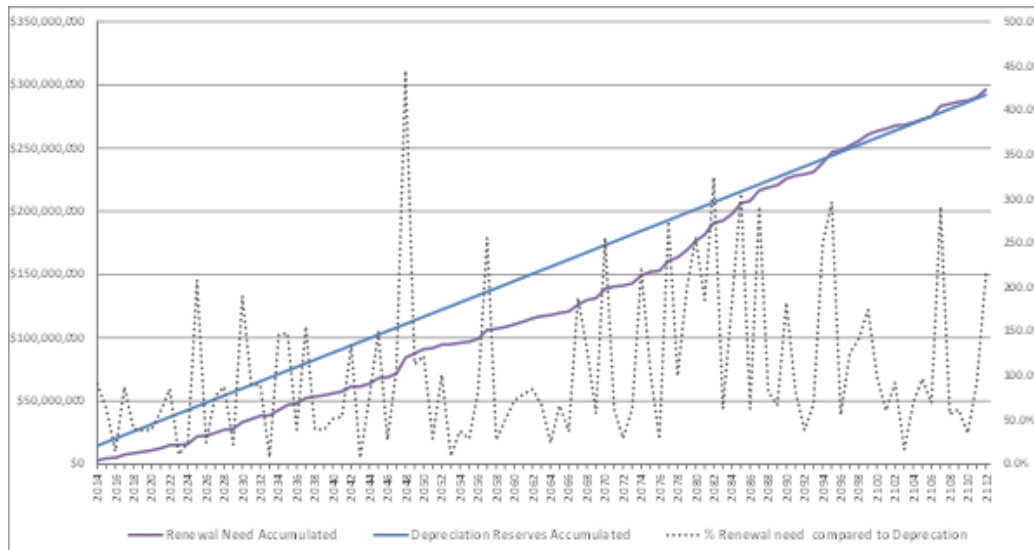
Ratepayers are rated annually to fund interest and capital repayments on loans matched to the life of the asset. In the future, replacement of the asset would be financed in the same way. This may be suitable if the overall level of debt can accommodate the required borrowing.

As noted above, we have selected Option 2 as the basic policy with Options 1 and 3 only used on a 'by-exception-only' basis. Further detail on the exceptions appears in the Balanced Budget section of the strategy. We made this decision when we had no reserves for asset renewals and were encountering difficulties funding asset





Why we can consider this option is illustrated by the following chart taken from the Infrastructure Strategy.



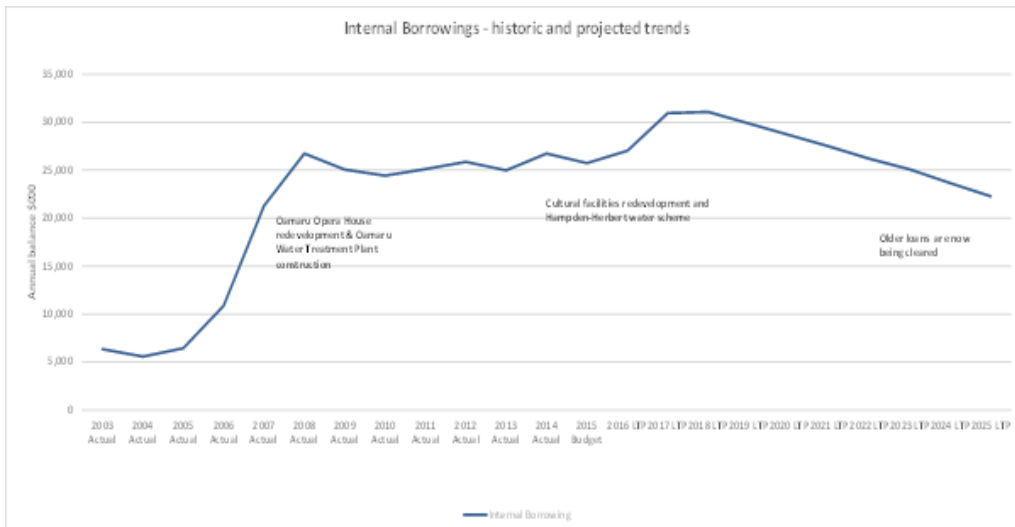
This position and a better understanding of the condition of our core assets mean that we could investigate the option of funding less than 100% of a greater range of depreciated assets. In terms of the chart above it would move the two lines closer together. We could decide this if, after considering the matter fully, we decide that any or all of the following factors apply:

- That there will be less demand on the service when the asset is due to be replaced
- The estimated lives of the assets are too conservative
- Likely technological and other changes may mean that more cost effective solutions will be available in the future
- That any increases in service level that are required at the point of renewal should be paid for by the future, not current, users

The risk if this is the wrong decision is that debt may need to be taken on to fully replace some of the assets. We have decided that without a higher level of certainty about the size and timing of any of these changes, any dramatic change would not be prudent as it is likely to push too much of the potential costs on to future users.

### Debt and other funding, including reserves and other sources of income

We are very clear about what debt should be used for, namely the creation and renewal of long term assets when other funding sources are exhausted. This is seen as having greater value to the community as a method of controlling debt, than some relatively artificial measures such as debt per household. We do not expect to need any external debt over the life of the Long Term Plan. However we will continue to invest in ourselves and as a result, new internal loans will be required.



Given our strong balance sheet we could borrow a lot more money. However, the real issue constraining external borrowing is the on-going servicing cost. We already consider our fixed commitments to be high; taking on further commitments will only be done for a very good reason as such commitments limit the choices available. Each additional \$1m in debt will add approximately 0.5% to the rates for each of the next 20 years.

We are also acutely aware that we have significant elements of our internal loans that are not being fully serviced and instead interest costs are accumulating rather than being paid annually. Prior councils made the decision to have some loans set up this way as it was expected that other sources of funds would be used to repay them. These are mainly in the property area where land and property sales were expected to occur



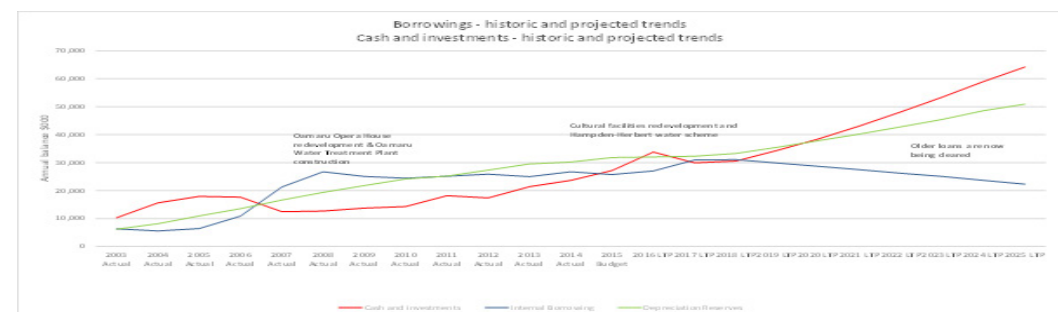
and these would repay the loans. These sales have not occurred as expected, leading to on-going growth in these loan balances. We are proposing to focus on rationalising the land we hold and we will use sale proceeds to reduce these loans.

Rationalising our property holdings and disposing of items that are surplus to requirements will be a focus for the next few years. However, as we will only dispose of properties for the right price, we have not included this potential source of funds in the Long Term Plan. Given the nature of the market this is considered the prudent approach to take. It does mean our debt position is likely to be overstated, however we do not believe this will impact on people's ability to engage.

## Investments

### ‘Cash’ investments

This section covers investments with banks and with other entities that will be repaid when the agreed investment period ends. The level of cash investments will grow significantly as depreciation is funded and held prior to the major asset renewal projects signaled in the Infrastructure Strategy. The graph below records our investment levels against debt.







We are concerned about the size of this fund at the end of the Long Term Plan period and will continue to work on asset lives, values, and capability that are used to ensure the depreciation charge they create is as accurate as possible.

**Rate levels and affordability**

Prior to discussing rates, non-rates revenue needs to be considered. The issues with New Zealand Transport Agency (NZTA) funding are noted above. This is the largest change that is expected in terms of other revenue. We will continue to try and maximise other revenue where we can and when it meets our wider objectives.

There are no proposals to significantly increase any group of user charges or make any major changes to the rates/user charge ratio. We are concerned about the impact this approach would have on the areas that are most likely to change, especially recreational and community services, and are instead focusing on other options to improve rates affordability.

Another major part of other revenue is grants and subsidies. NZTA has already advised us that the level of assistance we will receive will be reduced. This is only the latest in a series of decisions by the government and other agencies that mean third party assistance and funding is increasingly hard to receive and rely upon. This puts more pressure on the amount of rates required.

Overall, although we will try to maximise other external revenue where we can, there are only limited realistic options available to make a material increase in this area.

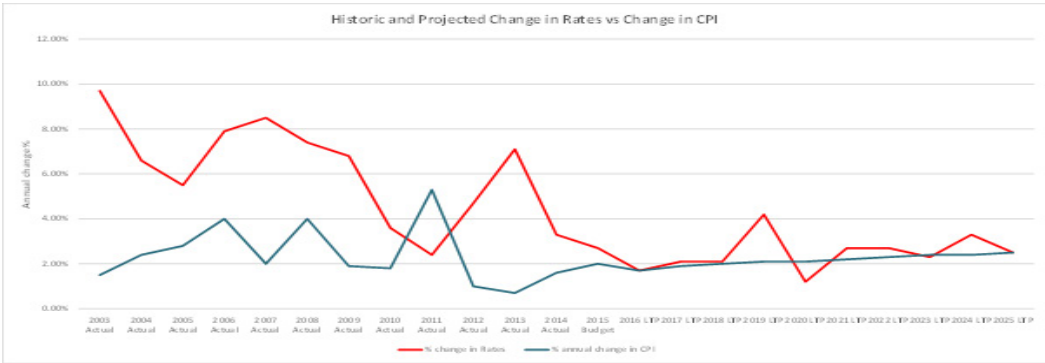
The focus of the strategy as it relates to total rates income is to limit and, whenever possible, hold the rates required in real terms (ie excluding inflation). The aim is to

reduce the overall effect of rates, not just to move it from one sector to another. The aim is to have the ‘rate pie’ shrink or at least not grow as much, rather than cut it up differently. This means that we are not considering any major changes to the rating system. Our focus is on the costs that drive the rates required and identifying other sources of funding that may be available.

The major factor we have had to face in this area is the announcement from NZTA that the level of ‘co-invest’ or subsidy we receive will change. This rate will increase for the first two years of the roading programme (2015/16 and 2016/17 years) before reducing from 2017/18. We have made the decision to continue the same level of real investment into this critical area and to make up the shortfall with additional rates funding.

Another option we considered but did not pursue was to keep the rate input the same and reduce the spending on roads. However, we believe the likely adverse impact on this critical area could not be justified and instead chose to take the action noted above.

The other way to make a significant impact is noted above, being the reconsideration of the level of depreciation that should be funded now versus the risk of having to raise loans later.





**Disclosure statement: Targets – how progress and success will be measured and recorded**

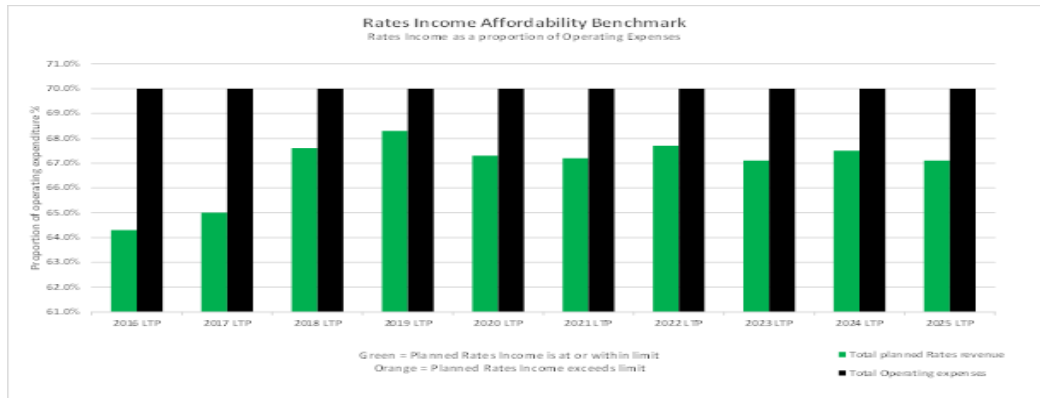
**Limits on rates, rates increases and debt**

For the ten years of this Long Term Plan, we must monitor our performance against a series of measures and mandatory benchmarks relating to rates affordability, debt levels, expenditure on network assets and overall financial prudence.

These limits are intended to provide users of the Long Term Plan information about our financial position, and to guide short and long term decision-making over the next three years and will be reviewed every three years, or sooner if necessary.

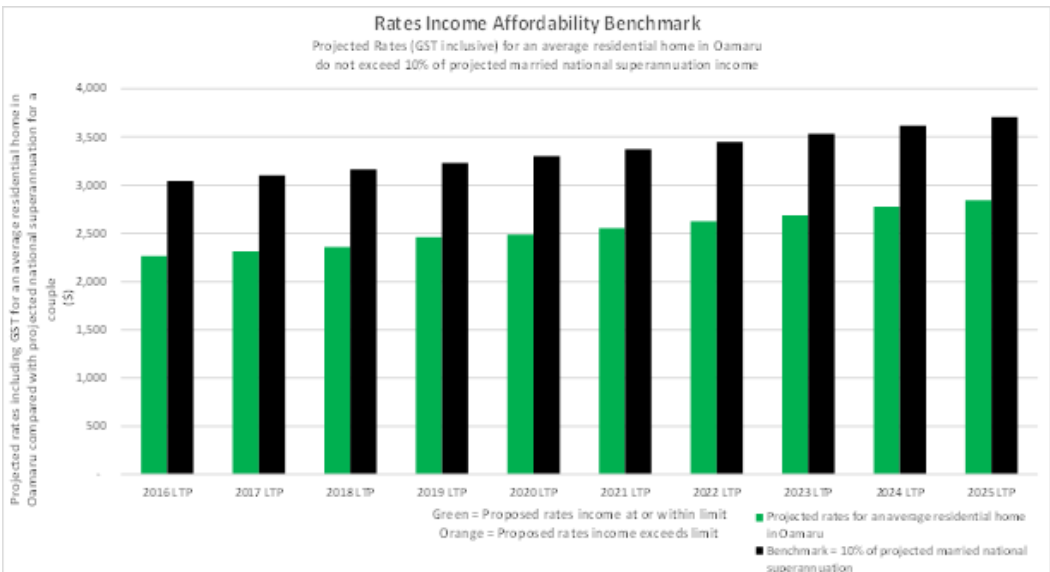
	Limit
<b>Rates Affordability</b>	Rates fund 70% or less of total operating cost.

**Rates Affordability – projected rates income measured against total operating expenditure**



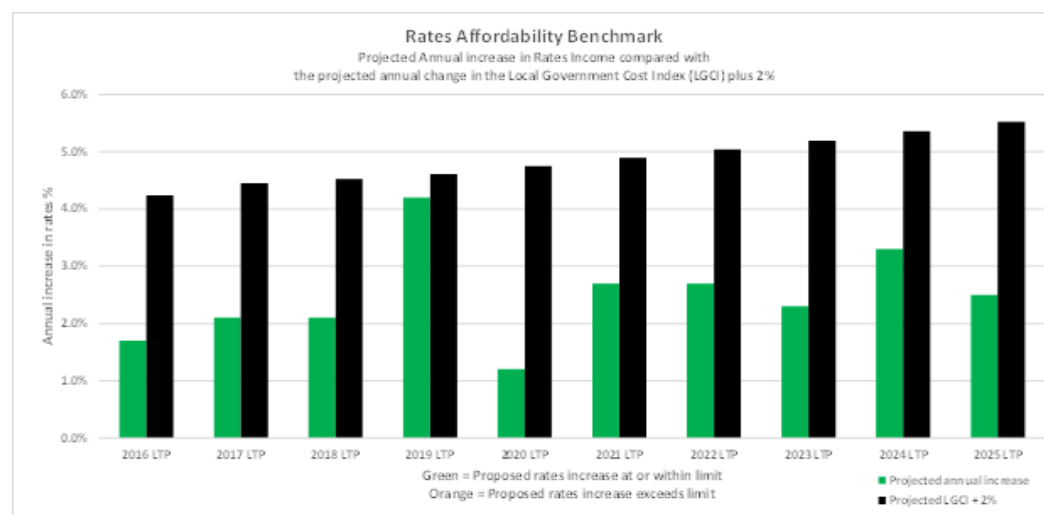
	Limit
<b>Rates Affordability</b>	The average rate charged on an average residential home in Oamaru will not exceed 10% of projected national superannuation for a married couple

We track Oamaru Residential Rates on a median value property against married national superannuation. We consider this to be an appropriate measure for both households and small businesses. Affordability for large commercial and residential ratepayers will be considered more by reference to the rates increase measure.



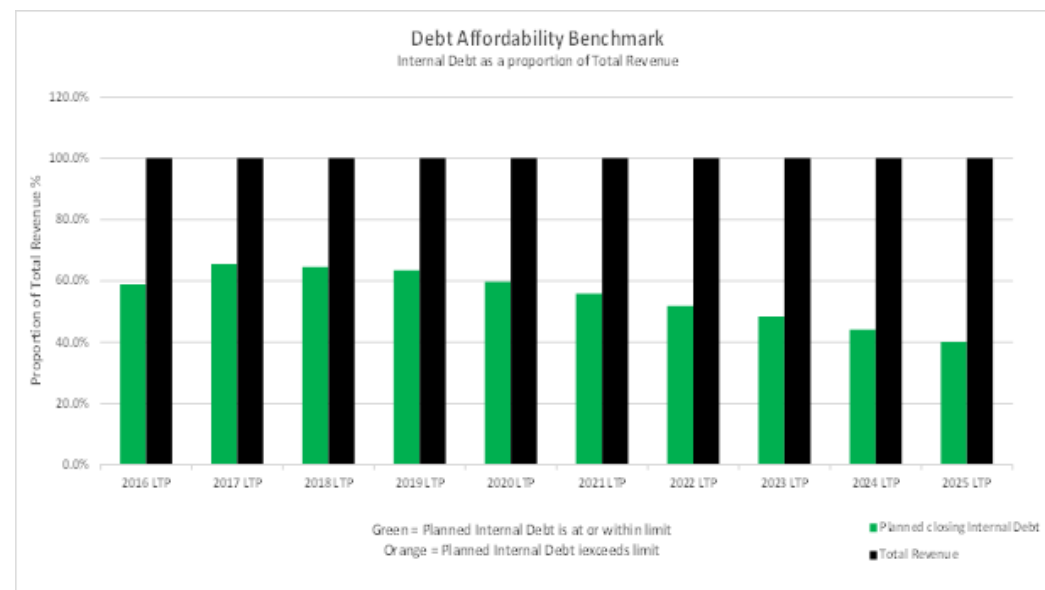


	Limit
<b>Rates Increases Affordability</b>	Annual projected rate increases will not exceed the projected change in the Local Government Cost Index (LGCI) plus 2% (to allow for growth in the rating base, changes in level of service and other unexpected costs)



	Limit
<b>Debt Affordability</b>	Debt (internal and external) will not exceed 100% of total revenue

As we expect to carry no external debt over the life of this Long Term Plan, this measure looks instead at projected movements in the level of internal debt.



### How these limits were set

In setting the limits on rates and debt we considered all the issues discussed in this financial strategy and tried to strike a balance between affordability of rates, prudent financial management, providing quality essential services over the long term and providing for unforeseen events.

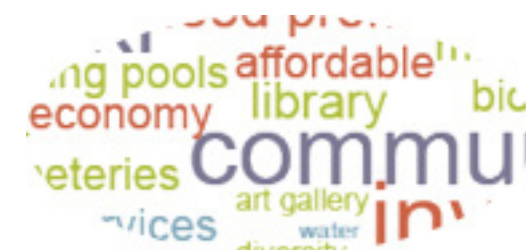
### Forecast Rating base

In completing our rating projections, we have also projected the likely growth in the number of properties on which those rates will be assessed. The Waitaki district is experiencing slower than average growth, and we are projecting only minimal levels of growth over the life of this Long Term Plan.

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Projected number of properties in the rate base	13,202	13,248	13,294	13,341	13,388	13,435	13,482	13,529	13,576

### Forecast rates increases

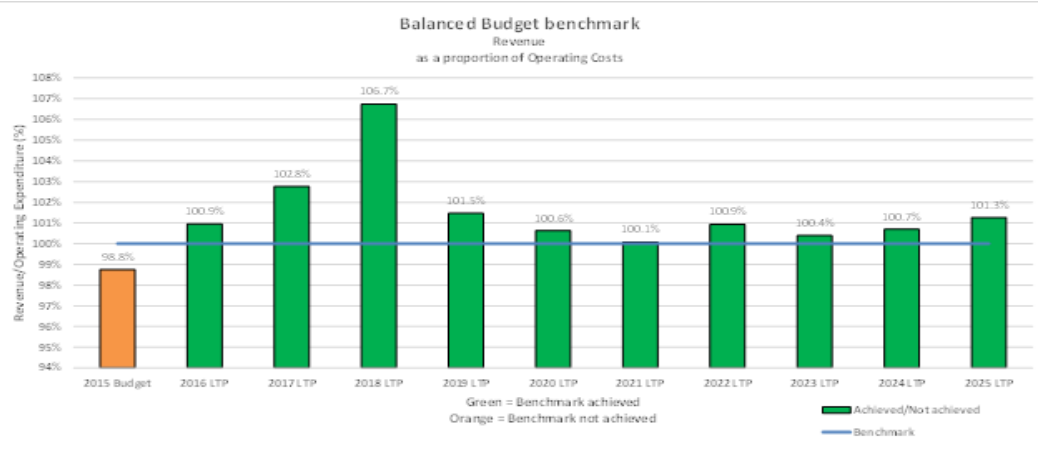
We set the limit on planned rates increases because we want to address the affordability issues the district is facing but do not want to put ourselves in a situation where we cannot respond to unexpected events. We consider it prudent to maintain a degree of 'headroom' between the maximum rates increase limit we set and the planned rates increases, to reflect planned expenditure. At every stage of developing this plan, expenditure has been trimmed in response to concerns about rates affordability.



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Planned increase in total rates	1.7%	2.1%	2.1%	4.2%	1.2%	2.7%	2.7%	2.3%	3.3%	2.5%
LGCI + 2%	4.2%	4.5%	4.5%	4.6%	4.8%	4.9%	5.0%	5.2%	5.4%	5.5%

Each year we are required to show the proposed changes to the rates for a range of typical property types in the district, eg large pastoral farms, urban residential, rural lifestyle, commercial and industrial. The rate samples show that rates increases depend both on the value of the property and whether the property receives water, wastewater and other fixed charges and rates.

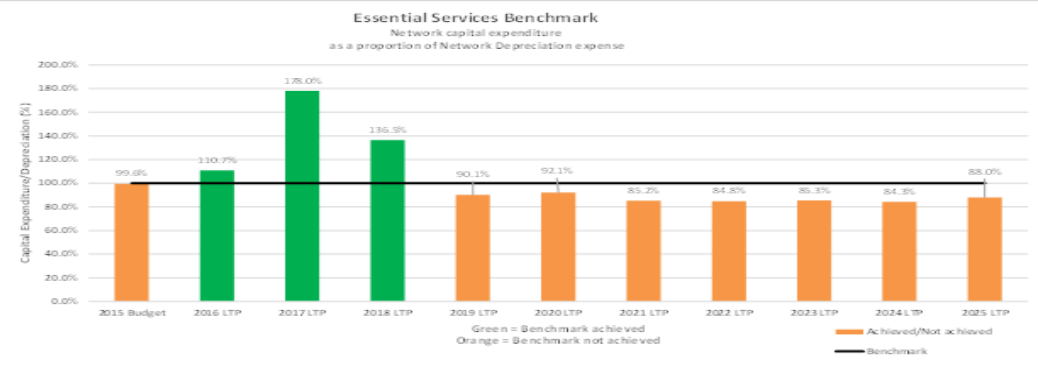




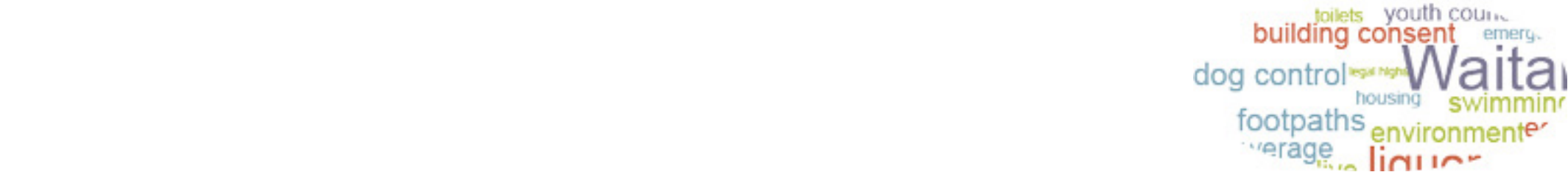
The balanced budget provisions of the Local Government Act 2002 (s100) allow a council to not fully fund all expenditure (which includes depreciation) provided it can demonstrate that it is financially prudent to do so. This is described in more detail later in the strategy. Our decision to do this contributes to the situation above. Another key factor is the use of the Resource Management Act financial contributions to fund some development costs included in operating expenditure. This includes spending on the development of sports grounds and reserves which is an allowed use of the contributions collected. The last factor is that in some cases we will build up amounts in operating reserves that is then spent in one year to achieve a specific goal or complete a project. An example of this proposed in the Long Term Plan is the use of some of the Oamaru sewer operating reserve that has built up from cost savings to keep the rate at the same level as the prior year. Based on this we are not concerned about non-compliance given the short term and narrow focus of this measure.

### Essential Services

We meet this benchmark when projected expenditure on new or replacement network assets (roading, water, sewer and stormwater infrastructural assets) equals or exceeds the projected annual depreciation charge related to those assets



We consider this mandatory measure is flawed for a council with mature but well maintained assets that are experiencing limited increases in demand. This view is based on the fact that many of our high value assets do not require significant amounts to be spent on them each year and therefore the depreciation is accumulated until it is required. The key assets this applies to are medium to large bridges, and water and sewer treatment plants. We are therefore not concerned about not achieving this measure.



**Council’s ongoing ability to deliver services**

Our core role is to maintain and develop high quality, reliable infrastructure such as roads, water supplies, stormwater and wastewater networks, reserves, recreation and community facilities. It is important that ratepayers can be confident that essential services can be delivered, both now and in the future. As noted above we have not proposed any major changes to levels of service or the level of maintenance of assets.

**Capital expenditure required to maintain existing network infrastructure services**

Our Asset Management Plans provide information on the condition of assets, and expenditure that will be required to maintain and renew the assets. They also include the cost of developing additional capacity to cater for increased demand and improved levels of services, particularly in terms of quality of waste disposal and drinking water quality.

Shown over are the costs of capital expenditure on network infrastructure required to maintain existing services, together with the amount of capital expenditure planned in the Long Term Plan.

Network infrastructure groups	Capital identified in Asset Management Plans to maintain existing assets in 2015-25 Long Term Plan \$000	Asset renewal capital planned in 2015-25 Long Term Plan \$000
Roading	4,859	57,227
Stormwater	-	-
Water Supply	7,831	14,884
Wastewater	1,882	4,130
Total	14,572	76,241

We use a range of tools to fund the renewal of assets, which are explained in the following section.

**Strategies for coping with unexpected events**

The Canterbury earthquakes raised public awareness of the potential for the sudden destruction of infrastructure, for example water, stormwater and wastewater networks, roading and buildings that are the foundations of economies and society.

In putting together this financial strategy we have considered how we would respond if there were a failure in major infrastructure that demanded significant unplanned expenditure. This might occur as a result of natural disaster, unanticipated accident or other event.





We have put in place four different sources of funds to assist with any situation like this: the Local Authority Protection Plan, the Disaster Contingency Fund, funded depreciation reserves and stand-by borrowing facilities. Our approach would be:

- Utilise funded depreciation reserves where available and appropriate
- Seek Central Government assistance
- Utilise the \$3m self-funding Disaster Contingency Fund
- Use debt or sell assets not essential to operations and are the easiest to sell

### Setting project priorities

In setting funding priorities in this Long Term Plan, projects were ranked according to several criteria:

- Is the expenditure essential to deliver existing levels of service?
- Would postponing or cancelling the project result in increased risk of service interruption or infrastructure failure?
- How would not doing or deferring the project impact on achieving our vision and desired outcomes?

Our highest priority is always to maintain existing assets and existing levels of service; projects to provide for future growth and to increase levels of service can then be considered.

### Capital and operating costs of providing for future growth

Our Asset Management Plans also provide details of the infrastructure development that will be required to provide for growth in demand for services.

Network infrastructure groups	Capital identified to provide for growth \$
Roading	0
Stormwater	0
Water Supply	0
Wastewater	0
Total	0

### Providing higher levels of service

The rates and debt limits also accommodate increased levels of service planned in the following areas:

- Increased spending on the roading network.
- Wastewater: planned extensions to existing wastewater schemes and investigations into potential new schemes in small coastal communities
- North Otago Museum/Archive/Forrester Gallery Upgrade (Cultural Facility project)
- Drinking Water Standards
- Improved access to online services and information

### Notes on financial policies and investment holdings

We must include in our financial strategy information about our objectives for holding financial investments and equity securities and provide quantified targets for returns on those investments. We must also include our policy on the giving of securities for borrowing.



## Equity securities

We do not currently hold equity securities (shares) for the sole purpose of earning a return on the investment. There are no plans to invest in equity securities during the term of the Long Term Plan. This is a list of the companies in which we currently hold shares, together with the objective for holding the equity securities and a target rate of return.

Company	Objective of holding equity	Target rate of return
Whitestone Contracting Limited	<ul style="list-style-type: none"> <li>Stimulate a competitive contracting sector</li> <li>Support local employment opportunities</li> <li>Provide emergency services response capability</li> <li>Provide a good return on investment</li> </ul>	>7% on shareholders' funds
Waitaki District Health Services Limited	<ul style="list-style-type: none"> <li>Support provision of healthcare facilities and services for the local community</li> </ul>	N/A
Tourism Waitaki	<ul style="list-style-type: none"> <li>Facilitate the growth of tourism</li> <li>Promote the district effectively</li> </ul>	N/A
Omarama Airfield Ltd	<ul style="list-style-type: none"> <li>Facilitate the growth of tourism</li> <li>Promote the district effectively</li> </ul>	N/A

In summary, investments have been made for non-economic reasons for three of the four Council Controlled Organisations. Only the investment in Whitestone Contracting

Limited has a strong economic component, and the Statement of Intent with Whitestone is currently being reviewed as we seek a long term and profitable return on this investment.

## Financial instruments

Council holds financial investments, eg term deposits, as part of efficiently managing cash flow to finance expenditure on operations. The primary objective when investing is the protection of the investment, so the credit-worthiness of the other party must always be considered.

We also seek to:

- maximise return on our investment
- ensure investments are liquid
- ensure an effective spread of investments and maturity dates
- manage potential capital losses arising from interest rate movements if investments need to be liquidated before maturity.

We have made, and will continue to consider, investments with other entities in the district when we believe the investment will strongly contribute to our community outcomes while still providing an acceptable level of return.

## Security for borrowing

We must disclose our policy on giving securities for our borrowing. We may borrow on an unsecured basis or, if we decide to offer security for borrowing and other financial obligations, then we will generally offer rates and rate revenue as security. In unusual circumstances, and with prior Council approval, security may be offered in the form of a charge on specific assets.

Given that we do not expect to borrow money over the life of the Long Term Plan, existing borrowing and security arrangements will be reviewed during the first three years of the Long Term Plan to ensure they still meet our requirements.

We provide limited securities and guarantees to other parties for economic or community development or works under the Local Government Act 2002. Each request is considered on a case-by-case by Council or the appropriate Council committee. More detail is provided in the Liability Management Policy and Investment Policy.

### **Cash funding of depreciation**

The balanced budget provisions of the Local Government Act 2002 (s100) allow a council to not fully fund all expenditure (including depreciation) provided it can demonstrate that it is financially prudent to do so. We have previously decided not to fully cash fund the depreciation cost of various assets.

We have resolved that we will not cash-fund depreciation on certain assets for a variety of reasons. The most significant of these is where we believe we will receive money from third parties to help fund any asset replacement. The most important of these third parties is the New Zealand Transport Agency (NZTA) which co-invests in the roading network. It has also been assumed with some community assets that third party funding was received to help build or develop the facility. This includes the Waitaki Aquatic Centre, Oamaru Opera House and some community centres.

The other major reason depreciation is not funded is when we do not expect to renew or replace an asset at the end of its useful life. We have also made the decision to not fully fund depreciation on an asset where a loan was raised to construct the asset and the loan is still being repaid and when annual maintenance expenditure is sufficient to maintain the asset in perpetuity. A full schedule of the assets whose depreciation will not be fully funded and the reason for this decision is shown at the end of the strategy.



Over the life of the Long Term Plan a total amount of \$41.8m will not be directly funded by us. However, we believe that in most instances where an asset needs to be replaced there will be sufficient funds available to do this. We believe this approach is prudent, especially given the level of funds accumulated as discussed earlier in the Financial Strategy. If there is any shortfall in a year then we will borrow to cover this as allowed under the Liability Management Policy.

### **Other Related Information**

#### **Forecast financial statements**

These are Generally Accepted Accounting Practice (GAAP) financial statements forecasting the ten-year financial performance of Council. They include prospective statements of comprehensive income, changes in equity and cash flows, and a prospective balance sheet.

#### **Statement of accounting policies**

This is a statement of GAAP accounting policies applied in the preparation of the Long Term Plan. This is a requirement of Generally Accepted Accounting Practice, which is itself required under Section 111 of the Local Government Act 2002.

#### **Funding impact statement**

These statements show what rates we will charge, the basis of each rate, the activities the rate funds and the amount of the rate. It also discloses financial information in a format set under the financial reporting regulations in the Local Government Act 2002.

## Rates, fees and charges

Identifies the basis on which rates are set and fees and charges that are approved.

## Key assumptions

This sets out matters such as the price level adjustments that have been applied to all core budgets and projects. In order to take account of the impact of revaluation movement in asset values, adjustments have also been applied to depreciation.

## Depreciation schedule

Assets that we will not cash-fund depreciation.

Asset Name	Reason for Unfunding Depreciation	Date that Unfunding Stops
Roading	We will unfund that portion of asset replacement that is subsidised by the New Zealand Transport Agency (or its successors).	No end date.
Bridges	Council will unfund that portion of asset replacement that is subsidised by the New Zealand Transport Agency (or its successors).	No end date.
Oamaru Water Treatment	Initial capital cost offset for assets with a life greater than 20 years that are part of the water treatment plant completed 2007.	2027



Asset Name	Reason for Unfunding Depreciation	Date that Unfunding Stops
Drinking Water Standards – Upgrade – various schemes	Initial capital cost offset for assets with a life greater than 20 years that are part of the water treatment plant upgrades.	2030-2035
Moeraki Sewerage Scheme	Initial capital cost offset for assets with a life greater than 20 years that are part of the initial sewerage scheme treatment and reticulation project completed in 1999.	2019
Waitaki Aquatic Centre	To recognise those components, (structure, roof and services), with a life greater than 20 years. We do not intend to replace the Waitaki Aquatic Centre at the end of its economic life.	No end date
Oamaru Opera House	To recognise components with lives greater than 20 years where alternate funding is likely to be received for any minor work.	No end date



Asset Name	Reason for Unfunding Depreciation	Date that Unfunding Stops
Storage Building (Willets), Clyde Street	To recognise that we will not replace these facilities at the end of their economic lives	No end date
Freezer Building		
Oamaru Gardens Depot and Workshop		
Railway Goods Shed		
Civil Defence Garages behind Community House		
Chelmer Street Depot		
Otematata Depot & Herbert Forest implement shed	To recognise that we will not replace these residential dwellings or improvements at the end of their economic lives	No end date
Oamaru Gardens House		
Harbour House (2 Test St)		
Oamaru Sewerage Plant Dwelling		
Middleton House Villa (fit out)		
Oamaru Sewerage Plant Dwelling		
Boundary Creek, Oamaru Reservoir and Oamaru Airport houses		

Asset Name	Reason for Unfunding Depreciation	Date that Unfunding Stops
Enfield Recreation Reserve Sports Pavilion	To recognise that we will not replace these recreational facilities at the end of their economic lives	No end date
Awamoa Park Pavilion		
Stock Pavilion, Gilligan Street, Palmerston		
Macraes Domain sports grounds and pavilion		
Kurow sports ground		
Fenwick Park BMX Track		
Parks Assets – Local (Ward) Assets	Many of these assets will not be replaced at the end of their lives, or their replacement will be funded by sources other than general revenues (reserve contributions or grants).	No end date.
Oamaru Harbour Wharves and Improvements	Unfund to the extent of annual expenditure required to maintain the asset in perpetuity	No end date
Oamaru Harbour Breakwater		
Closed Transfer Stations	Unfund improvements that are no longer used and will not be replaced.	Varying end dates.
Cemeteries	To recognise that many cemetery assets will not be replaced at the end of their lives.	No end date.



Asset Name	Reason for Unfunding Depreciation	Date that Unfunding Stops
Dunrobin and Awahokomo Water Schemes	To recognise advice from the scheme members that we will not be required to fund the replacement of the scheme at the end of its economic life.	No end date.
Stoneburn Rural Water Scheme	To provide annuity funding of asset replacement (currently under review).	No end date.
Duntroon Sewerage Scheme	To recognise that we will not replace this scheme at the end of its economic life.	No end date.
Public Toilets – Severn Street and Last Post	Unfunded because we have closed these facilities and will not replace them.	No end date
Alps2Ocean Cycle Trail	Unfund depreciation of assets constructed prior to 30 June 2014 because of our annual funding of routine maintenance.	No end date
Omarama Water upgrade	Unfund upgrade works completed in 1999, and the more recent drinking standards upgrade, with a life greater than 20 years, as an initial capital cost offset.	2019 - 2035



## APPENDIX 2 - INFRASTRUCTURE STRATEGY

### Background and context

The Waitaki district reaches inland from the Waitaki River mouth, up the Waitaki River Valley, through Ohau to the top of the Ahuriri River Valley. It extends south down the east coast beyond Palmerston to Flag Swamp, across to Macraes and covers 714,805 hectares (7,148km<sup>2</sup>).

The main centre is Oamaru located on the east coast of the district. Other urban centres in the district include Kurow, Omarama, Otematata and Palmerston. Popular holiday spots include Hampden, Kakanui, Moeraki and the Waitaki Valley.

The Waitaki District Council was established in 1989 when it replaced the Oamaru Borough, Waitaki County and Waihemo County Councils.

The purpose of Council is to enable democratic local decision-making and action and to meet the current and future needs of communities 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. With this background the Council vision for the future is:

#### ***Growing Waitaki – the best place to live, work and play***

The following outcomes will contribute to achieving this vision:

1. We keep our district affordable
2. We enable opportunities for new and existing businesses
3. We provide and enable services and facilities so people want to stay and move here
4. We understand the diverse needs of our community
5. Waitaki's distinctive environment is valued and protected
6. We maintain the safest community we can



### Our infrastructure strategy

This is our first 30-Year Infrastructure Strategy. The strategy has been informed by our Asset Management Plans and a series of assumptions. The strategy should be considered in conjunction with the Financial Strategy which is also informed by our vision, based on similar assumptions and issues for the district. The strategy sits over existing Activity and Asset Management Plans and does not alter the details of these plans.

The issues discussed within the strategy reflect the current legislative environment and requirements on us as well as the communities' priorities across the district.

The financial forecasts are estimates. As with all estimates, the reliability of the forecasts decreases beyond ten years and towards the thirty year planning horizon. The estimates are not inflation-adjusted to align with Activity Management Plans as opposed to the Long Term Plan which includes inflation adjusted budgets.

### Strategy layout

Changes to the Local Government Act 2002 in August 2014 require councils to prepare a 30-Year Infrastructure Strategy as part of the Long Term Plan process. Table 2-1 sets out the corresponding relationship between the sections of the strategy and sections of the amended Local Government Act 2002.





**Table 2-1: Strategy Layout**

Strategy Section		Local Government Act (Section 101B)
1	Identifies the district and sets background	2 (a)
2	Identifies the core infrastructure included in this strategy	2(a) and 6
	Discusses the significant infrastructure issues and the associated assumptions	2(a) & (b)
3	Illustrates the linkage between strategic documents	2
4	Documents the strategic statements that will guide decision-making for the next 30 years	2(b)
5 (& Appendix A)	Identifies the response options for the significant issues and documents benefits, cost, project timing and funding source	2(b); 3(a) to (e) & 4(a)
6	Identifies the costs associated with the actions proposed	4(a) to (c)

## The scope of the strategy – core infrastructure

Section 101B of the Local Government Act 2002 notes:

- (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.

### Our core infrastructure assets

Given this is our first Infrastructure Strategy, the scope has been confined to the mandatory group of assets (or core infrastructure) described in Table 2-2 (over page)



### Table 2-2: Waitaki infrastructure assets

Asset	Description	Replacement Value	% of total
Water	Water extraction, treatment and distribution	\$96m	12
Sewerage	Wastewater collection, treatment and discharge	\$70m	9
Stormwater	Stormwater collection and discharge	\$25m	3
Roads and footpaths	Formed and maintained carriageways, bridges and footpaths	\$583m	75
<b>TOTAL</b>		<b>\$774m</b>	<b>100%</b>

(Values as at 30 June 2014)

## Other issues and other assets

At present, parks and recreation assets, community buildings and other property assets are outside the scope of the strategy. These will be considered for inclusion in future strategies.

## Infrastructure performance

In general the condition and performance of our core infrastructure can be described as fit for purpose. Given this condition we expect to be able to continue to deliver an appropriate and affordable level of service for the community.

While we consider the performance of the core infrastructure is sound there are a number of issues that need to be considered:

- We expect ongoing increases in the cost of roading. Increased truck movements, particularly from dairy conversions and future forestry harvesting, are likely to result in increased roading maintenance and upgrades. The challenge will be continuing to provide satisfactory levels of service with constrained funding and increased pressure on roads.
- Compliance with Drinking Water Standards mandated by Government is still expected to remain challenging for us and water consumers over the next few years.
- Compliance with existing and new regional waste water rules and standards that place greater emphasis on protecting the environment.

## Risks to infrastructure performance

The risk events that might impact on assets include but are not limited to:

- Natural events where there is no control over the timing or the extent of the event
- External impacts, eg other organisations not providing services, such as material supply failures or power supply failures
- Physical failures where condition or performance of the asset could lead to failure
- Operational risks where the management or operational activities might impact adversely on an asset

The strategy has identified the following risks that could impact on the performance of our infrastructure and services. These risks have been categorised under the following two headings and some are covered under the emerging issues section of this strategy:

## Adverse/catastrophic events

- Earthquake
- Tsunami
- Pandemic
- Floods and storms
- Contamination
- Climate change impacts such as coastal erosion and intensification of localised rainfall
- Unexpected increase in energy costs
- Storm (wind/snow/ice)
- Unplanned growth
- Dam failure
- Asset failure (unforeseen arising from design/materials/usage deficiencies)
- Resourcing (constraints on employing engineers/consultants/general availability)

## Funding

- Central Government
- Revaluations
- Insurance
- Development Contributions changes
- Accounting practice changes (depreciation)

Various asset risk management tools and techniques, based on practical experience and the skilled application of our staff and service providers, have been used over a number of years by us. This approach has generally been sufficient. As the value of the built assets increase, levels of service expectations rise, and threshold limits for cultural and



environmental impacts tighten so the need for more formal risk management practices increases. Mitigation strategies need to be put in place and reviewed continuously to achieve improvement to levels of service. A new Risk Management Schedule will be developed which will include and consider the various mitigation plans including but not limited to Emergency Management Plan, Contingency Plan, Pandemic Plan, Operational Risk Plan, and Business Continuity Plan.

If legislative compliance is achieved, in tandem with achievement of the levels of service, prudent investment and good financial management, then minimisation of exposure to public and general liability and risks derived from operation of assets, should also occur.

Risks are considered to arise from many areas of the infrastructure service management. They can be derived from the use of physical assets (eg pump or pipe failure) and management of the services provided (eg failure to formalise procedures and reporting of incidents).

It is important to note that risk management is not simply about the downside of events such as financial loss or legal proceedings. It also refers to the upside and opportunities that exist for us to do things more innovatively, sustainably, and effectively.

## Emerging issues

We face a number of issues and challenges (as well as opportunities) over the next 30 years in achieving our vision *Growing Waitaki – the best place to live, work and play*. These include changes in population and demographics, our economy as well as other social and environmental factors. A number of these issues and challenges are common to other local authorities in New Zealand while others are specific to Waitaki.

Further specific issues for each of the core infrastructure groups (water, wastewater, stormwater, roads and footpaths) are summarised later in the strategy. We have identified and summarised the following issues which will affect how we build, operate and maintain our infrastructure in an affordable way over the 30-year life of the strategy:

- Land use changes
- Climate changes
- Demographics
- Information management
- New technologies
- Changing legislative environment (Central and Regional Government)
- Infrastructure resilience
- Ageing of infrastructure
- Increase in public expectations of levels of service
- Challenges to local network reliability (resilience)

## Land use changes

### Agriculture

Agriculture forms a significant part of the Waitaki economy. Over the last decade farming practices have increasingly shifted from traditional dryland sheep and beef to dairying through irrigation schemes like North Otago Irrigation Company (NOIC). This development has resulted in significant benefits to the local and national economy through the creation of more jobs, an increase in young people, higher and more regular incomes and growth in our smaller townships and countryside. The roading network is fundamental to servicing this growth and transporting wealth requires more and larger heavy vehicles travelling into the hinterland.



This increasing demand on the network and the introduction of 'just in time' delivery practices requires a higher level of network reliability and safety than previously provided. This development shapes the future investment profiles to meet land use change and is being addressed through transitioning into the One Network Road Classification.

Another emerging issue is the potential greater stress on water sources from 'up stream' agriculture activities. This is being experienced in other areas and may happen here during the life of the strategy. We will consider this issue and will work with the Otago Regional Council and Environment Canterbury.

### Business

We face a number of choices in the alignment of the District Plan and Infrastructure Strategy. Choices made as part of the District Plan (particularly in relation to residential and businesses) are likely to inform the location, affordability and performance of the infrastructure network. Hydroelectric generation and mineral extraction are also key activities within the district. However, indications are that mining will decrease and possibly cease altogether in the early years of this strategy. Both sectors are major contributors to the general rate which in turn help fund infrastructure across the district.

### Lifestyle

The demand for lifestyle development still exists but is less now for hobby farms than has been the case. The preference now is for large executive housing set in expansive grounds around the fringes of the main urban centres, mainly Oamaru. The result is customers expecting a level of service for roads and water equal to urban standards in a rural environment.

## Climate change

The impacts of climate change may be wide ranging and include an increase in frequency of storm events, extremes in weather including droughts coupled with sea level rise. These impacts could have serious detrimental effects on economic, social and environmental effects.

### Water

Water may become scarcer in quantity and quality due to changes in climate and rainfall patterns, resulting in increased frequency of flooding and droughts. Many factors contribute towards the scarcity of drinking water: consumption and run-off; an increase in water-intensive industrial activities; a lack of adequate pre-treatment arrangements; leaks and losses from inefficient water distribution; and inadequate wastewater collection systems. Increased rainfall may contribute to additional inflow/infiltration into the wastewater collection system resulting in increased overflows and contamination of the natural environment.

### Roads

The predicted increase in intensity and frequency of severe weather events could have a significant impact on the resilience of our roads. These impacts could be far reaching with increased coastal erosion and flooding being major concerns. As yet there is no agreement with the community or New Zealand Transport Agency (NZTA) regarding the choices (including large scale protection works) to keep vulnerable routes in service.

NZTA has signalled that it intends to no longer fund emergency works to the same level as in the past. This means that we will need to reassess our mechanisms for responding to these events, which are likely to affect the levels of service we can provide.

## Demographic change

The district has a growing elderly population. In 2013 the proportion of people aged 65+ made up around 22% of the total population, higher than the national average of 14%. This trend is projected to continue, with the proportion of people aged 65+ in the district increasing to over 35% by 2030. The number of people aged between 15 and 64 years of age is projected to decrease. While the 65+ population is expected to increase over this period, people are generally healthier, active and more likely to travel than 40 years ago. This may create further demand on and raise expectations of levels of service. This could increase the cost of the services and infrastructure we provide.

Growth projections suggest the population is projected to grow moderately over the next 30 years. The majority of this growth is expected in rural areas (and areas surrounding Oamaru) predominately driven off irrigation. The population is projected to decline in both the townships and in Oamaru. Total visitor population is also projected to increase, with approximately half of the dwelling growth projected to occur in the rural areas. Both factors are likely to create additional demand for infrastructure and services in some areas and result in under-utilisation in other parts of the district.

## Understanding our community

The community is a lot more involved in wanting to understand and participate in the delivery of services (eg Corriedale Water). We anticipate that the community's expectations for communication on infrastructure issues will increase over the life of the strategy. We anticipate that this will require us to engage more often with the community on complex issues, choices and proposed solutions.



## New technologies

Technology is constantly changing and improving and is likely to have a significant effect especially in terms of providing and managing more efficient and effective infrastructure and services over the life of the strategy. For example waterless toilets can decrease both water use and discharges to the wastewater system, thus impacting on water demand and wastewater treatment and discharge. Other changes could include on-farm removal of the water content in milk products, reducing the need for large trucks to cart large volumes of milk on our roads. The implications of future technological change need to be considered given the long term and ongoing nature of infrastructure investment.

## Changing government environment

The Government's focus on growth and the economy as detailed in the Business Growth Agenda is a key influence on investment prioritisation.

The Government's focus is moving on from drinking water quality as this has been addressed through the Health Act (Drinking Water) Amendment Act 2007 and the Drinking Water Standards for New Zealand and the focus is now changing to water quantity and the sensible, sustainable management thereof.

Environmental compliance and progress is reflected through national policy statements and promulgated through regional and district plans.

## Infrastructure resilience

Customers have a high expectation of continuing functionality and service delivery. Resilience is based on a design philosophy which acknowledges that failure will

occur. Resilience requires early detection and recovery, but not necessarily through re-establishing the failed system. We have to consider managing and mitigating the risks to, and the resilience of, our infrastructure assets from natural disasters. A further discussion on how we propose to address resilience is later in the strategy.

Adverse events/natural disasters/climate change and the related impacts cannot be avoided and as a result we have to factor this into long term planning, civil defence planning and determining the infrastructure requirements to ensure the community's expectations are met with regard to safe and reliable services and general wellbeing. The importance of resilience in the transportation sector forms an important part of the Government Policy Statement on Land Transport (2015-25) and many of the programmes will be measured with resilience as an outcome.

Some infrastructure was constructed contemporaneously and is therefore likely to fail at the same time.

## Aging infrastructure

We are not expecting any infrastructure replacement surprises. Decisions will need to be taken on a number of water and roading assets over the life of the strategy. While there may be limited choices regarding the replacement of certain assets (especially those associated with legislative requirements – such as drinking water) there may be greater options with others ie roading and footpaths. These choices are likely to be informed by changing demographic patterns across the district, retention of levels of service and issues of affordability for the community. Greater knowledge of asset life cycles will provide us with more certainty about our replacement programme over the life of the strategy. This issue is further detailed under Figure 6.8 – Depreciation vs. Renewal (page 215).







## Assumptions

The following table identifies the assumptions, risks and issues within the individual water and roading asset management plans. They provide a basis for the financial estimates discussed later in the strategy.

**Table 2-3: Significant Assumptions**

Assumptions	Risk and Impact
Service levels will remain unchanged.	That service levels are perceived as unaffordable for the community and service level changes are driven by affordability and/or expectation.
That climate change will impact on the district in ways similar to that noted in the Ministry for the Environment guidance.	There is uncertainty around the rate of climate change and the impact it will have. The roading network is particularly vulnerable to climate change.
Population growth and change within the district will occur as stated in our adopted forecasts and strategies.	There is a risk that growth and changes in demographic composition will occur faster or slower than expected. Generally infrastructure is able to adapt to positive population changes. Reduction in population and household size could put pressure on the collection of the funding required for the activity.

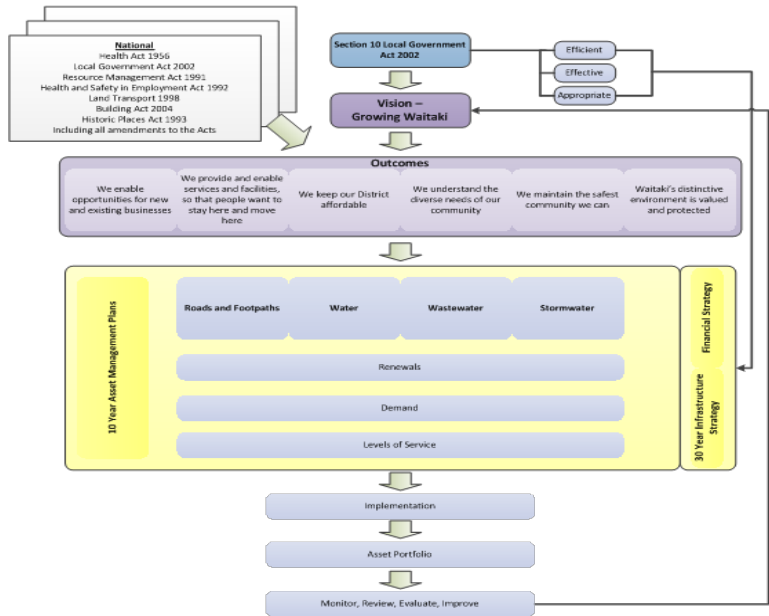
Assumptions	Risk and Impact
That there will be no major adverse events.	The risk that the district suffers a major natural disaster and is required to divert funding towards recovery. This could mean that levels of service are not able to be delivered to the same level during recovery.
Assets will be replaced at the end of their economic life.	The risk that asset lives are shorter than expected leading to inadequate replacement reserves, or asset lives significantly longer than expected resulting in overcharging of depreciation.
No sudden (ie un-signalled) significant change to legislation.	Sudden legislative change resulting in either an increase or reduction in our expenditure or income levels (particularly rates).
That the average price inflation over the forecast period is expected to remain consistent.	Should the price level change differ from what is assumed, expenditure, revenue and costs will differ from that forecast.
Revaluations will occur three yearly and in line with price level adjustments.	Revaluations affect depreciation expenses and therefore rates.



## Linkage with other documents

To deliver our vision of *Growing Waitaki, the best place to live, work and play* there must be clear 'line of sight' connectivity between the high-level organisation policy, strategic plan and objectives, and the daily activities of managing our assets.

This document forms part of that 'line of sight' by setting out the asset management strategy in support of our asset management policy. The diagram below shows this connectivity.



## 30-Year infrastructure strategy

Under the Local Government Act, we are required to meet the current and future needs of communities 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. Under the 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.

A number of strategic statements have been developed to sit underneath the purpose of the Local Government Act and to guide the 30-Year Infrastructure Strategy. The statements (along with proposed measures) are summarised in the table and expanded under each of the headings below.

#	Strategic Statements	Measurement
1	We will supply infrastructure that satisfies the needs of the community	Residents' surveys, annual customer requests
2	We will identify our different communities and consider their needs and impacts on our infrastructure services	Residents' surveys, annual customer requests
3	We will consider risk in the context of affordability, probability and consequence	TBC
4	We will respond to demand changes	TBC

## Applying the strategic statements to infrastructure planning

### We will supply infrastructure that satisfies the needs of the community

We will supply:

- Fit for purpose infrastructure services that are affordable and meet the requirements of relevant New Zealand legislation, best practice and statutory requirements.

### We will identify our different communities and consider their needs and impacts on our infrastructure services

We will:

- Monitor demographic changes in our community to consider the impacts on service delivery
- Consider changes in technology to ensure our service delivery is fit for purpose
- Strive to ensure that core infrastructure services and land use are planned to cope with the expected changes over the 30-year period.
- Consider the impacts of climate change on demand and availability as it affects the district

### We will consider risk in the context of affordability, practicality and legality

We will:

- Improve infrastructure resilience to ensure our infrastructure can deal with disruptions and changing circumstances
- Use design and construction standards and operational practices to minimise the risk of failing to deliver a safe continuous service to communities



- Identify and manage cross-sector dependencies, such as power supply for communications infrastructure, etc.
- Review charging mechanisms to ensure that our charges fund the annual operating costs, and contribute to the depreciation or renewal costs of the service.
- Participate in the Lifelines processes

### We will respond to demand changes

We will:

- Ensure infrastructure planning and district planning proceed in an effective integrated manner and that core infrastructure and land use are planned to cope with the expected changes in demand over the 30-year period
- Regularly review funding mechanisms (including user-pays, Development Contributions, metering, trade waste bylaw and charging)
- Review charging mechanisms to ensure that our charges fund the annual operating costs, and contribute to the depreciation or renewal costs of the service
- Consider sustainability when making any significant decision that affects changes to the installation, renewal, management and operation of the infrastructure assets
- Consider planning across territorial boundaries to maximise infrastructure and investment
- Monitor and analyse demand over time to identify trends and ensure environmental and statutory compliance

## The organisation's priorities

At high level, our priorities are:

- Providing fit-for-purpose infrastructure that meets the current and future needs of users and the community
- Affordability of services
- Managing risks, including natural events like flooding
- Reflecting inter-generational benefit in the funding of large projects
- Legislative compliance
- Governance aspirations

## Infrastructure and service management strategy

In providing services to residents and visitors through the use of infrastructural assets, our management strategy is to provide safe, affordable, sustainable core infrastructural systems that fully meet the environmental, economic and social needs of the district and wider world.

Managing and maintaining these assets to ensure consistent and reliable service delivery to the community requires good asset management practices and strategic thinking. By developing a 30-year infrastructure strategy, we are able to demonstrate that we are taking a long term strategic view and making prudent decisions regarding the funding of any further development of networks and maintenance and renewal of the existing assets.

We have a governance role in the management of asset infrastructure services. As part of this governance role we may need to alter an existing asset expenditure programme to meet changing community expectations which lie outside the agreed



Asset Management Plan. We recognise the need for this flexibility in our plans and programmes, however, we will ensure any change is audited against actual deliverables to ensure the variation remains understood and valid.

## Cost effective delivery of services

In order to demonstrate that the delivery of services is efficient, effective and appropriate, we have developed a suite of Activity Management Plans (AMP) for our Core Infrastructure Services as part of the 2015-25 Long Term Plan. The AMPs assist us to meet our obligations under Section 10 of the Local Government Act and our requirement to meet the current and future needs of communities for good quality local infrastructure and local public services in a way that is most cost-effective for households and businesses.

## Addressing resilience

Council is aware that physical and system resilience is crucial. Resilience takes account of:

- **Design and construction standards** – cost-effective changes to service levels to help infrastructure reasonably withstand natural hazards and long term changes such as the impacts of climate change.
- **Identification of hazards** – sharing information, assessing vulnerabilities and planning for and responding to emergencies with other organisations.
- **Adaptability and redundancy** – in the network to improve business confidence.
- **Identification and management** of inputs into our infrastructure such as power supply.

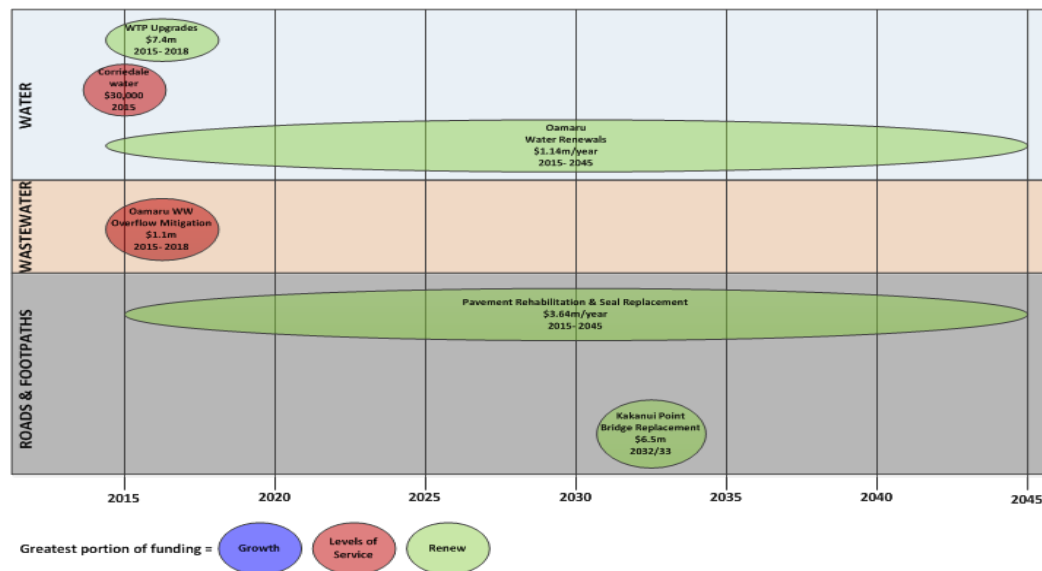


In order to address resilience, our approach will be to:

- Actively participate in Civil Defence Emergency Management planning and activities, at both regional and local levels
- Investigate options for alternative service provision and system redundancy
- Identify critical assets and ensure mitigation methods are developed
- Obtain insurance where this is deemed to be the most cost effective approach

## Significant infrastructure decisions

In addressing community priorities and desires the following key decisions have been identified.



The diagram to the left shows the most significant infrastructure decisions in relation to:

- Capital expenditure required
- Timing of the decisions
- Approximate scale or extent of the costs

Further detail is contained in pages 219 to 226.

Taking a long term view to the management of infrastructural assets, we need to make key decisions in a timely manner. In making these significant infrastructure decisions we consider a range of scenarios and associated risks to ensure an informed and optimal decision. Decisions are based on continued assessment of:

- Compliance
- Demand
- Levels of service
- Risk
- Resilience

As this strategy provides a long term view of the decisions we face, it is acknowledged that as we approach the timeline of each decision more detailed data will be available to enable informed decisions to ensure sustainable delivery of infrastructure services in the Waitaki district.



## Other scenarios considered

The following alternative scenarios have been considered as part of the Infrastructure Strategy:

Infrastructure	Scenarios considered
Water	Stand-alone water treatment plant upgrades or amalgamation of water supplies  Condition assessments prior to renewal
Wastewater	Stand-alone wastewater treatment plant upgrades or amalgamation of wastewater systems  Overflow mitigation – pump capacity increase or emergency storage
Roads and footpaths	Develop routes to address demand, growth, amenity value, resilience and expenditure patterns

## Summary of infrastructure issues by asset group

Significant infrastructure decisions are driven by:

Infrastructure	Significant issues
Water	Meeting compliance with the Health Act 1956 and Drinking Water Standards New Zealand Maintaining the asset set Managing risks presented by natural events Improving asset resilience
Wastewater	Meeting environmental compliance Maintaining the asset set Managing risks presented by natural events Improving asset resilience
Stormwater	Maintaining the asset set Managing risks presented by natural events Improving asset resilience
Roads and footpaths	Maintaining the asset set Managing risks presented by natural events and changes in patterns of use Improving asset resilience



**Financial estimates**

The Local Government Act 2002 Amendment Act 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

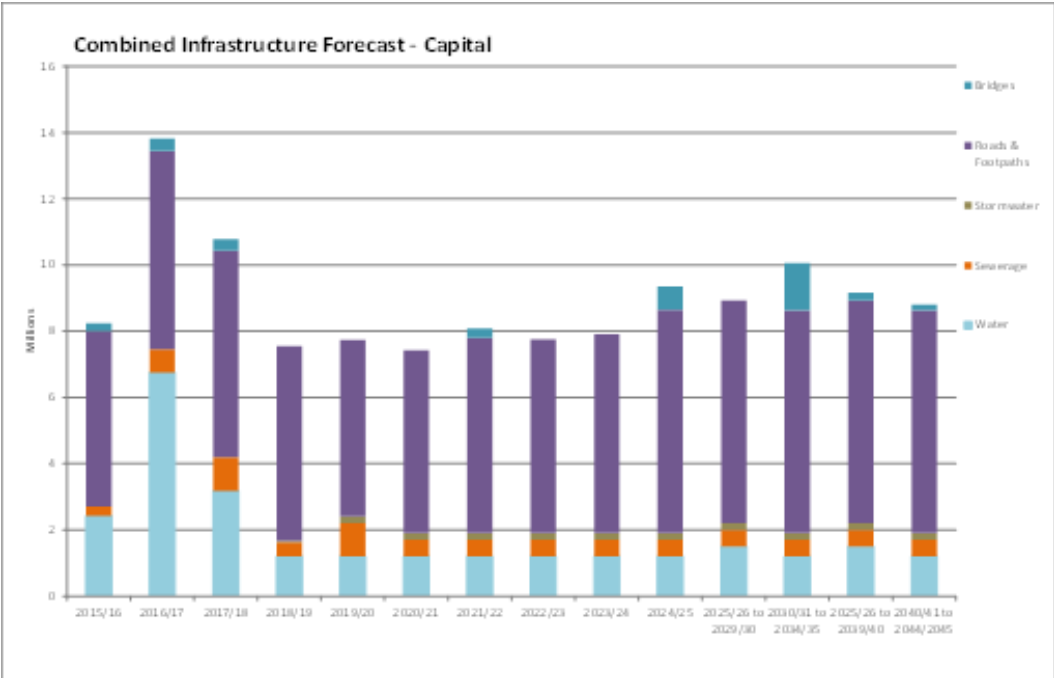
“(ii) in each subsequent period of 5 years covered by the strategy

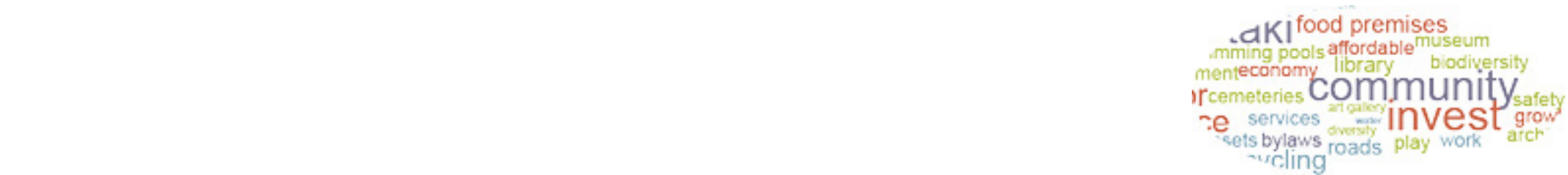
Therefore it is important to note that each year is shown for the first ten years and then the average for each five year period within the following graphs.

**Total expenditure**

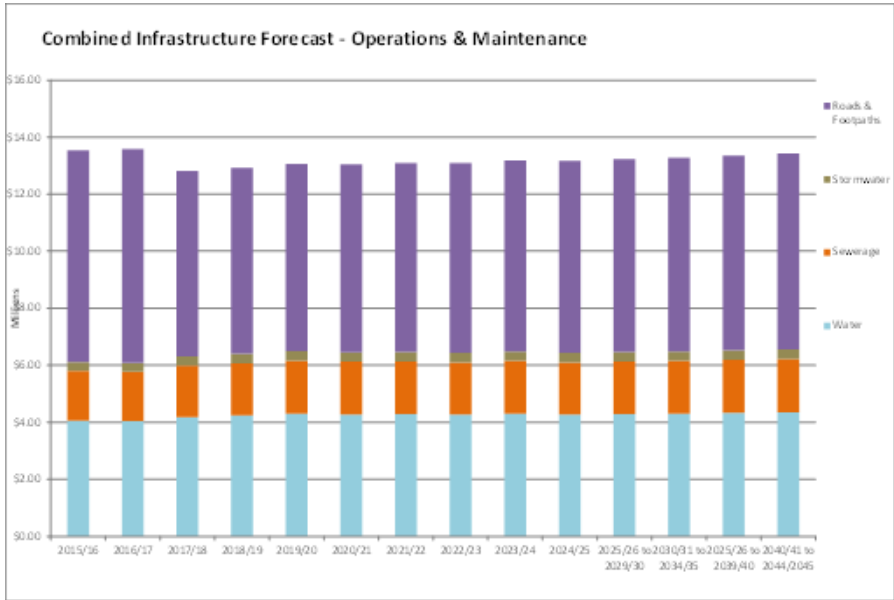
The projected capital expenditure associated with the significant infrastructure assets are graphically represented here:

**Figure 6-1: Projected Capital Expenditure – Infrastructure Assets**





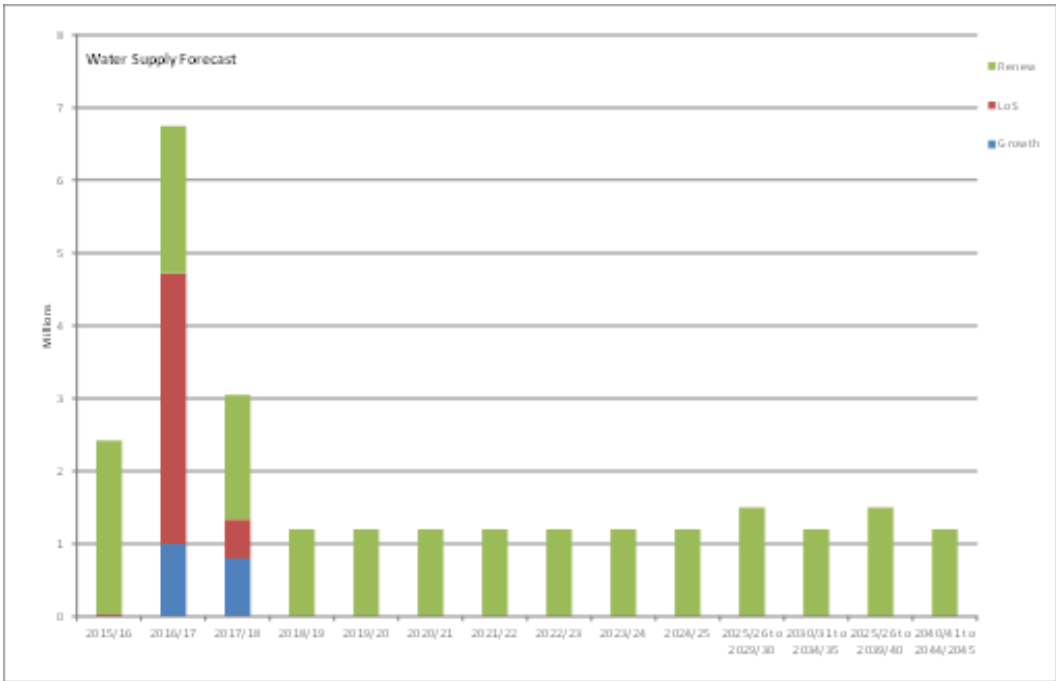
**Figure 6-2: Projected Operational Expenditure – Infrastructure Assets**



### Water

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

**Figure 6-3: Projected Capital Expenditure – Water**





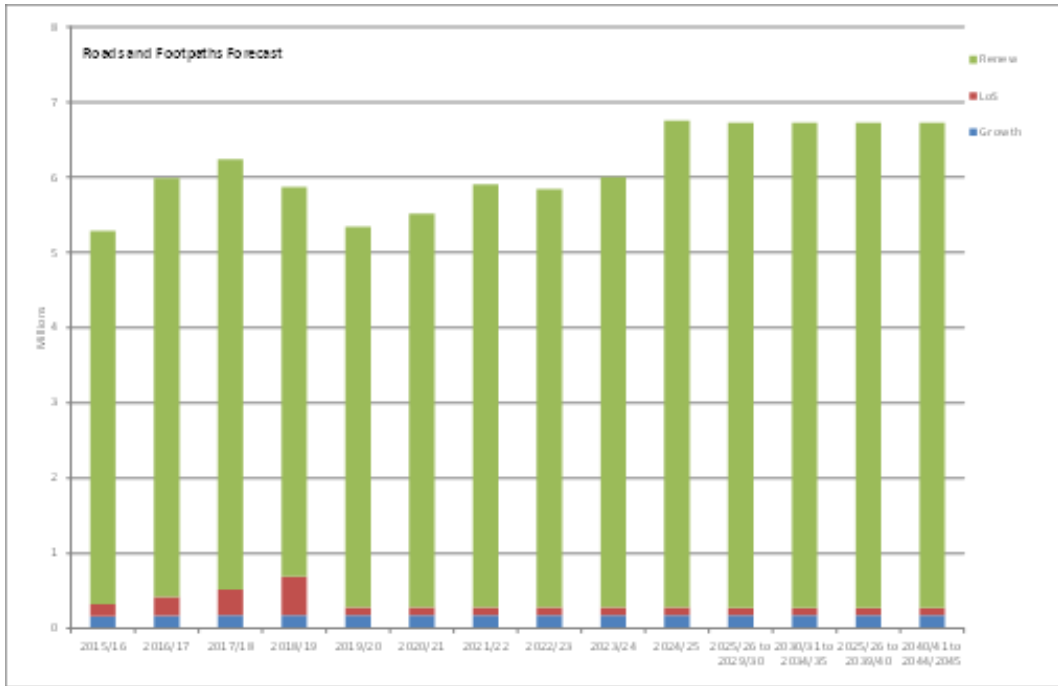




## Roads and Footpaths

The projected capital expenditure associated with the roads and footpaths infrastructure assets is graphically represented below:

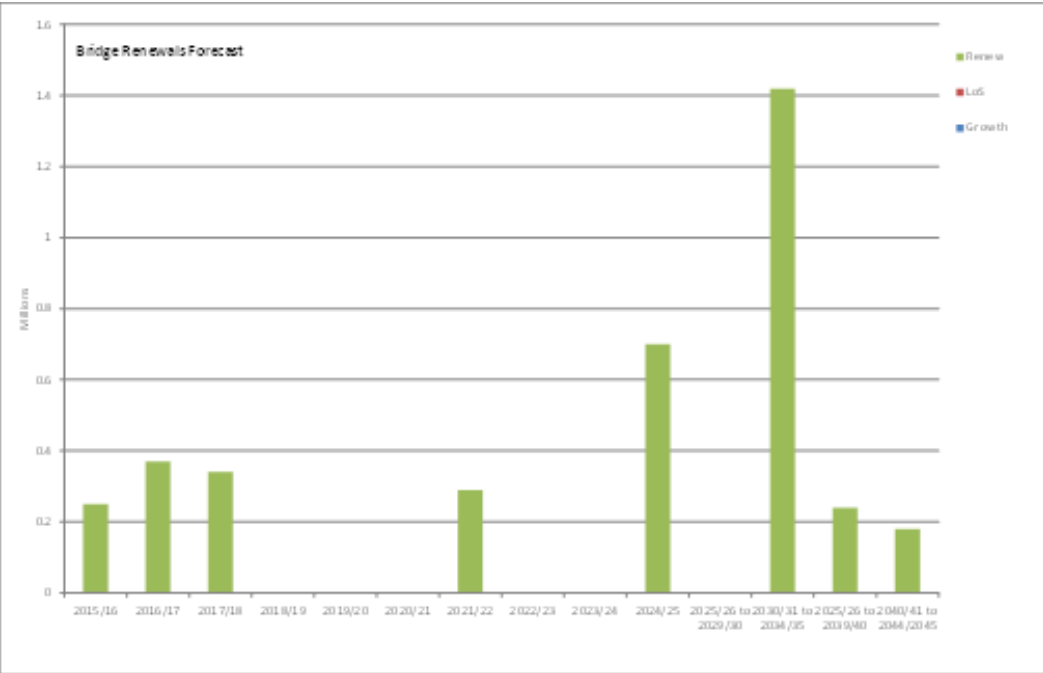
Figure 6-6: Projected Capital Expenditure – Roads and Footpaths



## Bridge Renewals

The projected capital expenditure associated with the bridge renewals is graphically represented below:

Figure 6-7: Projected Capital Expenditure – Bridge Renewals





The Kakanui Bridge renewal, estimated at \$6.45m, is responsible for the significant spike in the 2030/31 to 2034/35 period and the major contributor to the average for this five year period.

Depreciation

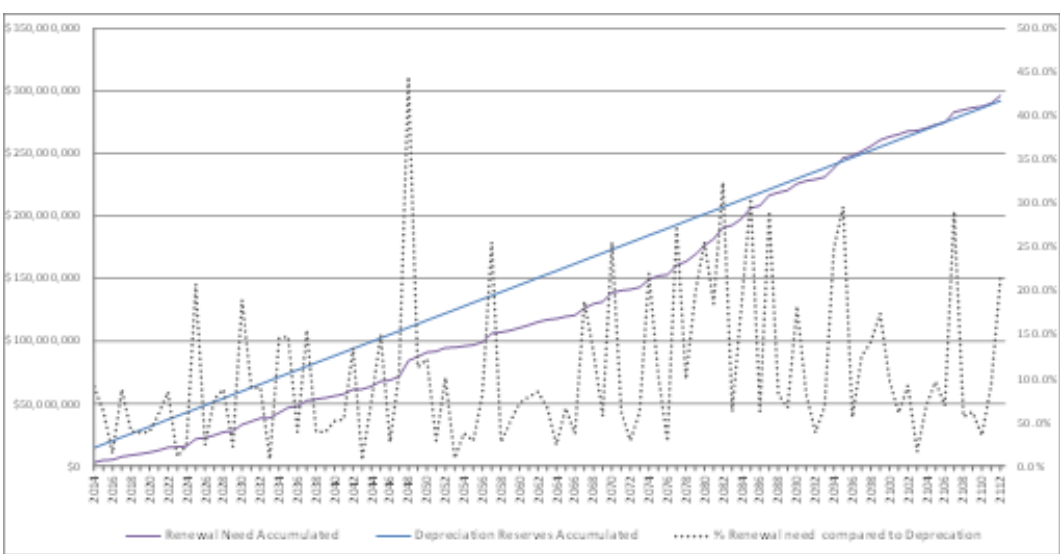
The key way the use of assets is recognised is through depreciation. By recognising depreciation we acknowledge an asset’s use and what funding is needed for its future use. This can be compared to people who set aside money for the future replacement of major household appliances. They are likely to be in a better position at the end of the term than people who don’t set money aside. The purpose of depreciation is not to provide for the replacement of the asset, although depreciation funds are used for that purpose.

The intention of depreciation is to maintain the infrastructural assets as whole in a serviceable condition for the future and to achieve this, individual components need to be replaced from time to time.

The graph on the right shows renewal need accumulated compared to the depreciation reserve accumulated for each of the 3 Waters Utilities.

This provides a graphical representation of where we are in the very long life cycles of our infrastructural assets.

Figure 6-8: Depreciation versus Renewals



(2012 valuation and 2014 actual reserves)

The dotted line represents the percentage of forecast annual renewal expenditure related to the annual depreciation. It can be seen that there are numerous spikes, eg in 2048, the forecasted renewal requirement is 445% of the annual depreciation. Annual accumulation of depreciation smoothes these spikes to achieve affordable funding over extended periods.

We will continually review the information that supports this graph through regular asset valuations, auditing of asset registers and prudent asset management.



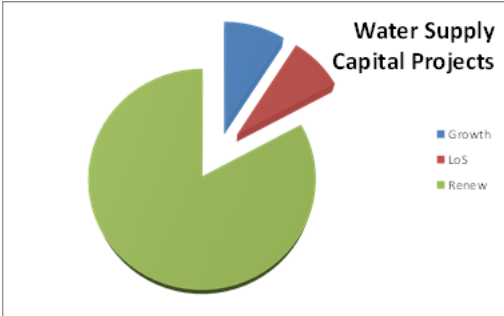
### Infrastructure actions

In developing this 30 Year Strategy we identified the anticipated infrastructure actions over the 30 years and considered each action and the benefits of the action. The infrastructure actions faced by us with the benefits and costs are tabled below. We have defined key infrastructure actions as either projects with \$200,000 or more of capital expenditure or projects which are required due to legislative compliance.

### Water

Our principal goal for the water activity over the next 30 years is:

- To protect public health and property by providing a reliable, sustainable and cost effective supply of water to meet the needs of the consumer.



What are we doing?	What is the benefit?	How much will it cost?	When are we doing it?	Growth	LoS	Renew
Hampden/Moeraki Water Treatment Plan (WTP) upgrade	These upgrade projects reduce the risk of drinking water being contaminated by cryptosporidium, giardia and other bugs.	\$2,600,000	2016/17	✓	✓	✓
Herbert/Waianakarua WTP upgrade		\$2,600,000		✓	✓	✓
Awamoko WTP upgrade		\$390,000	2017/18	✓	✓	✓
Dunrobin WTP upgrade		\$86,250		✓	✓	✓
Kauru Hill WTP upgrade		\$280,000		✓	✓	✓
Otekaieke WTP upgrade		\$90,000		✓	✓	✓
Stoneburn WTP upgrade		\$230,000		✓	✓	✓
Tokarahi WTP upgrade		\$270,000		✓	✓	✓
Windsor WTP upgrade		\$270,000		✓	✓	✓
Assumptions	The upgrades will include an increase in capacity as well as meet New Zealand Drinking Water Standards					

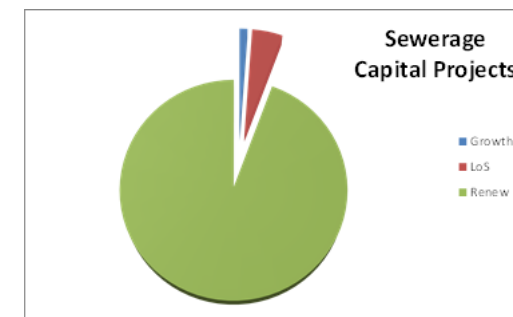


What are we doing?	What is the benefit?	How much will it cost?	When are we doing it?	Growth	LoS	Renew
Oamaru WTP Membrane Filter Replacement	Replace	\$1,235,000	2015/16			✓
Oamaru WTP Membrane Filter Replacement	Replace	\$1,500,000	2025/26	✓		✓
Oamaru WTP Membrane Filter Replacement	Replace	\$1,500,000	2035/36			✓
Assumptions	The membrane filters will not deteriorate within ten years and affect levels of service or compliance standards.					
Oamaru WTP Upgrade	Growth	\$610,000	2016-18	✓		
Assumptions	The plant will operate satisfactorily, within capacity and compliance standards until 2017/18					
Mains Renewals (Oamaru)	Replace	\$1,000,000/annum	2015 - 45			✓
Kurow Mains Renewals	Replace	\$200,000	2016-18			✓
Mains Renewals (Rural)	Replace	\$150,000/annum	2015-17			✓
		\$200,000/annum	2018 - 25			
Assumptions	The mains renewal programme will be refined based on performance, condition, criticality and levels of service					
Corriedale water – determine management structure	Divestment of public water supply	\$30,000	2015/16		✓	
Assumptions	The management of the Corriedale Water is in accordance with Council agreement	Although the cost of this project is below the \$200,000 threshold it is included as significant since it concerns the privatisation of public water supplies				

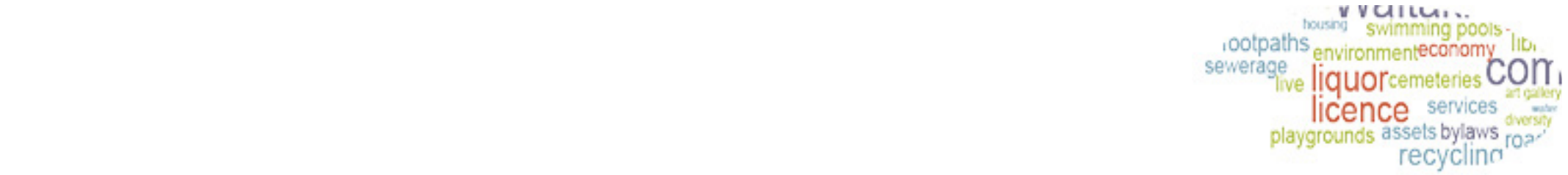
## Sewerage

Our principal goal for the wastewater activity over the next 30 years is:

- To ensure the health of the community where urban housing exists, thereby eliminating the need for individuals to provide their own wastewater system (which carries much higher health risks)
- To provide a cost effective trade waste disposal system for commercial and some industrial users, thereby eliminating the need for individuals to provide their own wastewater system
- To provide acceptable collection, treatment and disposal systems for the use of communities.



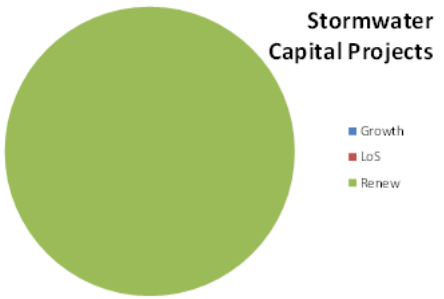
What are we doing?	What is the benefit?	How much will it cost?	When are we doing it?	Growth	LoS	Renew
Oamaru – overflow mitigation	Improvement (environmental)	\$1,100,000	2015 - 18		✓	
Assumptions	The overflow mitigation will be refined and solutions based on risk, criticality and levels of service					
Omarama Wastewater Treatment Plant Upgrade	Improvement (environmental)	\$250,000	2017 - 19		✓	✓
Assumptions	The plant will operate satisfactorily, within capacity and environmental standards until 2018/19					
Oamaru – BOD capacity upgrade	Growth	\$550,000	2018 - 20	✓		
Assumptions	The plant will operate satisfactorily, within capacity and environmental standards until 2018					
Oamaru – Mains renewals	Replace	\$200,000/annum	2018 - 20			✓
		\$400,000/annum	2020-2045			✓
Assumptions	The mains renewal programme will be refined based on performance, condition, criticality and levels of service					
Palmerston – equipment renewal (switchboard)	Replace	\$200,000	2017/18			✓
Assumptions	The plant will operate satisfactorily, within capacity and environmental standards until 2017/18					
Sewer Laterals – Public Ownership	Improve control over work in road corridor	\$2,950,000	2015 - 45		✓	
Assumptions	The sewer lateral condition, location, installation quality and workmanship standard are aligned with Council standards					



### Stormwater

Our principal goal for the stormwater activity over the next 30 years is:

- To provide for the collection and disposal of stormwater to acceptable environmental standards



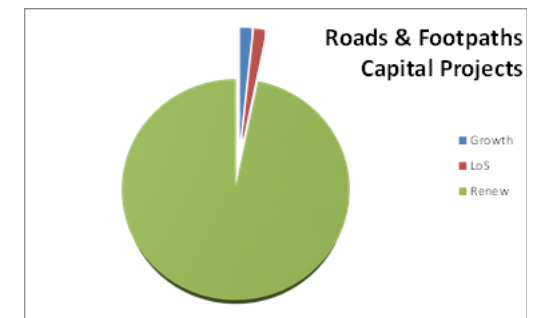
What are we doing?	What is the benefit?	How much will it cost?	When are we doing it?	Growth	LoS	Renew
Capacity reinstatement	Renew	\$200,000/annum	2019 – 25			✓
Assumptions	The capacity reinstatement programme will be refined based on performance, condition, criticality and levels of service					



## Roads and footpaths

Our principal goal for the roads and footpaths activity over the next 30 years is:

- To provide a safe, affordable, sustainable land transport system that fully meets the environmental, economic and social needs of the district



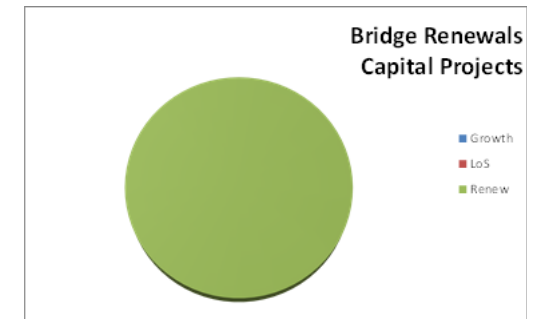
What are we doing?	What is the benefit?	How much will it cost?	When are we doing it?	Growth	LoS	Renew
Pavement Rehabilitation	Replace	\$49,994,157	2015 - 45			✓
Assumptions	The pavement will perform satisfactorily until replacement, with some increased maintenance as appropriate					
Unsealed Metalling	Replace	\$23,400,775	2015 - 45			✓
Assumptions	The unsealed metal will perform satisfactorily until replacement, with some increased maintenance as appropriate					
Seal	Replace	\$59,215,338	2015 - 45			✓
Assumptions	The seal will perform satisfactorily until replacement, with some increased maintenance as appropriate					
Bridge on Culvert Road	Replace	\$17,633,383	2015- 45			✓
Assumptions	The bridge on Culvert Road will perform satisfactorily until replacement, with some increased maintenance as appropriate					
Drainage	Replace	\$14,186,196	2015 - 45			✓
Assumptions	The drainage will perform satisfactorily until replacement, with some increased maintenance as appropriate					
Signposts	Replace	\$3,503,425	2015 - 45			✓
Assumptions	The signposts will perform satisfactorily until replacement, with some increased maintenance as appropriate					



What are we doing?	What is the benefit?	How much will it cost?	When are we doing it?	Growth	LoS	Renew
Street lighting	Replace	\$2,747,746	2015 - 45			✓
Assumptions	The street lighting will perform satisfactorily until replacement, with some increased maintenance as appropriate					
Footpath	Replace	\$13,099,139	2015 - 45			✓
Assumptions	The footpath will perform satisfactorily until replacement, with some increased maintenance as appropriate					
Seal Widening	Increased seal width aligned with the One Network Road Classification and our Standards Policy	\$6,988,241	2015 - 45	✓	✓	
Assumptions	The seal width will be satisfactory when aligned with ONRC and WDC Standards Policy					
Waiānakarua Road Realignment	Realignment of Waiānakarua Road away from the Waiānakarua River	\$425,720	2017/18		✓	✓
Assumptions	The temporary single lane alignment will perform satisfactorily until completion of the project					
Harbourside Roding	Improve components of Harbourside Roads	\$562,564	2017 - 25		✓	✓
Assumptions	The Harbourside Roads will perform satisfactorily until completion of the project					
River Training	Ensure flow paths are kept on course for the Kakanui River and Kauru River	\$1,243,385	2015 - 45		✓	
Assumptions	The river training will ensure the flow paths stay on course and prevent damage to bridges					
Beach Road Realignment	Realignment of Beach Road to reinstate two lane access between Oamaru and Kakanui	\$272,345	2016/17		✓	✓
Assumptions	The temporary single lane alignment will perform satisfactorily until completion of the project					

## Bridge Renewals

Bridge Renewal means replacement of the entire bridge structure with equivalent capacity.



What are we doing?	What is the benefit?	How much will it cost?	When are we doing it?	Growth	LoS	Renew
Teschemakers #2 Bridge Replacement	Replace	\$247,250	2015/16			✓
Assumptions	The bridge will perform satisfactorily until 2016 with some increased maintenance as appropriate					
Slaughter Yard Bridge Replacement	Replace	\$370,300	2016/17			✓
Assumptions	The bridge will perform satisfactorily until 2017 with some increased maintenance as appropriate					
McEwans Bridge Replacement	Replace	\$339,250	2017/18			✓
Assumptions	The bridge will perform satisfactorily until 2018 with some increased maintenance as appropriate					
Craig Bridge	Replace	\$286,350	2021/22			✓
Assumptions	The bridge will perform satisfactorily until 2022 with some increased maintenance as appropriate					
Dunback Domain Bridge Replacement	Replace	\$701,500	2024/25			✓
Assumptions	The bridge will perform satisfactorily until 2025 with some increased maintenance as appropriate					



What are we doing?	What is the benefit?	How much will it cost?	When are we doing it?	Growth	LoS	Renew
Kakanui Point Bridge Replacement	Replace	\$6,459,550	2032/33			✓
Assumptions	The bridge will perform satisfactorily until 2033 with some increased maintenance as appropriate					
Switchback Bridge Replacement	Replace	\$658,950	2034/35			✓
Assumptions	The bridge will perform satisfactorily until 2035 with some increased maintenance as appropriate					
Smith Road Bridge Replacement	Replace	\$502,550	2037/38			✓
Assumptions	The bridge will perform satisfactorily until 2038 with some increased maintenance as appropriate					
Weston Rail Bridge Replacement	Replace	\$713,000	2038/39			✓
Assumptions	The bridge will perform satisfactorily until 2039 with some increased maintenance as appropriate					
Weston Ngapara Bridge Replacement	Replace	\$419,750	2041/42			✓
Assumptions	The bridge will perform satisfactorily until 2042 with some increased maintenance as appropriate					
Waianakarua Bridge Replacement	Replace	\$472,650	2042/43			✓
Assumptions	The bridge will perform satisfactorily until 2043 with some increased maintenance as appropriate					

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***Growing strong communities.***

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**Waitaki**

DISTRICT COUNCIL  
TE KAUNIHERA Ā ROHE O WAITAKI