



**Waitaki**  
DISTRICT COUNCIL  
*TE KAUNIHERA A ROHE O WAITAKI*

**2018-28  
LONG  
TERM  
PLAN**

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## **Waitaki District Council 2018-28 Long Term Plan**

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te kaunihera ā rohe o waitaki

**2018 - 28**

**LONG TERM PLAN**

## MESSAGE FROM THE MAYOR



Welcome to our 2018-28 Long Term Plan for the Waitaki District. First of all, I want to thank all those people who helped us create this plan, most especially the people in our community who took the time to engage with Council, telling us what they thought of our ideas in the Consultation Document, and telling us what their visions are for their communities and the wider Waitaki District.

We have responded to those submissions and we have a plan which I am very pleased with – a plan which has a strong focus on our ‘business as usual,’ and which also has a number of new initiatives to grow our district and improve it for our local people and for our visitors.

Roading continues to be our single largest budget item, and along with water, it is the lifeblood of our district economically and socially. We want to improve our 1800km network of roads and this plan takes another step towards that. We continue to secure more gravel sources, and this is helping us get more maintenance done on our rural roads. We have introduced a special differential for forestry, targeting properties where commercial forestry is the predominant use so that we can put aside funds for

roading upgrades required when those forests are harvested. This will help us spread your roading rates more evenly and fairly.

The Ahuriri and Waihemo wards have had the benefit of special visioning sessions in the lead-up to this Long Term Plan, and we have included a number of projects which came out of those sessions. We have worked with our Community Boards in those areas to come up with plans that will improve communities throughout the wards and ensure that Council is focussed on the things that matter most to our ratepayers living there. For example, we will be undertaking town plans for Otematata and Omarama to better plan their development given their increasing popularity and tourism growth. The Corriedale and Oamaru wards will have visioning sessions of their own in the next 8-10 months.

The past four years have seen us driving efficiency and controlling costs, resulting in us achieving some of the lowest rate increases in New Zealand over that time. In this plan, we have gone for projects which will grow and improve Waitaki. With a first year increase of 3.8%, Waitaki will make good progress economically, socially, environmentally and culturally.

One of the constants in local government seems to be the never ending increase in workload, as legislation and responsibilities get loaded onto Councils across the country. The Councillors and I have approved a plan which reduces the number of consultants used by the Council, and instead gives us employees who will provide more capacity for the same money. The full time equivalent (FTE) count will increase, but we will be getting more ‘bang for our bucks’.

Overall, Waitaki is on the rise – we have a plan which reflects that, and we look forward to the next ten years of growth, challenges and making Waitaki the best district in New Zealand!

Gary Kircher

Mayor



# PART 1

## INTRODUCTION

*kupu whakataki*

The Long Term Plan sets Council's strategic direction and work programme for the 10 years ahead. It outlines the services we will provide, the projects we will undertake, the cost of doing this work, how it will be paid for and how we will measure quality and our effectiveness.

The issues we face and the context within which we work are continually evolving. For this reason, a Long Term Plan is produced every three years.

## COUNCIL'S ROLE, RESPONSIBILITIES AND GOALS

### Purpose of Council

The purpose of local government is:

- To enable democratic local decision-making and action by, and on behalf of, communities;
- 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 (Local Government Act 2002 (LGA02) section 10 (1)).

Council's main role is to lead and represent its communities. This requires Council to engage with, and encourage its communities to participate in decision making, while not only considering the needs of people currently living in these communities, but also the needs of those who will live there in the future. The LGA02 gives councils wide scope to do anything within the context of the purpose of local government.

## PLANNING HIERARCHY

The Long Term Plan fits into a hierarchy of plans creating an accountability framework between the operational and strategic levels of Council. There are linkages from one level to the next which are demonstrated in Table 1 below.

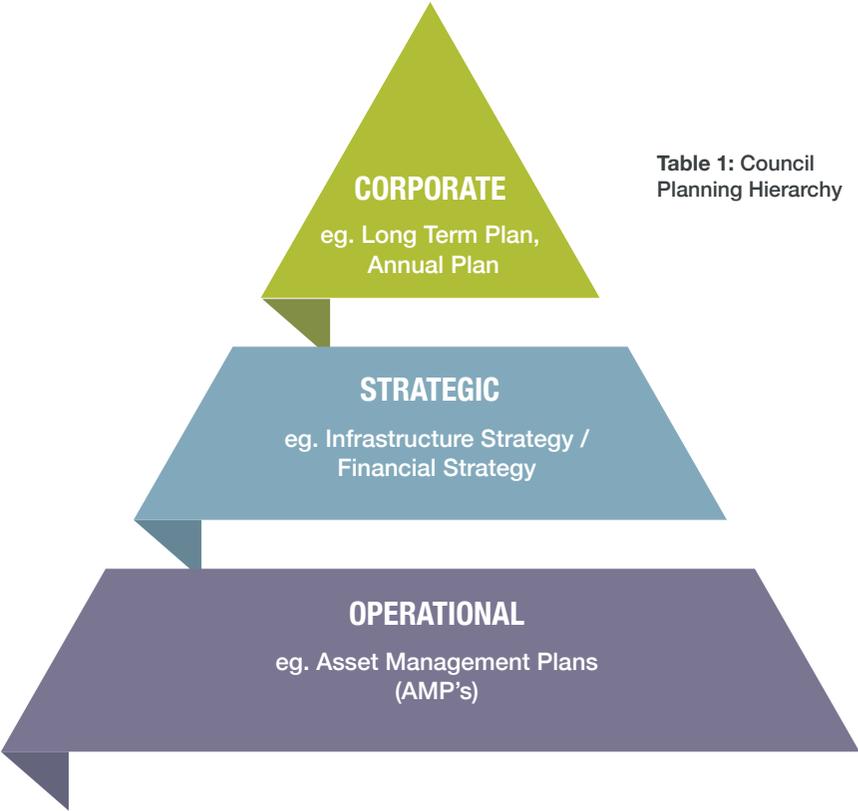


Table 1: Council Planning Hierarchy

## COUNCIL VISION

**“ WAITAKI – THE BEST PLACE  
TO LIVE, WORK AND PLAY ”**

## COMMUNITY OUTCOMES

We enable opportunities for new and existing businesses

We keep our district affordable

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

We understand the diverse needs of our community

We maintain the safest community we can

Waitaki's distinctive environment is valued and protected

The community outcomes describe how we want our community to be. The activities of Council contribute to a variety of community outcomes. Table 2 below articulates the community outcomes for the Waitaki District and what success looks like for each of the outcomes.

Table 2: Waitaki District Council Community Outcomes

COMMUNITY OUTCOME		WHAT SUCCESS LOOKS LIKE
 <p><b>ECONOMIC</b></p>	<p><b>Business opportunities</b></p> <p><i>“We enable opportunities for new and existing business”</i></p>	<ul style="list-style-type: none"> <li>• We plan ahead to ensure there is sufficient land available to meet development demands;</li> <li>• We provide key infrastructure that meets business and industry requirements;</li> <li>• We make Council processes easy for business;</li> <li>• There is a consistent and fair regulatory environment – barriers, costs, risks and uncertainties are minimised where practical;</li> <li>• We advocate in areas that maximise economic opportunity and benefits for the district;</li> <li>• We show leadership – partnership and facilitation;</li> <li>• We celebrate and promote business innovation and success.</li> </ul>
 <p><b>SOCIAL AND CULTURAL</b></p>	<p><b>Affordability</b></p> <p><i>“We keep our district affordable”</i></p>	<ul style="list-style-type: none"> <li>• We carefully balance the needs and wants of our community responsively (prudent);</li> <li>• We recognise the large geographical area and small rating base of our district;</li> <li>• We seek alternative funding sources where possible to complement the provision and delivery of our services.</li> </ul>
	<p><b>Access to services and facilities</b></p> <p><i>“We provide and enable services and facilities so people want to stay and move here”</i></p>	<ul style="list-style-type: none"> <li>• There is a higher proportion of the resident population under 50 years old;</li> <li>• We manage public infrastructure to ensure it is sustainable, and to standard to meet the present and future needs of our residents and visitors;</li> <li>• We promote quality urban design in our district’s communities;</li> <li>• We have attractive and liveable townships and communities;</li> <li>• We value our culture, arts and heritage;</li> <li>• Our public places and civic facilities are accessible, welcoming and vibrant;</li> <li>• Our visitor facilities and attractions are welcoming, attractive and meet demand of a growing tourism base;</li> <li>• There are increasing visitor numbers;</li> <li>• We celebrate and sell our story.</li> </ul>
	<p><b>Diverse community</b></p> <p><i>“We understand the diverse needs of our community”</i></p>	<ul style="list-style-type: none"> <li>• We have a range and choice of housing options;</li> <li>• There are strong community connections and participation rates;</li> <li>• We understand the needs of our communities – changing age structure and a multicultural society;</li> <li>• There are increased joint projects and initiatives with partners and organisations.</li> </ul>
	<p><b>Safe community</b></p> <p><i>“We maintain the safest community we can”</i></p>	<ul style="list-style-type: none"> <li>• We manage Council infrastructure and community facilities to ensure the safety of ratepayers and visitors;</li> <li>• Individuals and families feel safe;</li> <li>• We are responsive and prepared for natural hazard events;</li> <li>• We are responsive to climate change implications on the district’s public infrastructure;</li> <li>• We are aware of and responsive to central and regional government obligations.</li> </ul>
 <p><b>ENVIRONMENTAL</b></p>	<p><b>Environmental protection and value</b></p> <p><i>“Waitaki’s distinctive environment is valued and protected”</i></p>	<ul style="list-style-type: none"> <li>• Our community respects our natural resources and how they interact with these (e.g. water, waste, energy, climate change, natural hazards);</li> <li>• We are aware of and responsive to central and regional government obligations;</li> <li>• Our District Plan provisions ensure the sustainable management of our land use, and subdivision of land;</li> <li>• Significant areas, features and landscapes are recognised and protected through the District Plan;</li> <li>• Land area with native vegetation under protection and those with significant native plants and animals is not declining.</li> </ul>

## STRATEGIC PRIORITIES

Council has identified four (4) strategic priority areas it believes are essential to enable it to work towards its vision and community outcomes. These are:



**Pursuing opportunities for Waitaki to improve economic sustainability and resilience**



**Providing services that support a high quality of life – a vibrant district**



**Improving value for money and customer responsiveness**



**Continued commitment to existing services and responding to a changing environment**

Part 2 of our Long Term Plan identifies the key projects that will be implemented by Council over the next ten years that will help deliver on the strategic priorities and action areas identified above.



## COUNCIL DECISION MAKING

Council considered community feedback on the 2018-28 Long Term Plan at Council deliberations on 22 May 2018. The following is a summary of key changes. Details of the decisions can be found in the meeting minutes on the Waitaki District Council website.

<p><b>Waste</b></p>	<p>Develop a community waste survey at a cost of \$10,000 to be funded from the Ministry for the Environment waste levy.</p> <hr/> <p>Increase the number of litter bin servicing collections (Waihemo, Ahuriri and Oamaru).</p> <hr/> <p>Include a budget of \$10,000 from year 1, to undertake a three-yearly analysis of the waste stream to support more targeted waste minimisation education and initiatives.</p> <hr/> <p>Include an additional annual budget of \$10,000 (in addition to available Ministry for the Environment levy funding) to increase education and initiatives, and increase support to community providers.</p>
<p><b>Roading</b></p>	<p>Fund \$200,000 per annum towards road seal extensions (noting \$50,000 is expected from external sources).</p>
<p><b>Planning for growth</b></p>	<p>Responding to growth and a desire to reduce the use of consultants and contractors, increase the number of permanent staff (with an anticipated rates saving)</p> <p>Allocate \$50,000 for the development of a Masterplan for Oamaru Harbour and historic area (including lower Thames Street).</p> <p>Allocate \$20,000 each for Otematata and Omarama for the development of a Masterplan.</p>
<p><b>Alps to Ocean</b></p>	<p>Increase the annual maintenance budget to \$150,000 for years 1 to 3 of the Long Term Plan.</p>
<p><b>Mountain biking</b></p>	<p>Increase the grant to Mountain Bike North Otago to \$15,000 per annum for spraying of Cape Wanbrow tracks</p> <hr/> <p>Allocate \$20,000 towards jump / pump infrastructure in year 2 of the Long Term Plan.</p>
<p><b>Cycle safety</b></p>	<p>Add \$6,750 to the current road safety programme over three years for the Onya Bike safety pilot programme.</p>
<p><b>Walkways</b></p>	<p>Allocate up to \$10,000 for each ward towards establishing an improved pathway network.</p>
<p><b>Recreation centre</b></p>	<ol style="list-style-type: none"> <li>1. Provide a grant of \$70,000 to fund 50% of the repair costs to the Waitaki Community Recreation Centre.</li> <li>2. To be funded by rates over 10 years</li> </ol>
<p><b>Palmerston amenity</b></p>	<p>Increase Palmerston amenity rate by \$10,000 to \$30,000 per annum.</p>
<p><b>Heritage</b></p>	<p>That Council funds a heritage advisor position.</p>
<p><b>Geopark</b></p>	<p>Allocate \$10,000 per annum for three years to meet UNESCO Global Geopark membership obligations.</p>
<p><b>Harbour dredging</b></p>	<p>That the initial dredge in Year 1 of the Long Term Plan be increased to \$500,000, with the additional \$300,000 funded by a loan to be repaid over 10 years.</p> <p>Reduce the dredging budget to \$150,000 every second year from Year 3 of the Long Term Plan.</p>
<p><b>Oamaru Steam and Rail</b></p>	<p>Grant Oamaru Steam and Rail \$6,000 per annum towards maintenance costs.</p>
<p><b>St Luke's Church Oamaru garden maintenance</b></p>	<p>Add \$1,500 to the Oamaru township maintenance budget for the maintenance of St Luke's gardens at the intersection of Itchen and Thames Streets, Oamaru.</p>
<p><b>Rating</b></p>	<p>Confirmed the creation of a roading-forestry differential, for rating units used predominately or exclusively for commercial forestry purposes, to address the effects of forestry activities on the roading network</p>

## MAJOR PROJECTS

Council approved the preferred option for each of the major projects as consulted through the Consultation Document.

The budget for Oamaru Harbour has increased by \$100,000 as a result of a revised dredging programme including a hydrostatic survey of the harbour. The budget for UNESCO Global Geopark and UNESCO World Heritage Status has increased by \$225,000 as Council has further understood the implications of this project.

A summary of the major capital projects included in this 10 year plan are outlined below.

### Indoor Recreation and Events Centre

**Cost:** \$7m + inflation

**Timeframe:** Years 4+

**Funding:** Internal loan (\$7 million) and rates (\$7 million)

### Cultural Facilities Development Project

– a review of the Cultural Facility Development Project in light of current opportunities delivered through central Government funding

**Cost:** \$6m + inflation

**Timeframe:** 3 –10 years

**Funding:** Reserves, loans, external grants

### Better Roads

– investing in more gravel, widening rural high risk and narrow sealed roads, smoothing high priority urban and rural roads

**Cost:** \$5.77m + inflation (+\$200,000 identified above for unsealed roads)

**Timeframe:** 10 years

**Funding:** Rates

### Visitor infrastructure

– improving public toilet network and other infrastructure

**Cost:** \$3.9m + inflation

**Timeframe:** 10 years

**Funding:** Rates, loan, reserves and government assistance

### Oamaru Airport

– improvements to compete for business opportunities and to provide ongoing maintenance for a safe and commercially viable airport

**Cost:** \$1.6m + inflation

**Funding:** reserves generated from airport revenue

### Oamaru Harbour

– dredging, slipway upgrade

**Cost:** \$1.1m + inflation

**Timeframe:** 10 years

**Funding:** Reserves and rates.

### Coastal erosion at Hampden Landfill

**Cost:** \$850,000

**Funding:** Rates

### Coastal erosion management in reserves

**Cost:** \$600,000

**Timeframe:** 10 years

**Funding:** Reserves

### Council systems and business improvements

**Cost:** \$430,000 + inflation

**Timeframe:** 10 years

**Funding:** Internal loan and rates

### UNESCO World Heritage Status UNESCO Global Geopark

**Cost:** \$580,000 + inflation

**Timeframe:** 5 years

**Funding:** Rates, loan & reserves



# PART 2

## OUR PLAN

*tā tātou mahere*

### OVERVIEW

**The services we are committing to:**

Council will continue to provide the current range of Council activity (as per the 2015-25 Long Term Plan) as it underpins Council's core business and the strategic priorities of Council.

**Key changes and projects:**

In addition to the carry over projects identified in the 2015-25 Long Term Plan, Council proposes to undertake a number of projects over the lifetime of this Plan which align with the vision, community outcomes, strategic priorities and action areas.

**Table 3: Pursuing opportunities for Waitaki**

## KEY INITIATIVES

Tables 3-6 following summarise the key initiatives.



### Pursuing opportunities for Waitaki to improve economic sustainability and resilience

KEY ACTIONS AND PROJECTS	
Strategic action/s	Project/s
<p>Develop a shared strategic vision for Waitaki District's future.</p> <p>Support new and existing businesses to create business and career opportunities.</p>	<p>Appointment of an Economic Development Manager.</p> <p>Developing and implementing an Economic Development Strategy for the District.</p> <p>Developing planning and infrastructure plans for strategic areas across the district.</p>
<p>Enhance and diversify Waitaki's visitor offering to attract year-round visitors.</p> <p>Support private sector to address gaps in visitor facilities and services.</p>	<p>Developing a world class, internationally recognised offering to visitors through a UNESCO Global Geopark and obtain UNESCO World Heritage status for Oamaru.</p> <p>Reviewing the Cultural Facility Development Project in light of opportunities afforded through the central government provincial growth fund and the UNESCO Global Geopark and World Heritage Projects.</p>
<p>Partner with industry and government to address infrastructure challenges.</p> <p>Support new and existing businesses to create business and career opportunities.</p>	<p>Reviewing the value of upgrading existing infrastructure (including our harbour and airport), and develop new infrastructure (cycleways, visitor amenity) that supports growth.</p>
<p>Enhance organisational capacity.</p> <p>Engage more effectively with stakeholders to improve the impact of social and economic initiatives.</p> <p>Realign existing services and facilities to better meet the needs of residents and visitors.</p>	<p>Developing in-house capacity and external relationships that enables Council to strengthen its leadership relating to identifying and developing opportunities.</p>

**Table 4: Providing services that support a quality of life**



**Providing services that support a high quality of life – a vibrant district**

<b>KEY ACTIONS AND PROJECTS</b>	
<b>Strategic action/s</b>	<b>Project/s</b>
Improve asset resilience and condition.	Making improvements to our district's rural roads.
Being responsive to our customers.  Partner with industry and government to address infrastructure challenges.	Enhancing township streetscapes.
Improve asset resilience and condition.  Being responsive to our customers.	Kakanui Bridge improvements.  Making improvements to our district's rural roads.
Being responsive to our customers.	Identifying and managing important areas of terrestrial biodiversity.
Being responsive to our customers.  Attract more families to Waitaki to mitigate currently anticipated demographic trends.  Engage more effectively with stakeholders to improve the impact of social and economic initiatives.	Planning for and developing an indoor recreational facility in Oamaru.
Being responsive to our customers.	Increasing operational service levels for public toilets throughout the district.



**Improving value for money and customer responsiveness**

**Table 5: Improving value for money and customer responsiveness**

<b>KEY ACTIONS AND PROJECTS</b>	
<b>Strategic action/s</b>	<b>Project/s</b>
<p>Realign existing services and facilities to better meet the needs of residents and visitors.</p> <p>Being responsive to our customers.</p>	<p>Providing information that our residents and tourists expect, that is easy to access.</p>
<p>Enhance organisational capacity.</p> <p>Being responsive to our customers.</p>	<p>Continuing to improve Council's technology and information management 'engine room.'</p>



**Continued commitment to existing services and responding to a changing environment**

**Table 6:** Continued commitment to existing services and responding to a changing environment

<b>KEY ACTIONS AND PROJECTS</b>	
<b>Strategic action/s</b>	<b>Project/s</b>
Improve asset resilience and condition.	Ongoing stormwater management improvements.
Improve asset resilience and condition.  Responding to higher environmental standards (Resource Management Act 1991).	Dust mitigation measures.
Improve asset resilience and condition.	Responding and adaptation to coastal erosion.
Improve asset resilience and condition.	Palmerston wastewater upgrade.
Improve asset resilience and condition.	Hampden landfill post closure work.
Support new and existing businesses to create business and career opportunities.	Reviewing and adopting a robust Waitaki District Plan for the next 10 years.
Improve asset resilience and condition.	Ongoing improvements to our property assets to ensure they are fit for purpose and meet health and safety obligations.

## SIGNIFICANT FORECASTING ASSUMPTIONS

Under the LGA02, Council is required to identify the significant forecasting assumptions and risks underlying the financial estimates in its 10 year plan. These are important in that they provide the community with a level of transparency about the decisions Council makes about service priorities, projects and funding.

Council has made a number of assumptions about the future. These assumptions are predictions that Council will use as a basis for planning, budgeting and

decision-making across the ten years of this Plan. Table 7 below reflects uncertainties, risks, and assumptions that influence our key strategies and policy being:

- Waitaki District Council Infrastructure Strategy 2018-2048;
- Financial Strategy;
- Revenue and Financing Policy.

**Table 7:** Significant forecasting assumptions

ASSUMPTION GROUPING	FORECASTING ASSUMPTION	RISK	LEVEL OF UNCERTAINTY green - low, orange-moderate	POTENTIAL EFFECTS AND MITIGATION MEASURES on Council financial estimates
STRATEGIC DIRECTION	<p>A vision of sustaining and enhancing a vibrant Waitaki District and its associated strategic priorities will influence the way Council delivers services and infrastructure to Waitaki's residents.</p> <p>The four strategic goals are:</p> <ul style="list-style-type: none"> <li>• Improved economic sustainability and resilience</li> <li>• A more vibrant District offering a high quality of life for its residents</li> <li>• Increased value for money for Waitaki District ratepayers</li> <li>• A more connected and engaged community</li> </ul>	<p>The geo-political environment and relationship of New Zealand to events within that environment will influence results achieved against a vision. For example, future levels of immigration (national and international policy) influence new residents, and international visitor numbers to the Waitaki District.</p> <p>Private business investment is equally a matter that the Council does not have direct and substantive influence over. It supports indirectly through the services, regulation and district leadership it provides. Council Controlled Organisations (CCOs) make up a very small portion of the Waitaki Gross Domestic Product (GDP).</p>	LOW	We have the ability to change direction at any point and invest in activities focused on attracting residents, business, and/or visitors. There would be a short term cost associated with staff redundancies and this expense would need to be included in future financial estimates.

**Population profile** – This will change gradually over the life of this Plan. It is projected that the population will continue to age. It is also likely that the proportion of Pacific Islanders and other migrant groups living in our community is underestimated, and we assume that this population will continue to rise slowly.

The population profile, particularly over 65, may be higher than projected. The number of Pacific Islanders living in the District is likely to be higher than official statistics records note.

**MODERATE**

The population of the Waitaki District is older than the national average, and the percentage of people aged over 65 is growing. The increase in the percentage of people aged over 65 also requires a focus on ensuring there are appropriate facilities and services for older people. In this sector of the population, many people are on fixed incomes, and management of rates affordability impacts on this group is important to Council.

Changes to projected population may place increasing pressure on some Council services due to increased demand over time. An underestimated Pacific population in the official statistics records may also misrepresent the make-up of the district's population, and their needs may not be met.

Council will continue to monitor demographic change and adapt or redirect activities to meet needs where possible within reasonable costs.

**Population is projected to be static**, which is in keeping with recent historical trends.

The Long Term Plan is assuming no significant growth and provides organisational capacity and infrastructure to advance this scenario. The District Plan is currently being reviewed and could potentially influence this assumption. While the age profile of the district's residents is changing (ie ageing), by 2043, 29% of the population of the Waitaki District is projected to be aged 65 years or over. Council is not anticipating major changes in the type of service it provides over the life of this Plan.

The Long Term Plan has been prepared on the basis that population will not grow significantly, using population projections from the 2013 census as a base.

The population may change at rates different than projected e.g. increasing due to investment being made by Council to attract people and jobs into the district. A reduction in population will impact the rating base and the ability of communities to fund services. Either scenario could result in Council's planned services not matching community requirements.

**LOW**

Slower or faster population growth may impact service levels, infrastructure expansion, renewal programmes, and costs (where there is an increased or decreased rates requirement).

Waitaki District Council has been taking a proactive position on catering for an ageing population eg. its involvement through Waitaki District Health Services in the Observatory Retirement Village.

Over or under estimating the demand for services based on planned growth (positive or negative) can have a significant effect on financial estimates. The potential effects include:

- The availability of funding to sustain services
- Changes in estimates to reconfigure service levels, eg. there can be an additional cost, albeit short-term, to scale back service.
- Underestimated demand for services results in a 'catch-up' scenario where a Council and community face a reactive situation. Financial estimates are likely to be more robust and reliable in a planned approach.
- A growth scenario is likely to have a positive impact on the rating base.

Where growth requires additional infrastructure (e.g. through subdivisions), Council can require development and financial contributions.

Council's rating base is reviewed annually.

Projection <sup>(2)</sup>	Population at 30 June 2013							Population change 2013-43	
	2013 <sup>(3)</sup>	2018	2023	2028	2033	2038	2043	Number	Average annual percent <sup>(5)</sup>
High		22,800	23,800	24,800	25,800	26,700	27,600	6,200	0.8
Medium	21,400	22,300	22,800	23,300	23,600	23,900	24,100	2,600	0.4
Low		21,800	21,800	21,600	21,400	21,000	20,600	-800	-0.1

Source: Environment Canterbury 2017

AFFORDABILITY	Average household income will remain static, and the districts share of national GDP over the previous 30 years will continue to decrease. The median personal income in Waitaki in 2013 is \$25,300, lower than the national average. Economic affluence will not be a key driver of demand for increased Council services from the majority of the community.	Economic pressures lead to more residents defaulting on rates payments than expected.	MODERATE	Council is mindful of the high number of fixed income households in the district, particularly as the population is projected to continue to age. The issue of affordability of services is relevant when setting fees and charges, and rates. Council is taking a cautious approach to prospects for the district's economy, noting that the ageing demographic will mean older residents who are no longer in employment and potentially less able to afford increasing rates.
ORGANISATION	<b>Levels of service</b> - will be maintained unless otherwise stated for the duration of the 2018-2028 Long Term Plan.	Service levels may need adjusting in response to issues identified by the community or other external factors.	LOW	Council and its Management Team review its budget annually through the Long Term Plan/Annual Plan process and have the ability to adjust work programmes/budgets as necessary.
	<b>Costs</b> - are anticipated to be stable over the lifetime of the Plan based on historical trends. Capital expenditure estimates are based on Council's best estimates and known planned expenditure.	Costs are higher or lower than expected eg. contracting costs, resource costs.	LOW	Council and its Management Team review its budget annually through the Long Term Plan/Annual Plan process and have the ability to adjust work programmes/budgets as necessary.
	<b>Debt levels</b> – there is no significant level of debt at the start of the plan, however, some projects will require loan funding through internal sources.	Higher debt levels may require Council to borrow externally to meet cash flow requirements.	LOW	Refer to the Liability and Investment Management Policy.
	<b>Return on investments</b> - returns from bank deposits and other investments will increase slowly over the term of the Long Term Plan from their current historic low levels. Interest rates projected in this Long Term Plan range from 3.65% to 5.05% over the life of the plan. Over the same period, dividends from CCO's are expected to remain steady.  No returns from forestry harvesting have been included in this Long Term Plan following significant logging activities from 2015 – 2018. Instead, the focus of the forestry activity over the term of the Long Term Plan will be on re-establishing Council's forestry holdings for future harvesting.	Forecast returns are higher or lower than forecast.	LOW	Investment portfolio breakdown.
	<b>Credit availability</b> – Council assumes credit will be available if required on competitive terms and conditions.	Credit cannot be obtained when required and funding is required from another source.	LOW	Council will continue to maintain prudent debt levels.

ORGANISATION	<p><b>Borrowing costs</b> - Council does not expect to borrow external money over the life of the Plan. Council does utilise internal debt, and charges interest at rates that range from 3.8% to 5.0% over the life of this long term plan.</p>	<p>Council may need to borrow externally for unanticipated events e.g. sudden and material service level failure and/or rates of borrowing are higher than forecast. Council would first consider internal loan funding using reserve funds or using overdraft facilities.</p>	LOW	<p>Refer to the Liability and Investment Management Policy.</p>
	<p><b>Insurance costs</b> - Insurance premiums will rise slightly above current levels plus inflation to take into account the effects of previous earthquake and weather events on the insurance industry nationally. Council will continue to be able to obtain 100% cover. The Local Authority Protection Programme Disaster Fund will continue; and the scope of asset insurance will not extend beyond the current scope of activities and insurance cover. Council adjusted its approach post the Canterbury earthquakes.</p>	<p>Premiums increasing above inflation and/or Council cannot get 100% cover.</p>	MODERATE	<p>Any increase in premiums above the level assumed will have an impact on rates. Council may need to make decisions about cover levels during the life of the Plan.</p>
EXTERNAL FACTORS	<p><b>Climate change</b> – Changes in the rate and impacts of climate change will impact Council decisions around land use, regulation, and investments in infrastructure. Council assumes that the key service requirement relates to protection of Council owned assets vulnerable to coastal erosion eg. the local roading network, and Council’s stormwater infrastructure. It is assumed that rates of coastal erosion will remain in line with the rates currently being experienced.</p>	<p>There is a risk that negative effects associated with climate change will occur at a faster rate and with more detrimental effects. If projections are not taken into account in Council planning, this could impact on the development of capital expenditure projects.</p>	MODERATE	<p>We will monitor and consider the impacts of climate change and respond to changes required to Council’s infrastructure (including mitigation and adaptation). We will utilise guidance from central government and LGNZ based on the best available climate science to underpin our planning.</p> <p>Financial estimates include provision for Council assets and sites that may be affected. Planning for key infrastructure located on the coastal fringe and vulnerable to coastal erosion is considered in the 30 to 50 year infrastructure planning horizon.</p> <p>Council will implement the Civil Defence regional model, introduced in 2017, to best effect.</p>
	<p><b>Adverse weather events</b> – there will be no catastrophic natural or weather events eg. earthquake or tsunami, over the lifetime of this Plan. Council is assuming that the need for Civil Defence is critical. Council has increased its disaster fund capacity and has the ability to deal with adverse weather events.</p>	<p>Service disruption due to catastrophic weather events pose some risks to property and life.</p> <p>Council may need to reprioritise resources to respond to the implications of such events including community safety and repairs to infrastructure.</p>	MODERATE	<p>We are developing a Business Continuity Plan. If an event were to occur, Council will focus its operational resource on response and recovery.</p>

EXTERNAL FACTORS

**Emissions trading scheme** – The Emissions Trading Scheme is retained in its present form.

Changes could occur to the scheme via Government policy. Council financial forecasts that embody carbon pricing would be affected.

LOW

Forestry assets are maintained with a long term view and programmes are regularly reviewed. Council will replant harvested forests to negate any liability. Council will monitor waste volumes on an ongoing basis.

**Tourism numbers and composition** – Domestic and overseas visitor numbers are projected to increase. Council assumes this growth will continue and influence the demand for, and type of services required, eg. transport infrastructure, communications, regulation and enforcement, sanitation services, and Council’s Funding Policy.

Tourism numbers are linked to geo-political, global, and national economic trends.

MODERATE

A radical decrease in visitor numbers would impact on the local hospitality industry. A decrease in the district’s GDP would heavily influence Council decisions on current and future service levels. Council, in conjunction with Tourism Waitaki, monitor and report tourism trends.

**Legislative changes** - Council assumes that there will be no sudden (ie. un-signalled) significant change to legislation and that central Government will maintain its current and core service commitments and continue to legislate for increased service levels relating to core services provided by Council eg. health and safety, regulation, monitoring and enforcement; RMA, potable water quality. Council must also continue to meet regional council obligations including higher environmental standards for air and water.

Legislative change is usually signalled over a reasonable time period. The risk is usually associated with uncertainty about implementation.

MODERATE

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.

**Inflation** – Inflation rates used for periods beyond 2018/19 have been based on data sourced from Forecasts of Price Level Change Adjustors – 2017 Update, prepared by BERL, as detailed below.

Inflation rates vary from those forecasted resulting in changed revenue and expenditure.

LOW

Council and its Management Team review budgets annually through the Long Term Plan/Annual Plan process and have the ability to adjust work programmes/budgets as necessary.

Category	2020	2021	2022	2023	2024	2025	2026	2027	2028
Water, sewer, drainage and waste	2.8%	2.4%	2.5%	2.6%	2.7%	2.8%	2.9%	3.0%	3.2%
Planning and regulation	2.1%	2.1%	2.1%	2.2%	2.3%	2.3%	2.4%	2.4%	2.5%
Roading	2.2%	2.2%	2.3%	2.4%	2.4%	2.5%	2.6%	2.7%	2.8%
Local government administration	2.0%	2.0%	2.1%	2.2%	2.3%	2.3%	2.4%	2.5%	2.5%
Salary and wage rates - local govt sector	1.6%	1.7%	1.8%	1.8%	1.9%	1.9%	2.0%	2.0%	2.1%

EXTERNAL FACTORS	<b>Interest rates on borrowing</b> - Interest rates are assumed to be between 3.8 – 5.0% over the period of the Long Term Plan.	Forecast interest rates on borrowing are higher or lower than forecast. Council costs could increase or decrease as interest rates fluctuate up and down.	LOW	Council hedges interest rate exposures as per the Liability and Investment Management Policy.
	<b>Technology</b> – Advances in technology over the life of the plan could change the way activities are carried out. The forecasts are based on known technology as currently applied within Council.	Assumed economic lives of network assets (particularly waste water) may change due to future technologies that remove the need for a reticulation network. New technology could change the way activity is carried out, affecting both financial estimates and levels of service.	LOW	The impact of changing technology is unknown but is reviewed on an ongoing basis and would be taken into account in the next Long Term Plan. The effects in the interim would be considered in Annual Plans and provided for where necessary.
SIGNIFICANT ASSETS	<b>Raw water</b> – Raw water for treatment is not expected to constrain future requirements based on current levels of residential and industrial growth projections across the Waitaki District, and based on assumptions for climate change. The Oamaru service has capacity to meet a level of growth in excess of Statistics New Zealand projections. Services across the wards (Waihe-mo, Corriedale, Ahuriri) are also in the same position as Oamaru regarding ability to meet a low to moderate growth scenario. Residential/lifestyle growth, above the historical average, in the Ahuriri ward is possibly linked to Central Otago property market activity.	Raw water – Risk of constraints over the long term.	MODERATE	Water is essential to urban settlement and business activity. Ongoing constraints for whatever reason, would be significant. While constraints are not anticipated, a pattern of low winter snow fall would be serious. Impact on financial estimates in this scenario are unknown. This risk can create uncertainty around financial estimates.
	<b>Roading</b> – There is need for increased funding to maintain the current levels of service for roading in the district plus extra investment to respond to adverse weather effects and heavy vehicles.		MODERATE	The Council remains of the view that the roading network is vital infrastructure and that it is important to maintain the current levels of service.
	<b>Asset depreciation rates</b> - No changes assumed.	Additional work on planned capital works may change depreciation expense.	LOW	Asset life is regularly reviewed through asset monitoring and testing.
	<b>Asset revaluations</b> – Occurs three yearly and are inline with price level adjustments.	Periods of high inflation or changes in technology may affect the value of assets (and therefore depreciation and rates) requiring revaluations outside of the normal cycle.	LOW	Revaluations take place regularly.

SIGNIFICANT ASSETS	<p><b>Asset replacement and useful life</b> – Council infrastructure is aging and will require ongoing renewal and upgrades. Assets will be replaced at the end of their economic life. Assessments of asset condition are undertaken in accordance with accounting policies including estimated asset lives.</p> <p>Asset information is reliable and reflects the condition and performance of the assets. Useful lives of significant assets are detailed in Asset Management Plans (AMPs) which provide information to support the replacement and renewal of Council infrastructure.</p>	<p>Council’s renewal profiles are inaccurate.</p> <p>Asset lives may be shorter than expected. There may be inadequate replacement reserves.</p> <p>Significant assets may fail earlier than estimated.</p>	LOW	<p>Asset Management Plans and data are regularly reviewed and updated. Assumptions on asset lives are independently reviewed as part of the revaluation process. If assets require replacement more quickly, capital expenditure projects may need to be brought forward.</p> <p>Asset life is reviewed regularly through asset monitoring and testing. Council has the ability to bring capital projects forward if assets wear out earlier than projected. Mitigation may involve reprioritising the capital expenditure programme.</p>
	<p><b>Sources of funds for future replacement of significant assets</b> - Council will ‘cash-fund’ depreciation on assets, particularly those with significant intergenerational equity, including:</p> <ul style="list-style-type: none"> <li>• Water Sewer and Stormwater infrastructure</li> <li>• Roothing network</li> <li>• Council operational properties</li> <li>• Computer and other key Council systems</li> </ul> <p>In other cases, depreciation will not be cash funded, for example on community buildings and harbour structures. Council 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 projects meet specific criteria. Council will borrow if there is a shortfall in the total funding required.</p>	<p>The risk that the cost of replacing significant assets materially exceeds the level of depreciation and forecast borrowing. If the asset replacement proves more expensive than the forecast, further borrowing will be required. Risk associated with borrowing includes exposure to future interest rates, access to funding, and the rating base servicing depreciation funds.</p>	MODERATE	<p>Council’s assets base is relatively small which has enabled it to develop models showing renewal requirements and associated expenditure.</p>
	<p><b>Resource consents</b> – resource consents held by Council will not be significantly altered and any due for renewal during the life of the plan can be renewed accordingly.</p>	<p>Conditions of resource consents altered and significant new compliance costs or consents cannot be renewed as expected.</p>	MODERATE	<p>Budgets are in place for renewal of resource consents and there is no expectation of significant departure from requirements over the next 10 years.</p>

FUNDING SOURCES	<p><b>New Zealand Transport Agency (NZTA) financial assistance</b> – Council currently undertakes its roading programme based on a contribution from our ratepayers and a contribution from government through the NZTA. Council assumes that NZTA revenue is locked in for the next three years and will remain relatively unchanged from the 2018/2019 rate.</p>	<p>Changes in central Government funding for roading could impact on Council's contribution to its roading programme.</p>	LOW	<p>Council and its Management Team review its budget annually through the Long Term Plan/Annual Plan process and have the ability to adjust work programmes/budgets as necessary.</p>
	<p><b>External funding opportunities</b> – Council will tap in to external funding opportunities where applicable to top up the ratepayer base.</p>	<p>Significant changes in funding or funding sources may result in a revised capital work programme or changes in levels of service.</p>	LOW	<p>Refer to the Revenue and Financing Policy.</p>
	<p><b>Revenue</b> – Council will continue to generate revenue from the key areas of rates, regulatory, grants, subsidies, interest, dividends, investments.</p>	<p>The level of revenue is not received or budgeted and debt levels, interest costs and rates requirements will be higher than planned.</p>	LOW	<p>Refer to the Revenue and Financing Policy.</p>
	<p><b>Co-funding arrangements</b> - It is assumed that for projects where other partners are contributing part of the funding, this funding will still be available.</p>	<p>Partners will no longer be in a position to provide funding which will result in an increased level of input from Council, or the termination of a project.</p>	MODERATE	<p>Council will continue to monitor and consider its ongoing funding commitment as the need arises.</p>
	<p><b>Development and financial contributions</b> – Assumptions on development contributions are included in the updated Development and Financial Contributions Policy. Development contribution income is included in financial forecast statements for all asset groups. The ability to take financial contributions under the RMA must be phased out by April 2022. This may be replaced with additional development contributions for community infrastructure and reserve land in the next update of the policy.</p>	<p>The level of development contributions collected could be insufficient to cover the costs of required growth infrastructure.</p>	LOW	<p>Costs for infrastructure may need to be met from other allocations. Council will continue to refine cost estimates through the implementation of an updated Infrastructure Strategy.</p> <p>Council and its Management Team review its budget annually through the Long Term Plan/Annual Plan process and have the ability to adjust work programmes/budgets as necessary.</p>
	<p><b>Return on investments</b> - It is assumed that the return on investments and retained earnings on subsidiaries will continue at current levels plus inflation.</p>	<p>Returns lower than expected would impact on Council's ability to fund services and infrastructure and would likely require an increase in rates.</p>	LOW	<p>There is an expectation when agreeing on annual performance that higher returns will be generated.</p>

## SUMMARY OF COUNCIL'S APPROACH TO MANAGING INFRASTRUCTURE

This section provides a summary of how Council will manage its assets over the next 30 years. The Waitaki District Council Infrastructure Strategy 2018-2048 is included in Part 4 of this plan.

### PRINCIPLES OF INFRASTRUCTURE STRATEGY

Under Section 10 of the LGA02, Council is 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.

Eight strategic issues have been determined as priorities to guide the Infrastructure Strategy. These include:

- Climate change;
- Water quality;
- Roading resilience;
- Demographic changes;
- Tourism growth;
- Community growth;
- New technologies;
- Affordability.

### WHERE WE WANT TO BE

Council's priorities for managing infrastructure are:

- Providing fit for purpose infrastructure that meets the current and future needs of users and the community;
- Affordable services;
- Managing risks, including natural events like flooding;
- Reflecting inter-generational benefit in the funding of large projects;
- Ensuring legislative compliance;
- Meeting governance aspirations.

### WHERE WE HAVE COME FROM

This is Council's second Infrastructure Strategy, with a continued focus on maintaining core services and infrastructure for roads and footpaths as well as the three waters. Parks and recreation, community buildings and other property assets are outside the scope of the strategy due to resourcing constraints. However, it is intended to include both these groups in future strategies as resourcing allows.

### WHERE WE ARE NOW

Table 8 provides a summary of Council's core assets and their value at the most recent revaluation date.

**Table 8:** Council assets and value

Asset	Description	Replacement Value	% of total
Water (2015)	Water extraction, treatment and distribution	\$100.8M	11%
Sewerage (2015)	Wastewater collection, treatment and discharge	\$74.5M	8%
Stormwater (2015)	Stormwater collection and discharge	\$26.3M	3%
Roads and footpaths (2017)	Roads (arterial, collectors, local; curbs and gutters), bridges, footpaths	\$710.7M	78%
<b>TOTAL</b>		<b>\$912.3M</b>	<b>100%</b>

## WHAT WE PLAN TO DO

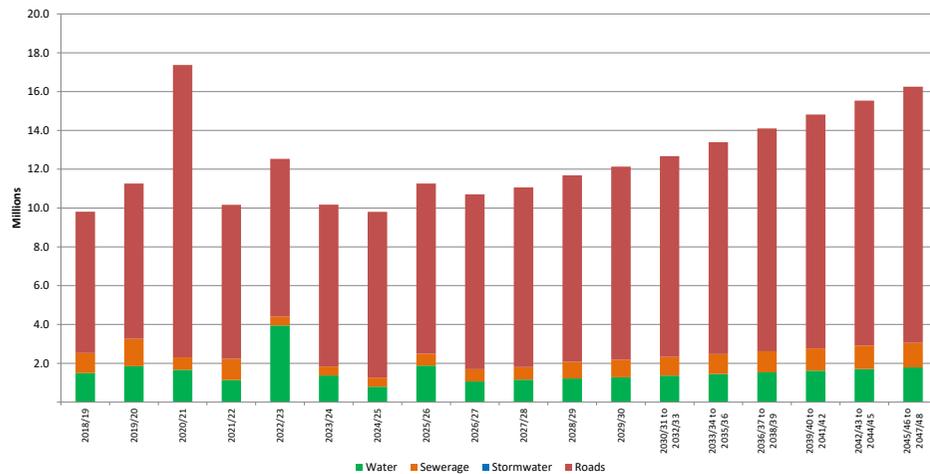
Over the life of our Plan we aim to:

- Supply infrastructure that satisfies the needs of the community;
- Identify our different communities and consider their needs and impacts on our infrastructure services;
- Consider risk in the context of affordability, practicality and legality;
- Respond to demand changes.

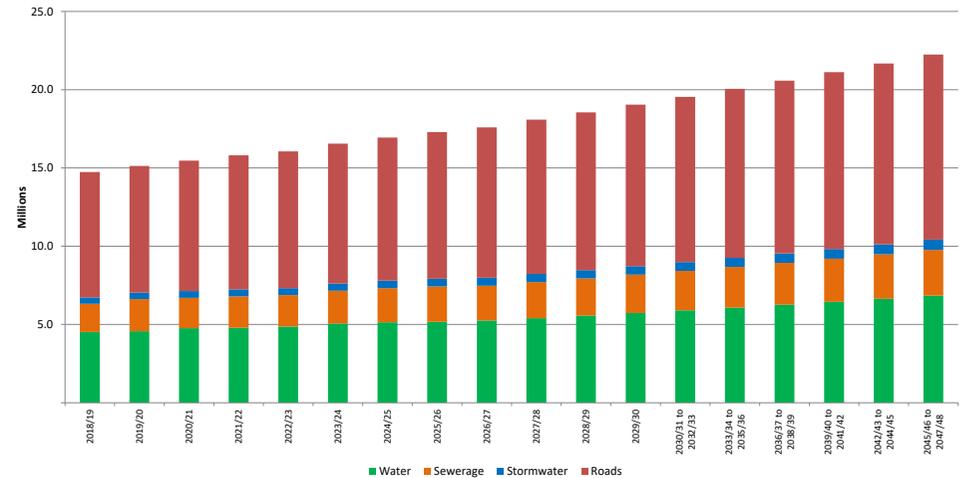
## SUMMARY OF SPEND OVER 30 YEARS

The following graphs provide a summary of indicative infrastructure spend for Council over the next 10 years.

**Combined Infrastructure Forecast - Capital (Inflated)**



**Combined Infrastructure Forecast - Operations and Maintenance (Inflated)**



## SUMMARY OF COUNCIL'S FINANCIAL APPROACH

This section provides a summary of Council's financial approach. The full Financial Strategy and other relevant financial policies can be found in Part 4 of the Plan.

### WHERE WE HAVE COME FROM

Over the last three years, Council has achieved lower than projected rates increases which has improved rates affordability. Although it has slightly higher rates than many similar Councils, especially residential rates, Waitaki District Council has no external debt, has improved assets and facilities, and has well-funded reserves to allow for asset replacement as required.

### WHERE WE ARE NOW

Overall, Council continues to be in a sound financial position. This has improved over the last three years as Council has required less rates than projected, lowered internal debt levels and has higher levels of investments.

### OUR FINANCIAL STRATEGY

The Financial Strategy describes how we plan to finance our services in a way that is sustainable over the long term. If our expenditure and funding plans are not sustainable, we may not have the capacity or resources to deliver affordable services to residents and ratepayers in the medium and long term. Council aims to deliver good quality services that meet the changing needs of the community while ensuring rates affordability and financial flexibility by focusing on efficiency and effectiveness, maximising value, and repaying debt.

A summary of our financial approach is below:

- To deliver good quality services that meet the changing needs of the community, while ensuring rates affordability and financial flexibility by focusing on efficiency and effectiveness, maximising value and repaying debt;
- To review what is required to deliver existing services with the aim of achieving better value, particularly from the assets involved;
- To dispose of assets that do not contribute to efficient and effective service delivery is part of this approach;

- To ensure replacement assets represent the most efficient and effective way of meeting community and customer needs;
- Use assets for their maximum possible life but also appreciating that community needs and stakeholder requirements are not compromised.

### OPERATING AND CAPITAL SPEND

The funding sources for operating costs include:

- User charges;
- Grants, sponsorship, subsidies and other income;
- Investment income;
- Financial contributions;
- Development contributions;
- Proceeds from the sale of assets;
- Lump sum contributions;
- Reserve funds;
- Borrowing;
- Rates.

The funding sources for capital costs include:

- User charges;
- Grants, subsidies, and other income;
- Development contributions;
- Financial contributions;
- Proceeds from the sale of assets;
- Reserve funds;
- Borrowing;
- Lump sum contributions;
- Rates.

## FUNDING PRINCIPLES

Council has 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 (e.g. 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.

## INVESTMENTS AND TARGETS

Council undertakes borrowing, investment, and risk management activities. Council's philosophy on the management of investments is to optimise returns in the long term while balancing risk and return considerations. Council recognises that as a responsible public authority, any investments that it does hold should be low risk. It also recognises that lower risk generally means lower returns.

## DEBT AND LIMIT ON DEBT

In setting limits on debt, Council aims to strike a balance between affordability of rates, prudent financial management, providing quality essential services over the long term, and providing for unforeseen events. Council sets a target that all debt (internal and external) will not exceed 100% of total revenue.

## RATES AND LIMIT ON RATES INCREASES

In setting limits on rates, Council aims to strike a balance between affordability of rates, prudent financial management, providing quality essential services over the long term, and providing for unforeseen events. Council must determine the funding sources for each activity including whether an activity is to be funded from a general rate or a targeted rate, or combination thereof.

Key indicators of Council's policy around rate limits include:

- Annual projected rates increase does not exceed the projected change in the Local Government Cost Index (LGCI) plus 2.0%;
- Rates fund 70% or less of total operating costs;
- The average rate charged on an average residential home in Oamaru does not exceed 10% of projected national superannuation for a married couple.

The Liability Management and Investment Policy provides the policy framework for all of Council's borrowing and investment activities. See Volume 2 of this plan for the full policy.

## WHERE WE EXPECT TO BE IN 10 YEARS' TIME

A major focus of the 2018-28 Long Term Plan is how Council can maximise opportunities, and minimise negative impacts of economic opportunities, including the growing number of visitors coming to the District. Council is considering not only how to provide and fund services that will be required but also how to take advantage of matters like the recently announced Regional Economic Development Fund.

The issues that are likely to have the most impact on the Financial Strategy include:

- Improving the roading network to deal with changing weather patterns, use, and demands;
- Meeting any changes in services levels created by legislation, regulation, resource consents and community expectations;
- Finishing the upgrade programme to meet drinking water standards; and
- Improving the resilience and reliability of water and sewer networks through a robust asset renewal programme.





## PART 3

### COUNCIL'S WORK IN DETAIL

*ngā mahi a te kaunihera*

This section of the plan identifies and provides information on the groups of activities that Council undertakes in order to achieve its vision of:

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

## GROUPS OF ACTIVITIES

Council activities fall into five activity groups and fourteen sub-activity groups:

- District leadership
- Customer service
- Council support services

- Economic development
- Property management and investment

- Heritage and Planning
- Regulatory, environmental and civil defence
- Community development and engagement

- Roading and footpaths
- Water, stormwater, wastewater, waste
- Recreation services

- Waitaki District Libraries
- Forrester Gallery, North Otago Museum and Waitaki District Archive
- Oamaru Opera House

**COUNCIL**

**ECONOMIC  
DEVELOPMENT  
& PROPERTY**

**HERITAGE,  
ENVIRONMENT  
& REGULATION**

**INFRASTRUCTURE  
& SERVICES**

**ARTS, CULTURE  
& COMMUNITY**

Each of the activity groups contribute to six community outcomes as identified in Table 2 of this document. Table 9 below provides further information on the key components of each activity group.

Table 9: Council activities and services

ACTIVITY GROUP	COUNCIL			
SUB-ACTIVITIES	DISTRICT LEADERSHIP	CUSTOMER SERVICE	COUNCIL SUPPORT SERVICES	COUNCIL CONTROLLED ORGANISATIONS
<p><b>SERVICE STATEMENTS</b></p>	<p>Meet statutory obligations and best practice in respect of governance, corporate policy and planning.</p> <p>Ensure the relationship between elected members, Community Boards and management is effective and understood.</p>	<p>Provide consistent, high quality customer service and information while ensuring the privacy and confidentiality of customers is respected.</p> <p>Meet statutory obligations and best practice in respect of community engagement and communication.</p>	<p>(Information services, health and safety, finance, human resources, communication, and administration)</p> <p>Provide customer-focused digital services to Council and the community.</p> <p>Provide support services to ensure the effective and efficient functioning of Council and enable the delivery of core Council services and activities.</p>	<p><b>Tourism Waitaki Ltd</b> Advance tourism and promotion on behalf of the district.</p> <p><b>Waitaki District Health Services Ltd</b> Operate a successful healthcare business by providing infrastructure and healthcare needs of the district.</p> <p><b>Whitestone Contracting Ltd</b> Be a reputable and trusted contractor, supporting local employment, the environment and the community while maximising profit and performance.</p> <p><b>Omarama Airfield Ltd</b> Provide airfield facilities to support flying activities and opportunities in the Omarama area.</p>
<p><b>KEY SERVICES</b></p>	<p>Provide elected member and Community Board information and support.</p> <p>Lead Annual, Long Term Planning, and non-financial reporting processes.</p> <p>Conduct elections every three years, and by-elections as required.</p> <p>Conduct representation reviews every six years.</p> <p>Provide advice on policy.</p> <p>Review and develop Council policy and bylaws.</p> <p>Lead community accountability.</p>	<p>Implement Customer Excellence Strategy.</p> <p>Provide customer service centres at Oamaru and Palmerston.</p> <p>Be the initial point of contact for customer enquires via telephone and in person.</p> <p>Administer the CRM system and reporting.</p> <p>Administer the telephone system.</p> <p>Provide external communications support including press liaison; support special consultative procedures, advise and support, social media monitoring.</p> <p>Provide advice on engagement processes.</p> <p>Maintain an up-to-date Council website.</p>	<p>Maintain and renew IT assets.</p> <p>Licensing and software version control.</p> <p>GIS and Asset Management software and data.</p> <p>Document management project (EDRMS).</p> <p>Communication tools (mobiles, tablets, phones).</p> <p>Security.</p> <p>Compatibility.</p> <p>Data backup and protection.</p> <p>Human resource management.</p> <p>Health and safety management.</p> <p>Payroll management.</p>	<p><b>Tourism Waitaki Ltd</b> Foster a diverse, sustainable, and growing tourism sector. Develop a consistent, District-wide promotional message.</p> <p><b>Waitaki District Health Services Ltd</b> Operate and provide planning services within budgeted income. Establish strategic alliances with business partners and community groups to achieve desired health service outcomes. Support as appropriate, initiatives for health services involving the housing and care of the elderly.</p> <p><b>Whitestone Contracting Ltd</b> Stimulate a competitive contracting sector in the district. Support local businesses for a diverse labour market.</p> <p><b>Omarama Airfield Ltd</b> Public access to airfield facilities. Recreational flying activities. Commercial operations. Competitions and events.</p>



ACTIVITY GROUP	ECONOMIC DEVELOPMENT AND PROPERTY	
SUB-ACTIVITIES	ECONOMIC DEVELOPMENT	PROPERTY MANAGEMENT & INVESTMENT
SERVICE STATEMENTS	<p>Promote and guide economic development in the district.</p>	<p>Provide and manage fit for purpose and safe buildings for Council to operate and the community to utilise.</p> <p>Provide access to affordable rental accommodation for the elderly.</p> <p>Advise on land status, and progress land development and sales.</p> <p>Negotiate leases.</p> <p>Manage selected properties on a commercial basis.</p> <p>Oversee operations and development at Oamaru Harbour and airport.</p>
KEY SERVICES	<p>Articulate our goals for growth and development through a district-wide Economic Development Strategy.</p> <p>Provide advice and encourage initiatives to support existing economic activity and diversification.</p> <p>Encourage sustainable development of our local economy through partnerships, innovation, quality infrastructure, and planning.</p>	<p>Provide a competent property advisory service for the Council organisation.</p> <p>Maintain and renew property assets, leases and oversee property transactions.</p> <p>Provide fit for purpose and safe community housing.</p> <p>Manage and maintain Council operational buildings.</p> <p>Manage commercial property portfolio.</p> <p>Oversee Oamaru Harbour.</p> <p>Oversee Oamaru Airport operations.</p> <p>Manage and maintain community properties.</p> <p>Oversee community halls.</p> <p>Manage land development on Council owned land.</p> <p>Forestry.</p>



ACTIVITY GROUP	HERITAGE, ENVIRONMENT AND REGULATION		
SUB-ACTIVITIES	PLANNING	REGULATORY, ENVIRONMENTAL & CIVIL DEFENCE	COMMUNITY DEVELOPMENT & ENGAGEMENT
SERVICE STATEMENTS	<p>Meet statutory obligations and best practice in respect of land use and subdivision planning across the district.</p> <p>Protect the district's biodiversity.</p>	<p>Meet statutory obligations and best practice in respect of regulatory and environmental services across the district, and remain accredited as a Building Consent Authority.</p> <p>Meet statutory obligations in respect of emergency management and Civil Defence.</p>	<p>Provide a mechanism for the community to work together to build a vibrant culture recognising and understanding diversity, maintaining a safe and welcoming environment for our residents and visitors to the Waitaki District, and contributing to economic development.</p>
KEY SERVICES	<p>Process resource consents for land use and subdivision.</p> <p>Process other associated approvals under the RMA.</p> <p>Review, develop and provide ongoing administration and monitoring of the District Plan.</p> <p>Respond to planning enquires.</p> <p>Prepare LIMS under LGOIMA.</p> <p>Process PIMS under the Building Act.</p> <p>Protect the district's biodiversity through the Biodiversity Strategy.</p> <p>Undertake State of the Environment monitoring and reporting.</p> <p>Advocacy / input into regional planning processes.</p> <p>Respond to new and amended national legislation, policy and standards.</p>	<p><b>Building services</b> Issue building consents, building warrant of fitness renewal and audits; undertake non-compliance investigations, swimming pools, outstanding code of compliance checks, and earthquake prone building identification.</p> <p><b>Environmental health</b> Manage applications for new and existing food, alcohol and other registered premises; monitor water, sewer ponds and landfills; manage environmental health enquiries; respond to noise complaints and investigating complaints.</p> <p><b>Enforcement Monitor parking;</b> investigate and resolve Freedom Camping and other Council bylaw complaints; investigate District plan complaints and RMA and resource consent breaches.</p> <p><b>Animal control</b> Respond to animal related complaints and enquiries via contract including management of the Dog pound; investigate complaints; owner education and animal welfare, and respond to wandering stock complaints.</p> <p><b>Regulatory services</b> Respond to new and amended legislation, and contribute to the review of relevant Council policy and bylaws.</p> <p><b>Emergency management and civil defence</b> Planning and response; maintain effective systems and processes to help the community prepare, respond to, and recover from natural disasters.</p>	<p>Facilitate a safe community for residents and visitors.</p> <p>Co-ordinate the Safer Waitaki project.</p> <p>Manage, implement and monitor the Waitaki Community Safety Strategy.</p> <p>Initiate, develop and maintain key relationships.</p> <p>Community liaison, facilitation and support of community projects / activities.</p> <p>Youth development.</p> <p>Identify and secure external funding.</p> <p>Data collection and analysis.</p> <p>Act as a conduit for information dissemination and connectivity.</p>



ACTIVITY GROUP	INFRASTRUCTURE AND SERVICES		
SUB-ACTIVITIES	ROADING AND FOOTPATHS	WATER, STORMWATER, WASTEWATER, WASTE MANAGEMENT AND MINIMISATION	RECREATION SERVICES
<p><b>SERVICE STATEMENTS</b></p>	<p>Maintain and develop a safe, effective, efficient, accessible, and fit for purpose roading network (including footpaths).</p>	<p>Provide access to potable water to agreed areas and standards, actively manage quantity demand for water, and respond in a timely way to service issues.</p> <p>Provide access to affordable, effective and efficient reticulated wastewater systems in agreed areas, and respond in a timely way to service issues.</p> <p>Ensure Stormwater management is timely in response, sensitive in design, construction, maintenance, and operation; and effective and efficient in operation.</p> <p>Provide access to affordable, effective and efficient solid waste disposal systems and facilities, ensuring there is a choice available to the community, and encourage waste minimisation.</p>	<p>Provide and manage affordable, safe and attractive sport and recreational facilities, amenities and services responsive to a variety of community needs (multipurpose) that contribute to the quality of life of the district's visitors and residents.</p>
<p><b>KEY SERVICES</b></p>	<ul style="list-style-type: none"> <li>Road maintenance and renewals.</li> <li>Road Safety.</li> <li>Footpaths.</li> <li>Bridges.</li> <li>Road improvements.</li> <li>Township amenity, parking, litter bins, cleaning.</li> <li>Street lighting.</li> <li>Corridor Management.</li> <li>Permitting and regulatory.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain and renew reticulation networks and treatment plants.</li> <li>On demand water supplies.</li> <li>Restricted water supplies.</li> <li>Sewerage disposal.</li> <li>Storm water control.</li> <li>Transfer stations and landfills.</li> <li>Waste minimisation.</li> <li>Drinking water and sewerage treatment upgrades.</li> <li>Breakwater and wharf maintenance.</li> <li>Permitting and regulatory.</li> </ul>	<ul style="list-style-type: none"> <li>Parks and reserves.</li> <li>Sportsfields.</li> <li>Playgrounds, skate parks.</li> <li>Cemeteries and burial services.</li> <li>Camping opportunities.</li> <li>Public toilets.</li> <li>Waitaki Aquatic Centre.</li> <li>Maintaining monuments and heritage items.</li> <li>Town and street beautification and streetscapes.</li> <li>Forestry management on Council land.</li> </ul>



ACTIVITY GROUP	ARTS, CULTURE AND COMMUNITY		
SUB-ACTIVITIES	WAITAKI DISTRICT LIBRARIES	FORRESTER GALLERY, NORTH OTAGO MUSEUM & WAITAKI DISTRICT ARCHIVE	OAMARU OPERA HOUSE
<b>SERVICE STATEMENTS</b>	Provide collections, resources, and service to groups and individuals that promote life-long learning to the community.	Preserve, promote and provide access to the social, natural, and visual culture of the Waitaki District.  Collect and protect valuable documentation based on assessment criteria in accordance with the Public Records Act 2005.	Provide and maintain a high quality venue for performing arts, functions, and conference activities to enhance the commercial community and cultural growth of the Waitaki District.
<b>KEY SERVICES</b>	Central library.  Five branch libraries.  Foster reading and support information and digital literacy.  Lifelong learning, research and innovation.  Act as a community hub.	Look after, grow, develop, and provide public access to our collections.  Provide and enable activities which explore our collections of art, culture and natural heritage of our community through the delivery of exhibitions, events, education, and outreach programmes.  Provide support for visiting and local researchers and historians and for other museums and cultural facilities in our district including the Waihemo Heritage Trust and the Kurow Heritage Centre.	Venue for performing arts and other cultural and community activities.  Rentable space for private and community events.

# GUIDE TO ACTIVITY GROUPS

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

## KEY PLANNING ASSUMPTIONS

The significant negative effects of the activity on community wellbeing, and what Council will do in response to these issues;

## ACTIVITY GROUP FUNDING IMPACT STATEMENT

Summary of the budget to fund the activity group (funding impact statement) and how they will be funded for each of the next ten years.

Each sub-activity has been set out using the following headings:

## WHAT WE DO

Information about the levels of service Council provides, and in some instances an outline of the assets involved;

## WHY WE DO IT

The rationale for why Council is involved with this group of activities;

## PROGRESS OVER THE LAST 3 YEARS

Key projects that Council has undertaken or key achievements that have been made within the activity group since the previous Long Term Plan was adopted in 2015;

## MAINTAINING CURRENT SERVICE LEVELS

What Council intends to do to continue providing the current level of service, including the maintenance and renewal/ replacement programmes for major Council assets;

## IMPROVEMENTS AND PROPOSED CHANGES

What capital projects are planned (including decreases in levels of service);

## PERFORMANCE MEASURES

(Years 1-3 (2018-21), Years 4-10 (2022-28))

The key measurements that Council uses to evaluate how well the service levels are being met

## COUNCIL

This activity group covers district leadership, customer service, and support services. The activity group contributes to the following Council community outcomes:

- Access to services and facilities;
- Safe community;
- Environmental protection and value;
- Affordability;
- Business opportunities;
- Diverse community.

# ACTIVITY GROUP FUNDING IMPACT STATEMENT

Table 10 shows what it will cost and how the Council activity group is funded.

**Table 10: Council activity group funding**

<b>Democracy &amp; Accountability</b>												
2016/17		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Actual		Annual Plan	LTP									
\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
	<b>Sources of Operating Funding</b>											
1,971	General Rates, Uniform Annual General Charge, Rates Penalties	2,187	2,126	2,177	2,230	2,262	2,304	2,343	2,394	2,444	2,494	2,546
1,538	Targeted Rates	1,682	1,664	1,706	1,748	1,773	1,807	1,837	1,877	1,917	1,957	1,997
3,509	<b>Rates Revenue</b>	3,869	3,790	3,883	3,977	4,036	4,111	4,180	4,271	4,362	4,451	4,544
28	Subsidies and Grants for Operating Purposes	-	1	1	1	1	1	1	1	1	1	1
-	Fees and Charges	-	-	-	-	-	-	-	-	-	-	-
-	Interest and Dividends from Investments	-	-	-	-	-	-	-	-	-	-	-
-	Internal Charges and Overheads Recovered	-	-	-	-	-	-	-	-	-	-	-
39	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	41	-	-	46	-	-	52	-	-
67	<b>Operating Revenue</b>	-	1	42	1	1	47	1	1	53	1	1
3,576	<b>Total Sources of Operating Funding</b>	3,869	3,791	3,925	3,978	4,037	4,158	4,181	4,272	4,415	4,452	4,545
	<b>Applications of Operating Funding</b>											
1,107	Payments to Staff and Suppliers	949	918	1,041	1,017	947	1,118	1,121	1,010	1,205	1,165	1,080
-	Finance Costs	-	-	-	-	-	-	-	-	-	-	-
2,344	Internal Charges and Overheads Applied	3,010	2,898	2,973	3,048	3,087	3,144	3,189	3,260	3,329	3,394	3,461
-	Other Operating Funding Applications	-	-	-	-	-	-	-	-	-	-	-
3,451	<b>Total Applications of Operating Funding</b>	3,959	3,816	4,014	4,066	4,034	4,263	4,310	4,269	4,534	4,559	4,541
125	<b>Surplus / (Deficit) of Operating Funding</b>	(90)	(25)	(89)	(87)	3	(105)	(129)	3	(120)	(107)	4
	<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	-	-	-	-	-	-	-	-	-	-	-
125	Increase / (Decrease) in Reserve	(90)	(25)	(89)	(87)	3	(105)	(129)	3	(120)	(107)	4
-	Increase / (Decrease) in Investments	-	-	-	-	-	-	-	-	-	-	-
125	<b>Total Applications for Capital Funding</b>	(90)	(25)	(89)	(87)	3	(105)	(129)	3	(120)	(107)	4
(125)	<b>Surplus / (Deficit) of Capital Funding</b>	90	25	89	87	(3)	105	129	(3)	120	107	(4)
-	<b>Funding Balance</b>	-	-	-	-	-	-	-	-	-	-	-

# ACTIVITY GROUP FUNDING IMPACT STATEMENT

Table 11 shows the cost and funding of Council Support Services

**Table 11: Support Services activity group funding**

<b>Support Services (Net Allocated)</b>												
2016/17		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Actual		Annual Plan	LTP									
\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
	<b>Sources of Operating Funding</b>											
-	General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-	-	-	-	-	-	-	-	-
-	Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
-	<b>Rates Revenue</b>	-	-	-	-	-	-	-	-	-	-	-
19	Subsidies and Grants for Operating Purposes	-	-	-	-	-	-	-	-	-	-	-
2	Fees and Charges	1	19	19	19	20	20	20	21	21	22	22
-	Interest and Dividends from Investments	-	-	-	-	-	-	-	-	-	-	-
15,774	Internal Charges and Overheads Recovered	17,944	18,904	19,383	20,039	20,196	20,591	20,896	21,405	21,837	22,284	22,666
28	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	45	27	27	28	28	29	29	30	31	32	32
15,823	<b>Operating Revenue</b>	17,990	18,949	19,429	20,086	20,244	20,640	20,945	21,455	21,889	22,337	22,720
15,823	<b>Total Sources of Operating Funding</b>	17,990	18,949	19,429	20,086	20,244	20,640	20,945	21,455	21,889	22,337	22,720
	<b>Applications of Operating Funding</b>											
11,197	Payments to Staff and Suppliers	12,012	11,724	12,228	12,207	12,432	12,673	12,931	13,192	13,471	13,758	14,064
-	Finance Costs	-	-	-	-	-	-	-	-	-	-	-
4,663	Internal Charges and Overheads Applied	5,256	5,837	6,055	6,330	6,350	6,461	6,507	6,763	6,865	7,016	7,134
-	Other Operating Funding Applications	-	-	-	-	-	-	-	-	-	-	-
15,860	<b>Total Applications of Operating Funding</b>	17,268	17,562	18,282	18,537	18,782	19,134	19,438	19,955	20,336	20,774	21,198
(37)	<b>Surplus / (Deficit) of Operating Funding</b>	722	1,388	1,146	1,548	1,461	1,506	1,507	1,501	1,553	1,563	1,523
	<b>Sources of Capital funding</b>											
-	Subsidies and Grants for Capital Expenditure	-	-	-	17	59	9	-	-	-	-	-
-	Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-	-
-	Increase / (Decrease) in Debt	-	-	-	-	-	-	-	-	-	-	-
70	Gross Proceeds from Sale of Assets	26	75	77	78	80	81	83	85	86	88	90
70	<b>Total Sources of Capital Funding</b>	26	75	77	95	139	90	83	85	86	88	90
	<b>Applications of Capital funding</b>											
	Capital Expenditure											
-	Meet Additional Demand	-	-	-	-	-	-	-	-	-	-	-
92	Improve Levels of Service	160	348	236	152	197	62	57	46	47	59	47
372	Replace Existing Assets	201	789	566	585	576	601	862	594	627	615	627
(431)	Increase / (Decrease) in Reserve	387	326	420	906	828	932	671	945	966	978	939
-	Increase / (Decrease) in Investments	-	-	-	-	-	-	-	-	-	-	-
33	<b>Total Applications for Capital Funding</b>	748	1,463	1,223	1,643	1,600	1,596	1,590	1,585	1,640	1,652	1,613
37	<b>Surplus / (Deficit) of Capital Funding</b>	(722)	(1,388)	(1,146)	(1,548)	(1,461)	(1,506)	(1,507)	(1,501)	(1,553)	(1,563)	(1,523)
-	<b>Funding Balance</b>	-	-	-	-	-	-	-	-	-	-	-



## DISTRICT LEADERSHIP

### WHAT WE DO

The Mayor and Councillors are elected to represent the Waitaki community to set the vision and outcomes, and to make decisions that serve the best interests of the community now and in the future. This includes reviewing and developing local policies, making regulatory decisions, and reviewing council performance. As part of meeting Council's obligations around fostering Maori contribution to the decision-making process, Council representatives also meet with Te Rūnanga o Moeraki and Te Kapu o Waitaha.

In addition to Council, two Community Boards (Ahuriri and Waihemo) provide representation and advocacy for their local communities. The Waitaki District Youth Council is a voice for young people in the Waitaki District. This group meets regularly, and ensures the voice of Waitaki's young people is heard and well represented.

Key activities within this group include:

- Setting direction and policy (through Annual and Long-term planning processes, and the review and development of other Council policy and bylaws);
- Non-financial reporting;
- Making significant decisions;
- Testing and challenging advice to ensure that it is sound;
- Monitoring risks;
- Conducting elections every three years, by-elections as required, and representation reviews every six years.

To support the elected representatives, Council governance staff provides governance information and support including the preparation and coordination of meetings, the provision of meeting agendas and minutes and other elected member support including remuneration, expenses, technology and advice.

### WHY WE DO IT

In undertaking its role, Council must consider the diverse range of 'communities of interest' within the district as it plans and responds to issues.

Council staff are involved in this activity to safeguard the overall quality of the relationship between Council and its communities, to facilitate effective, open, and transparent decision-making, and to assist with the district and its communities to progress and move forward. Council decisions are made in the interests of the whole of the district, with current and future generations in mind.

### PROGRESS OVER LAST 3 YEARS

Key achievements over the last three years include:

- Waitaki District General Bylaws 2018;
- Review of Easter Sunday Shop trading position (2017);
- Waitaki District Responsible Freedom Camping Bylaw 2016;
- Section 17A review ongoing - working with other Otago councils to explore opportunities for improved efficiencies through a collaborative review process;
- Through the assistance of community board funding, upgrades to the Kurow playground and the Kurow streetscape project, commemorative tree planting and plaque to mark Palmerston's 150th anniversary, and assistance with funding the re-opening of Haven Street, Moeraki.

### MAINTAINING CURRENT SERVICE LEVELS

We propose to maintain current service levels.

### IMPROVEMENTS AND PROPOSED CHANGES

We propose to:

- Improve the quality of graphics for key communication content;
- Improve the effectiveness of engagement and communication with the Long Term Plan process;
- Commission of big data analysis through the procurement of information that benefits the district.

## PERFORMANCE MEASURES

ACTIVITY	PERFORMANCE MEASURE 2018-28	TARGETs Yr1-Yr3 + Yr4 -Yr10 Change
<b>DISTRICT LEADERSHIP</b>	Residents satisfied or very satisfied with the leadership and direction provided by the Mayor and Councillors.	70% of residents are satisfied or very satisfied with the leadership and direction provided by the Mayor and Councillors.
	Residents satisfied or very satisfied that the Ahuriri Community Board is making a positive difference.	<p>Years 1-3: 50% of residents are satisfied or very satisfied that the Community Board is making a positive difference.</p> <p>Years 4-10: 5% increase per year in satisfaction that the Community Board is making a positive difference.</p>
	Residents satisfied or very satisfied that the Waihemo Community Board is making a positive difference.	<p>Years 1-3: 50% of residents are satisfied or very satisfied that the Community Board is making a positive difference.</p> <p>Years 4-10: 5% increase per year in satisfaction that the Community Board is making a positive difference.</p>
<b>COUNCIL</b>	Residents satisfied or very satisfied with the information provided about Council's current actions and its plans.	<p>Years 1-3: 60% of residents satisfied or very satisfied with the information provided.</p> <p>Years 4-10: 5% increase per year in satisfaction (to 80%).</p>



## CUSTOMER SERVICE

### WHAT WE DO

Council staff aspire to provide high quality customer service and information while ensuring the privacy and confidentiality of customers is respected. This includes meeting statutory obligations and best practice in respect of community engagement and communication.

Key activities within this group include:

- Providing customer service centres at Oamaru and Palmerston;
- Being the initial point of contact for customer enquires via telephone and in person;
- Maintaining an up-to-date Council website;
- Administering and reporting of Council's customer relationship management (CRM) system;
- Providing external communications support including; press liaison; support special consultative procedures, advise and support, social media monitoring;
- Providing advice on engagement processes.

### WHY WE DO IT

This activity group provides the main interface between the public and key stakeholders and the activities of Council.

### MAINTAINING CURRENT SERVICE LEVELS

We do not propose any changes to service levels.

### IMPROVEMENTS AND PROPOSED CHANGES

Council proposes to improve its quality of service in transacting with its customers (members of the community). This includes the delivery of customer service (including better responsiveness and access to information), and the quality of our communications (including liaison with the media).



## COUNCIL SUPPORT SERVICES

### WHAT WE DO

Council support services include information services, health and safety, finance, human resources, communication and administration.

Key activities within this group include:

- Administering Council's telephone system;
- Maintaining and renewing IT assets;
- Licensing and software version control;
- GIS and asset management software and data;
- Undertaking improvements in Council's document management system;
- Communication tools (mobiles, tablets, phones);
- Security;
- Compatibility;
- Data backup and protection;
- Human resource management;
- Health and safety management;
- Payroll management.

### WHY WE DO IT

By undertaking this activity, Council provides support services to ensure the effective and efficient functioning of Council, enables the delivery of core Council services and activities, and provides customer-focused digital services to Council and the community.

### MAINTAINING CURRENT SERVICE LEVELS

We propose to maintain current service levels, meet the demand for better systems and processes, and improve delivery in a number of areas in the digital services and GIS space as discussed below.

### IMPROVEMENTS AND PROPOSED CHANGES

Council proposes over the lifetime of this plan to continue to invest in improved systems and processes to maintain and improve the effective and efficient functioning of Council. This includes greater use of online communications, upgrades to the Council phone system, offsite backups, improvements to the IT network, and commissioning three yearly aerial imagery.

## ECONOMIC DEVELOPMENT & PROPERTY

This activity group covers district development, property management, and investments. The activity group contributes to the following Council community outcomes:

- Access to services and facilities;
- Safe community;
- Environmental protection and value;
- Affordability;
- Business opportunities;
- Diverse community.



# ACTIVITY GROUP FUNDING IMPACT STATEMENT

Table 12 shows what it will cost and how the activity group is funded.

**Table 12: Economic development and property activity group funding**

<b>Commercial &amp; Development Activities</b>												
2016/17		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Actual		Annual Plan	LTP									
\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
	<b>Sources of Operating Funding</b>											
613	General Rates, Uniform Annual General Charge, Rates Penalties	206	411	383	199	137	112	(172)	(413)	(394)	(384)	(411)
549	Targeted Rates	800	1,103	1,050	850	913	897	787	581	696	679	686
1,162	<b>Rates Revenue</b>	1,006	1,514	1,433	1,049	1,050	1,009	615	168	302	295	275
5	Subsidies and Grants for Operating Purposes	-	-	-	-	-	-	-	-	-	-	-
1,523	Fees and Charges	1,430	1,593	1,679	1,708	1,741	1,775	1,813	1,850	1,892	1,934	1,981
1,974	Interest and Dividends from Investments	1,474	1,799	1,910	1,935	2,044	2,091	2,209	2,395	2,839	3,157	3,625
(665)	Internal Charges and Overheads Recovered	(590)	(691)	(671)	(654)	(670)	(653)	(682)	(665)	(692)	(675)	(685)
426	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	433	407	407	408	409	409	410	411	412	413	414
3,263	<b>Operating Revenue</b>	2,746	3,108	3,325	3,396	3,524	3,622	3,750	3,991	4,451	4,829	5,334
4,425	<b>Total Sources of Operating Funding</b>	3,752	4,622	4,758	4,445	4,573	4,630	4,365	4,159	4,753	5,124	5,609
	<b>Applications of Operating Funding</b>											
3,375	Payments to Staff and Suppliers	2,749	3,656	3,041	3,271	2,842	3,302	2,844	3,197	2,842	3,247	2,865
-	Finance Costs	-	-	-	-	-	-	-	-	-	-	-
55	Internal Charges and Overheads Applied	175	161	120	68	13	(72)	(272)	(347)	(418)	(281)	(237)
-	Other Operating Funding Applications	-	-	-	-	-	-	-	-	-	-	-
3,430	<b>Total Applications of Operating Funding</b>	2,924	3,818	3,160	3,340	2,854	3,230	2,572	2,850	2,424	2,966	2,628
995	<b>Surplus / (Deficit) of Operating Funding</b>	828	804	1,597	1,105	1,719	1,401	1,793	1,308	2,328	2,158	2,981
	<b>Sources of Capital funding</b>											
684	Subsidies and Grants for Capital Expenditure	250	1,025	330	350	148	97	265	101	161	106	108
811	Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-	-
-	Increase / (Decrease) in Debt	-	-	-	-	-	-	-	-	-	-	-
413	Gross Proceeds from Sale of Assets	239	183	194	180	199	202	210	211	222	222	231
1,908	<b>Total Sources of Capital Funding</b>	489	1,208	524	529	348	300	476	312	383	328	339
	<b>Applications of Capital funding</b>											
	Capital Expenditure											
-	Meet Additional Demand	-	-	-	-	-	-	-	-	-	-	-
1,662	Improve Levels of Service	4,830	353	463	2,964	546	601	446	570	349	535	547
471	Replace Existing Assets	700	111	-	-	-	-	-	-	-	-	-
770	Increase / (Decrease) in Reserve	(4,213)	1,548	1,658	(1,330)	1,521	1,099	1,822	1,051	2,362	1,951	2,773
-	Increase / (Decrease) in Investments	-	-	-	-	-	-	-	-	-	-	-
2,903	<b>Total Applications for Capital Funding</b>	1,317	2,012	2,121	1,634	2,067	1,701	2,269	1,621	2,711	2,486	3,319
(995)	<b>Surplus / (Deficit) of Capital Funding</b>	(828)	(804)	(1,597)	(1,105)	(1,719)	(1,401)	(1,793)	(1,308)	(2,328)	(2,158)	(2,981)
-	<b>Funding Balance</b>	-	-	-	-	-	-	-	-	-	-	-

## KEY PLANNING ASSUMPTIONS

ACTIVITY	SIGNIFICANT NEGATIVE EFFECTS	OUR RESPONSE
<b>ECONOMIC DEVELOPMENT</b>	<p>Recognising and prioritising opportunities for community and economic development.</p>	<ul style="list-style-type: none"> <li>• Develop a strategic programme of key economic development initiatives of focus.</li> <li>• Additional officer support.</li> </ul>
<b>PROPERTY MANAGEMENT &amp; INVESTMENT</b>	<p><b>Demographics</b></p> <ul style="list-style-type: none"> <li>• An ageing population may increase the demand for community housing.</li> <li>• With a projected growth in numbers of District residents living on low or fixed incomes, Council may need to ensure affordability of facilities – both retention and maintenance costs and for user fees and charges.</li> <li>• Continued decline of clubs and the volunteer sector may lead to surplus “public” buildings.</li> </ul> <p><b>Maintenance of Council owned buildings</b></p> <ul style="list-style-type: none"> <li>• Ongoing maintenance of ageing facilities.</li> </ul> <p><b>Community halls</b></p> <ul style="list-style-type: none"> <li>• Ageing facilities with increasing compliance requirements.</li> </ul> <p><b>Strategic direction</b></p> <ul style="list-style-type: none"> <li>• Better activity and asset management planning is required.</li> </ul> <p><b>Staff capability/capacity</b></p> <ul style="list-style-type: none"> <li>• There are few specialised property consultants available (nation-wide trend).</li> </ul> <p><b>Health and safety</b></p> <ul style="list-style-type: none"> <li>• Council is required to meet its legislative obligations.</li> </ul> <p><b>Understanding our assets</b></p> <ul style="list-style-type: none"> <li>• A need for assessments (including seismic).</li> </ul> <p><b>Business continuity</b></p> <ul style="list-style-type: none"> <li>• A need for better systems and processes to ensure business continuity.</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain overview of demand and supply of community housing.</li> <li>• Review eligibility criteria for housing needs on an on-going basis.</li> <li>• Monitor contracts and SLAs regularly.</li> <li>• Regular building warrant of fitness checks.</li> <li>• Annual inspections of high risk ageing facilities.</li> <li>• Reactive maintenance.</li> <li>• Management agreements are in place.</li> <li>• Prioritise activity and asset management planning throughout the life of this Plan.</li> <li>• Maintain sustainable workloads for current staff, and be responsive to increased work demands.</li> <li>• Be responsive to changing health and safety requirements to minimise risk.</li> <li>• Establish, prioritise assessment programme of key assets, and report as required.</li> <li>• Continued improvements to Council systems and processes.</li> </ul>



## ECONOMIC DEVELOPMENT

### WHAT WE DO

Part of Council's leadership involves supporting the economy and communities through economic and community development functions. Council provides advice and encourages initiatives to support existing economic activity and diversification across the District. This includes encouraging sustainable development of our local economy through partnerships, innovation, quality infrastructure, and planning.

### WHY WE DO IT

Waitaki businesses need the right economic environment to flourish. Council undertakes this activity to promote and guide economic development in the District which benefits everyone living in and visiting the district. Council also fosters economic development through Tourism Waitaki Ltd, the tourism arm of Council (CCO).

### PROGRESS OVER LAST 3 YEARS

Council's role in economic development has been limited in recent times, responding to economic development opportunities as they arise, rather than having a strategic plan in place.

### IMPROVEMENTS AND PROPOSED CHANGES

A review of how economic development services are provided will take place in the life of this Plan. The goals for growth and development are proposed to be articulated through a Waitaki District Economic Development Strategy.

Going forwards, sustainable economic development will be a key driver for the district. This includes more staff and financial resourcing dedicated to this portfolio. Key projects identified to progress over the lifetime of this Plan include:

- Exploring the establishment of a commercial flight training facility at Oamaru Airport;
- Exploring opportunities related to the Barque Prospect, offshore Oamaru;
- Investigating and pursuing UNESCO Global Geopark status for the entire Waitaki District;
- Investigating and pursuing World Heritage Status listing for Historic Oamaru;
- Council's international internship programme.

## PERFORMANCE MEASURES

ACTIVITY	PERFORMANCE MEASURE 2018-28	TARGETs Yr1-Yr3 + Yr4 -Yr10 Change
ECONOMIC DEVELOPMENT	Level of central government business support funding accessed by the District.	<p>Years 1-2: At least 1 key Long Term Plan project receives a level of funding that secures ongoing project development.</p> <p>Year 2: At least 2 key Long Term Plan projects receive a level of funding that secures ongoing project development.</p> <p>Year 3: Funding contribution has realised key Long Term Plan project.</p> <p>Years 4-10: Funding contribution has realised key Long Term Plan project.</p>



## PROPERTY MANAGEMENT & INVESTMENT

### WHAT WE DO

Council's property unit provides a property advisory service for the Council organisation, and oversees the use, development, investment, and disposal of land and buildings owned by the Waitaki District Council on behalf of the community.

Key achievements over the last three years include:

- Managing and maintaining Council operational buildings (including Council administration and Civil Defence buildings);
- Managing and maintaining community properties including Libraries, North Otago Museum, Oamaru Opera House, Forrester Art Gallery, Community House, Otematata and Palmerston Community Centres;
- Providing fit for purpose, safe and affordable community housing (91 housing units primarily for residents over 60 with limited income, assets or an identifiable need);
- Providing liaison and advice on the 28 community halls owned or supported by Council;
- Managing Oamaru Harbour assets;
- Managing Oamaru Airport operations;
- Maintaining, negotiating and renewing property assets, leases and overseeing property transactions;
- Managing commercial property portfolio (current holdings largely derived from endowments);
- Managing endowment property (Crown Land granted by the Colonial Government to former local authorities which now make up the Waitaki District and are held in order to produce income);
- Overseeing investment property providing a vehicle for Council's contribution to the economic development of the district;
- Managing surplus property holdings (property which is no longer required for Council activities or services);
- Providing advice on land status, and progressing land development and sales of Council owned land.

### WHY WE DO IT

The activities of the property unit supports the administration of Council, facilitates opportunities for new and existing businesses and economic development initiatives, manages Council property investment, and supports the lifestyle and experience of the district's residents and visitors.

### PROGRESS OVER LAST 3 YEARS

Key achievements over the last three years include:

- Increased staff capacity to respond to a growing property portfolio;
- Reduced property debt through the sale of property;
- Ongoing work at Oamaru Harbour consolidating title and property in anticipation of future development;
- Renovation of three, and partial renovation of seven community housing units;
- Maintenance of Holmes Wharf, Oamaru Harbour;
- Ongoing collaboration with Oamaru Whitestone Civic Trust;
- Increase in lease revenue from the harbour area;
- Met all Civil Aviation Authority safety requirements;
- Oamaru Courthouse restoration of court services and strengthening work to enable activity to recommence.

### MAINTAINING CURRENT SERVICE LEVELS

We propose to maintain current service levels.

### IMPROVEMENTS AND PROPOSED CHANGES

Focus areas to progress over the lifetime of this Plan include:

- Oamaru Harbour re-development.

## PERFORMANCE MEASURES

ACTIVITY	PERFORMANCE MEASURE 2018-28	TARGETs Yr1-Yr3 + Yr4 -Yr10 Change
<b>PROPERTY MANAGEMENT &amp; INVESTMENT</b>	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.	a) 90% of community housing tenants satisfied with their tenancy;  b) 90% of commercial tenants are satisfied with their tenancy.
	Individual tenancies are occupied as a percentage of available units/tenancies:  a) Community housing units;  b) Commercial tenants.	a) 90% of community housing units occupied;  b) 90% of commercial tenancies occupied.

## HERITAGE, ENVIRONMENT AND REGULATION

This activity group covers planning, regulatory, environmental, and civil defence. The activity group contributes to the following Council community outcomes:

- Safe community;
- Environmental protection and value;
- Affordability;
- Business opportunities;
- Diverse community;
- Access to services and facilities.

# ACTIVITY GROUP FUNDING IMPACT STATEMENT

Table 13 shows what it will cost and how the Heritage, Environment and Regulation activity group is funded.

**Table 13: Heritage, Environment and Regulation activity group funding**

<b>Heritage, Environment &amp; Regulation</b>												
2016/17		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Actual		Annual Plan	LTP									
\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
	<b>Sources of Operating Funding</b>											
2,141	General Rates, Uniform Annual General Charge, Rates Penalties	2,329	2,677	2,750	2,832	2,847	2,895	2,940	3,090	3,149	3,209	3,235
490	Targeted Rates	68	23	24	24	25	25	26	26	26	27	27
2,631	<b>Rates Revenue</b>	2,397	2,701	2,774	2,856	2,872	2,920	2,966	3,116	3,176	3,236	3,262
4	Subsidies and Grants for Operating Purposes	-	-	-	-	-	-	-	-	-	-	-
1,526	Fees and Charges	1,606	1,781	1,815	1,850	1,886	1,924	1,965	2,007	2,052	2,098	2,147
-	Interest and Dividends from Investments	-	-	-	-	-	-	-	-	-	-	-
-	Internal Charges and Overheads Recovered	-	-	-	-	-	-	-	-	-	-	-
88	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	76	124	127	130	132	135	138	142	145	148	152
1,618	<b>Operating Revenue</b>	1,682	1,905	1,942	1,980	2,018	2,060	2,104	2,149	2,197	2,247	2,299
4,249	<b>Total Sources of Operating Funding</b>	4,079	4,606	4,716	4,836	4,890	4,980	5,070	5,265	5,373	5,482	5,561
	<b>Applications of Operating Funding</b>											
1,200	Payments to Staff and Suppliers	1,469	2,431	2,486	2,532	2,571	2,612	2,611	2,437	2,490	2,545	2,603
-	Finance Costs	-	-	-	-	-	-	-	-	-	-	-
3,099	Internal Charges and Overheads Applied	2,869	2,827	2,934	3,028	3,064	3,131	3,187	3,260	3,320	3,377	3,402
-	Other Operating Funding Applications	-	-	-	-	-	-	-	-	-	-	-
4,299	<b>Total Applications of Operating Funding</b>	4,338	5,258	5,421	5,560	5,635	5,743	5,798	5,697	5,811	5,922	6,005
(50)	<b>Surplus / (Deficit) of Operating Funding</b>	(259)	(652)	(704)	(724)	(745)	(763)	(728)	(432)	(438)	(440)	(444)
	<b>Sources of Capital funding</b>											
-	Subsidies and Grants for Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-
168	Development and Financial Contributions	175	175	175	175	175	175	175	175	175	175	175
-	Increase / (Decrease) in Debt	-	-	-	-	-	-	-	-	-	-	-
-	Gross Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	-	-	-
168	<b>Total Sources of Capital Funding</b>	175	175	175	175	175	175	175	175	175	175	175
	<b>Applications of Capital funding</b>											
	Capital Expenditure											
-	Meet Additional Demand	-	-	-	-	-	-	-	-	-	-	-
11	Improve Levels of Service	-	-	-	-	-	-	-	-	-	-	-
-	Replace Existing Assets	-	-	-	-	-	-	-	-	-	-	-
107	Increase / (Decrease) in Reserve	(84)	(477)	(529)	(549)	(570)	(588)	(553)	(257)	(263)	(265)	(269)
-	Increase / (Decrease) in Investments	-	-	-	-	-	-	-	-	-	-	-
118	<b>Total Applications for Capital Funding</b>	(84)	(477)	(529)	(549)	(570)	(588)	(553)	(257)	(263)	(265)	(269)
50	<b>Surplus / (Deficit) of Capital Funding</b>	259	652	704	724	745	763	728	432	438	440	444
-	<b>Funding Balance</b>	-	-	-	-	-	-	-	-	-	-	-

## KEY PLANNING ASSUMPTIONS

ACTIVITY	SIGNIFICANT NEGATIVE EFFECTS	OUR RESPONSE
<b>HERITAGE &amp; PLANNING</b>	<p><b>Demand for services</b> - Increased development boosting land use and subdivision consents numbers (and building consents – PIMs and LIMs), and larger and more complex applications leading to more consents being notified or limited notified.</p> <p><b>Demographics</b> – Waitaki has an ageing and increasingly multi-cultural population.</p> <p><b>Sustainability agenda</b> – Increasing public demand for energy efficiency, conservation, and protection of the environment.</p> <p><b>Staff retention and capacity</b> – Shortage of skilled and experienced planners.</p> <p><b>Legislative and regulatory changes</b> - Resource Management Act - short turnaround for some consents, other minor non-compliance assessments, national planning template for District Plan structure, ePlan (electronic and interactive District Plan) expectations, removal of financial contributions (reserves) from RMA91 from April 2022.</p> <p><b>Loss of heritage and limited urban design guidelines</b> – Central to Council’s economic development agenda along with tourism opportunities for the district.</p>	<ul style="list-style-type: none"> <li>• Additional staff resourcing is proposed in response to increased development and growth in the district.</li> <li>• Responding to demographic demand and changes through the District Plan review process.</li> <li>• Maintaining a focus on biodiversity initiatives.</li> <li>• Incorporating renewable energy provisions into the District Plan.</li> <li>• Maintain sustainable workloads for current staff, and be responsive to increased work demands.</li> <li>• Monitor and lobby central Government.</li> <li>• Be proactive in understanding and giving effect to legislative and procedural change including having systems and processes in place to meet these changing requirements.</li> <li>• Additional staff resourcing is proposed for heritage</li> </ul>
<b>REGULATORY, ENVIRONMENTAL &amp; CIVIL DEFENCE</b>	<p><b>Increase in number of building consents</b> (particularly commercial activity) requiring more staff resource and capability.</p> <p><b>Demographics</b> – increase in fly-tipping and social health issues, multi-cultural society (language barrier).</p> <p><b>Compliance costs / affordability</b> – Regulatory activities can impose costs to business and individuals. There is a balancing act between meeting our legislative requirements and ensuring there is sufficient revenue to achieve this.</p> <p><b>People capacity and capability</b> - Availability of staff and consultants, retention, and recruitment of Building Control Officers.</p> <p><b>Changing legislative requirements</b> – Possible changes to drinking water standards.</p> <p><b>Bylaw and policy reviews</b> – influence enforcement and service level requirements.</p>	<ul style="list-style-type: none"> <li>• Maintain sustainable workloads for current staff, and be responsive to increased work demands.</li> <li>• Be aware and understand the changing socio-economic implications and respond to these effectively.</li> <li>• Remain prudent when considering rises in fees and charges.</li> <li>• Focus on staff retention and development opportunities.</li> <li>• Understand and remain responsive to changing legislative requirements.</li> <li>• Lead and participate in policy and bylaw reviews to ensure implementation of new policy direction is practical.</li> </ul>
<b>COMMUNITY DEVELOPMENT &amp; ENGAGEMENT</b>	<p><b>Community expectations</b> – The community expects Waitaki to be a safe place to live.</p> <p><b>Engagement</b> – There is an expectation of engagement with public bodies.</p> <p><b>Consultation</b> – A key part of community safety is to have effective and meaningful consultation with the community.</p> <p><b>Uncertainty of priorities</b> – Some priorities may be hidden in previous survey data.</p>	<ul style="list-style-type: none"> <li>• Continue current initiatives and research new methods when funding permits.</li> <li>• Work with community groups and individuals to understand emerging issues and respond accordingly.</li> <li>• Ongoing analysis of data to maintain priorities that produce agreed outcomes for community safety.</li> </ul>



## HERITAGE AND PLANNING

### WHAT WE DO

The Planning unit of Council undertakes activities, mainly through land use and subdivision planning. The activity also provides policy advice on planning and development, conservation, design, heritage, and environmental issues that affect the Waitaki District.

Key activities within this group include:

- Processing resource consents for land use and subdivision approvals under the Resource Management Act 1991 (RMA91);
- Reviewing, developing and providing ongoing administration and monitoring of the Waitaki District Plan including conducting a review of the District Plan every 10 years;
- Processing private plan change requests and notices of requirements for designations;
- Responding to planning enquiries and providing advice on planning matters;
- Providing input into the approval of liquor licenses, and Land Information Memorandums (LIMs);
- Assessing all building consents to ensure they meet the provisions of the Waitaki District Plan;
- Promoting the sustainable management of natural and physical resources in the Waitaki District via the Waitaki District Plan;
- Protecting the District's biodiversity through implementing the Waitaki Indigenous Biodiversity Strategy;
- Promoting and protecting the historic heritage of our district;
- Undertaking State of the Environment monitoring and reporting every five years;
- Providing advocacy and input into regional planning processes;
- Engaging with business, non-government organisations, interest groups and forums on planning matters relating to the district;
- Responding to new and amended national legislation, policy and standards;
- Ensuring information about the resource consent application process, planning and monitoring and the RMA 91 are up to date and easily accessible via Council's website.

### WHY WE DO IT

Planning services are provided to ensure that development by people and businesses does not adversely affect the environment. The Council has a responsibility under the RMA91 via the provisions of the Waitaki District Plan to manage the effects of development on the natural and physical resources of the district and protect the environment's life supporting capacity. Planning decisions made by Council influence the nature of the Waitaki District communities and how the district will develop in the future.

### PROGRESS OVER LAST 3 YEARS

Key achievements over the last three years include:

- Progressing a review of the Waitaki District Plan;
- Implementing the Waitaki District Indigenous Biodiversity Strategy (2014-2017) including the provision of a Biodiversity co-coordinator to oversee this work;
- Compliance with statutory processing requirements under the RMA91.

### MAINTAINING CURRENT SERVICE LEVELS

We propose to maintain existing service levels – also see improvements below for additional projects.

### IMPROVEMENTS AND PROPOSED CHANGES

Planning focus areas to progress over the lifetime of this Plan include:

- Progress and develop a new Waitaki District Plan in an electronic format;
- Increase staff resourcing to meet demand;
- Increase education around key planning issues – aligned with key Waitaki District Plan issues and heritage;
- Develop an Environmental Monitoring Strategy in conjunction with the Regulatory unit;
- Document planning processes (incorporating recent changes to the RMA91);
- Review and refresh the Waitaki District Indigenous Biodiversity Strategy.

The major project in the life of this plan is the District Plan review. Council is required to review the Waitaki District Plan under the RMA91 every ten years. The outcomes of this review will shape future development and use of the land in the District. The review will involve consultation with the community and stakeholders, and the outcome aims to find the right balance between community, business and environmental needs within the legislative requirements. It is estimated that this review will take approximately three (3) years to complete from the start of this Plan.

## PERFORMANCE MEASURES

ACTIVITY	PERFORMANCE MEASURE 2018-28	TARGETs Yr1-Yr3 + Yr4 -Yr10 Change
<b>HERITAGE AND PLANNING</b>	Compliance with legislative requirement timeframes for the processing of resource consents.	95% of resource consents are processed within statutory timeframes.
	Customer level of satisfaction with the resource consent process.	80% and maintain.
	Total number of individual resource consents monitored for compliance and were in non-compliance with at least one condition.	Increasing trends of compliance with resource consent conditions.
	Level of protection of heritage items and features in the Waitaki District Plan.	Maintain or increase.
	Review the operative Waitaki District Plan and replace with new District Plan in compliance with statutory process and timeframes.	2 years from date of notification of Proposed District Plan.
	Compliance with legislative requirements for the processing of Council and private plan changes.	Greater than 95% of plan changes are processed within statutory timeframes.
	Increase in private land area under management for the protection of indigenous biodiversity values (QEII / SNA / other covenant).	Maintain or increase.



## REGULATORY & ENVIRONMENTAL

### WHAT WE DO

The regulatory and environmental unit covers a broad range of activities. This group is concerned with monitoring and enforcement functions across a wide cross-section of statutes, focusing on the protection of community health, safety, and amenity. Another major function of the group is the processing and monitoring of building consents. Key activities include:



**Building services** - issuing building consents, building warrant of fitness renewal and audits; undertaking non-compliance investigations, swimming pools, outstanding code of compliance checks, and earthquake prone building identification.



**Environmental health** – managing applications for new and existing food, alcohol, and other registered premises; monitoring water, sewer ponds and landfills; managing environmental health enquiries; responding to noise complaints and investigating complaints.



**Enforcement** – monitoring parking; investigating and resolving Freedom Camping other Council bylaw complaints; investigating District plan complaints and RMA and resource consent breaches.



**Animal control** – responding to animal related complaints and enquiries via contract including management of the Dog pound; investigating complaints; owner education and animal welfare, and responding to wandering stock complaints.



**Regulatory services** – responding to new and amended legislation, and reviewing relevant Council policy and bylaws.



**Emergency management and civil defence** – planning and response; maintaining effective systems and processes to help the community prepare; respond to, and recover from natural disasters.

### WHY WE DO IT

We must undertake this activity group to meet statutory obligations and best practice in respect of regulatory and environmental services across the District. This includes ensuring that people, communities, and the environment are kept safe and nuisances are mitigated under a number of statutes such as the Building Act 2004, Health Act 1956, Food Act 2014 and local bylaws. Building Control services are provided to ensure a safe residential, and commercial built environment exists for people to use in accordance with the provisions of the Building Act 2004.

### PROGRESS OVER LAST 3 YEARS

Key achievements over the last three years include:

- Reduction in animal control complaints;
- Maintained Building Consent Authority accreditation;
- 100% on and off licensed alcohol premises inspected;
- 99% of alcohol licenced premises are low or medium risk;
- Improvement in building consents issued within statutory timeframes;
- Successful transition of Phase 2 of the Food Act 2014.

### MAINTAINING CURRENT SERVICE LEVELS

We propose to maintain existing services levels, and to remain accredited as a Building Consent Authority. See improvements section for additional focus areas.

### IMPROVEMENTS AND PROPOSED CHANGES

We propose to focus on the following areas over the life of the Plan:

- Develop and implement a Regulatory Compliance Strategy;
- Review animal control services;
- Review parking services and technology;
- Implement the Waitaki District General Bylaws 2018 (from 1 July 2018);
- Determine and respond appropriately to the implications of the Havelock North water case;
- Review Class 4 Gambling and TAB Venues Policy 2015;
- Review the Liquor Ban Bylaw 2009;
- Complete the Oamaru dog pound upgrade;
- Review the Dangerous and Insanitary Buildings Policy.

## PERFORMANCE MEASURES

ACTIVITY	PERFORMANCE MEASURE 2018-28	TARGETs Yr1-Yr3 + Yr4 -Yr10 Change
<b>REGULATORY, ENVIRONMENTAL AND BUILDING</b>	Building consents processed within 15 working days.	100% of building consents processed within 15 working days.
	Maintain Building Consent Authority status.	Maintain
	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. High risk buildings (such as hotels) checked more than once every five years.
	To transition to the Food Act 2014 requirements with premises verified in accordance with the new Act.	100%
	Licenced premises identified as having a high risk or identified as a high risk are inspected once every 6 months.	100%
	Number of dog owners in the district with a selected owner status.	Year 1: 31% Year 2: 33% Year 3: 35% Years 4-10: Maintain year 3 levels
	Residents satisfied or very satisfied with emergency services.	80% of residents are satisfied or very satisfied with emergency services.



## COMMUNITY DEVELOPMENT & ENGAGEMENT

### WHAT WE DO

Community development and engagement activities are coordinated and managed in collaboration with key stakeholders from across the community. These include Government agencies, non-Government organisations, community groups and other relevant partners to address issues and create opportunities to build connected and safe communities across the Waitaki District.

Key activities within this group include:

- Facilitating a safe community for residents and visitors;
- Co-ordinating the Safer Waitaki project;
- Managing, implementing and monitoring the Waitaki Community Safety Strategy;
- Initiating, developing and maintaining key relationships;
- Community liaison, facilitation and support of community projects / activities;
- Youth development;
- Shared services contracts with Dunedin City Council;
- Identification and securement of external funding opportunities;
- Data collection and analysis;
- Acting as a conduit for information dissemination and connectivity.

### WHY WE DO IT

To provide a mechanism for the community to work together, maximising resources and expertise. Through Safer Waitaki, we have created an opportunity for the community to align and coordinate their efforts. Working in partnership in this way, we aim build a vibrant culture, recognising and understanding diversity, maintaining a safe and welcoming environment for our residents and visitors to the Waitaki District and contributing to economic development.

### PROGRESS OVER LAST 3 YEARS

Key achievements over the last three years include:

- Installation of CCTV surveillance system at eight sites;
- Development and implementation of CCTV guidelines and volunteer policy;
- Safer Waitaki Network has developed to include working groups across all priority areas - family whanau, older people, mental health and addictions, industry link, alcohol and drug, violence prevention;
- Safer Waitaki Membership/ Network increased to 127 organisations and community groups Otago-wide;
- Compilation and distribution of Waitaki Mental Health and addictions directory;
- Safer Waitaki Youth forum;
- Safer Waitaki Senior Survey completed and analysed;
- Launch of Family Violence Poster project involving 120 businesses from across the district;
- Facilitated Family violence champion training for local businesses;
- Ongoing participation at a regional level in a network leadership group for Raise Hope Hāpai te Tūmanako;
- Mental health and addictions strategy development and implementation plan;
- Safer Waitaki youth youtube video competition successfully completed;
- Coordinated three (3) cultural competency workshops;
- Regular participation in shared projects with the Waitaki Multicultural Council and Oamaru Pacific Network;
- Safer Waitaki website redevelopment.

### MAINTAINING CURRENT SERVICE LEVELS

We propose to maintain current service levels.

## IMPROVEMENTS AND PROPOSED CHANGES

Over the life of this Plan we propose to continue current service levels, with a focus on the following, utilising existing resources:

- Continuing to investigate opportunities for Council/community collaboration across a range of projects and services;
- Supporting and encouraging other Councils and communities to work within the Safer Communities model;
- Undertaking evidence based, new activities, subject to external funding availability;
- Utilising new and existing networks and relationships to secure accurate local data;
- Maintaining and developing online and social media mechanisms for communication with stakeholders;
- Improving reach and visibility.

## PERFORMANCE MEASURES

ACTIVITY	PERFORMANCE MEASURE 2018-28	TARGETs Yr1-Yr3 + Yr4 -Yr10 Change
COMMUNITY DEVELOPMENT AND ENGAGEMENT	Residents satisfied or very satisfied that Waitaki is a safe place to live.	80% of residents are satisfied or very satisfied that the Waitaki district is a safe place to live.
	Level of satisfaction that partner organisations have with Safer Waitaki initiatives.	80%

A photograph showing three people in orange safety vests working in a natural stream. One person stands on the left holding a tablet, another crouches in the middle using a handheld device, and a third crouches on the right using a long pole with a sensor. The background features tall grasses and a cloudy sky.

## INFRASTRUCTURE AND SERVICES

This activity group covers the core assets of roading and footpaths, water, stormwater, wastewater, waste management and minimisation, and recreation services. The activity group contributes to the following Council community outcomes:

- Safe community;
- Environmental protection and value;
- Affordability;
- Business opportunities;
- Diverse community;
- Access to services and facilities.

## ACTIVITY GROUP FUNDING IMPACT STATEMENT

Tables 14-19 show what it will cost and how the Roading and Footpaths, Water supply, Stormwater drainage, Wastewater and Waste management and minimisation, and Recreation activity groups are funded.

Table 14: Roading and footpaths activity group funding

Roads & Footpaths		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
2016/17		Annual Plan	LTP									
Actual		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
	<b>Sources of Operating Funding</b>											
129	General Rates, Uniform Annual General Charge, Rates Penalties	56	56	57	59	60	62	63	65	67	68	70
6,465	Targeted Rates	6,663	7,259	7,326	8,117	8,339	8,430	8,468	8,404	8,475	8,807	8,860
6,594	<b>Rates Revenue</b>	6,718	7,314	7,383	8,176	8,399	8,492	8,531	8,469	8,541	8,875	8,931
1,021	Subsidies and Grants for Operating Purposes	2,897	3,945	3,709	3,789	3,863	3,939	4,024	4,113	4,209	4,381	4,540
242	Fees and Charges	284	264	270	275	281	287	294	300	308	315	323
-	Interest and Dividends from Investments	-	-	-	-	-	-	-	-	-	-	-
20	Internal Charges and Overheads Recovered	21	25	30	29	30	29	31	30	31	30	31
310	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	409	431	433	440	450	460	471	482	494	507	520
1,593	<b>Operating Revenue</b>	3,611	4,664	4,441	4,533	4,624	4,716	4,819	4,926	5,042	5,233	5,414
8,187	<b>Total Sources of Operating Funding</b>	10,329	11,979	11,824	12,709	13,023	13,208	13,350	13,395	13,583	14,109	14,345
	<b>Applications of Operating Funding</b>											
4,656	Payments to Staff and Suppliers	5,261	5,736	5,786	5,953	6,039	6,173	6,320	6,477	6,645	6,823	7,013
-	Finance Costs	-	-	-	-	-	-	-	-	-	-	-
1,473	Internal Charges and Overheads Applied	1,592	1,599	1,609	1,666	1,797	1,821	1,848	1,886	1,926	1,957	1,993
-	Other Operating Funding Applications	-	-	-	-	-	-	-	-	-	-	-
6,129	<b>Total Applications of Operating Funding</b>	6,853	7,334	7,395	7,619	7,836	7,993	8,169	8,363	8,571	8,780	9,006
2,058	<b>Surplus / (Deficit) of Operating Funding</b>	3,476	4,644	4,429	5,090	5,187	5,215	5,182	5,032	5,013	5,328	5,339
	<b>Sources of Capital funding</b>											
5,027	Subsidies and Grants for Capital Expenditure	4,026	3,828	4,137	8,024	4,106	4,205	4,312	4,423	4,542	4,669	4,803
232	Development and Financial Contributions	200	200	200	200	200	200	200	200	200	200	200
-	Increase / (Decrease) in Debt	-	-	-	-	-	-	-	-	-	-	-
-	Gross Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	-	-	-
5,259	<b>Total Sources of Capital Funding</b>	4,226	4,028	4,337	8,224	4,306	4,405	4,512	4,623	4,742	4,869	5,003
	<b>Applications of Capital funding</b>											
	Capital Expenditure											
-	Meet Additional Demand	-	-	-	-	-	-	-	-	-	-	-
1,373	Improve Levels of Service	2,265	1,630	1,803	2,484	2,233	2,283	2,337	2,393	2,452	2,515	2,583
5,073	Replace Existing Assets	6,420	5,647	6,197	12,576	5,711	5,849	5,998	6,152	6,316	6,491	6,677
871	Increase / (Decrease) in Reserve	(983)	1,396	766	(1,745)	1,548	1,488	1,359	1,111	986	1,190	1,082
-	Increase / (Decrease) in Investments	-	-	-	-	-	-	-	-	-	-	-
7,317	<b>Total Applications for Capital Funding</b>	7,702	8,673	8,766	13,315	9,492	9,620	9,694	9,655	9,755	10,197	10,342
(2,058)	<b>Surplus / (Deficit) of Capital Funding</b>	(3,476)	(4,644)	(4,429)	(5,090)	(5,187)	(5,215)	(5,182)	(5,032)	(5,013)	(5,328)	(5,339)
-	<b>Funding Balance</b>	-	-	-	-	-	-	-	-	-	-	-

Table 15: Water supply activity group funding

<b>Water Supply</b>		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
2016/17		Annual Plan	LTP									
Actual		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
	<b>Sources of Operating Funding</b>											
1	General Rates, Uniform Annual General Charge, Rates Penalties	1	1	1	1	2	2	2	2	2	2	3
5,236	Targeted Rates	5,378	5,507	6,126	6,351	6,616	6,833	7,152	7,373	7,502	6,983	7,337
5,237	<b>Rates Revenue</b>	5,379	5,508	6,127	6,352	6,618	6,835	7,154	7,375	7,504	6,985	7,340
-	Subsidies and Grants for Operating Purposes	-	-	-	-	-	-	-	-	-	-	-
513	Fees and Charges	481	542	557	570	584	598	613	627	642	658	674
-	Interest and Dividends from Investments	-	-	-	-	-	-	-	-	-	-	-
293	Internal Charges and Overheads Recovered	236	276	250	244	249	243	254	248	258	251	255
14	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	-	17	17	18	18	19	19	20	20	21	21
820	<b>Operating Revenue</b>	717	834	824	832	852	860	886	895	920	930	950
6,057	<b>Total Sources of Operating Funding</b>	6,096	6,343	6,951	7,184	7,470	7,695	8,040	8,269	8,424	7,914	8,290
	<b>Applications of Operating Funding</b>											
3,148	Payments to Staff and Suppliers	2,848	3,085	3,165	3,270	3,322	3,403	3,487	3,573	3,661	3,752	3,877
-	Finance Costs	-	-	-	-	-	-	-	-	-	-	-
1,413	Internal Charges and Overheads Applied	1,364	1,430	1,403	1,489	1,464	1,464	1,576	1,597	1,532	1,535	1,555
-	Other Operating Funding Applications	-	-	-	-	-	-	-	-	-	-	-
4,561	<b>Total Applications of Operating Funding</b>	4,212	4,515	4,568	4,759	4,786	4,867	5,063	5,170	5,193	5,287	5,432
1,496	<b>Surplus / (Deficit) of Operating Funding</b>	1,884	1,828	2,383	2,425	2,684	2,828	2,977	3,099	3,231	2,627	2,858
	<b>Sources of Capital funding</b>											
-	Subsidies and Grants for Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-
238	Development and Financial Contributions	218	219	222	222	222	222	222	222	222	222	222
-	Increase / (Decrease) in Debt	-	-	-	-	-	-	-	-	-	-	-
-	Gross Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	-	-	-
238	<b>Total Sources of Capital Funding</b>	218	219	222	222	222	222	222	222	222	222	222
	<b>Applications of Capital funding</b>											
	Capital Expenditure											
-	Meet Additional Demand	-	-	-	-	-	-	-	-	-	-	-
1,429	Improve Levels of Service	1,840	90	-	-	-	2,797	-	-	-	331	354
2,104	Replace Existing Assets	1,935	1,503	1,962	1,729	1,230	1,262	1,471	892	1,986	836	864
(1,799)	Increase / (Decrease) in Reserve	(1,673)	454	643	917	1,676	(1,009)	1,728	2,429	1,467	1,683	1,862
-	Increase / (Decrease) in Investments	-	-	-	-	-	-	-	-	-	-	-
1,734	<b>Total Applications for Capital Funding</b>	2,102	2,047	2,605	2,647	2,906	3,050	3,199	3,322	3,453	2,850	3,080
(1,496)	<b>Surplus / (Deficit) of Capital Funding</b>	(1,884)	(1,828)	(2,383)	(2,425)	(2,684)	(2,828)	(2,977)	(3,099)	(3,231)	(2,627)	(2,858)
-	<b>Funding Balance</b>	-	-	-	-	-	-	-	-	-	-	-

Table 16: Stormwater Drainage activity group funding

Stormwater Drainage												
2016/17		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Actual		Annual Plan	LTP									
\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
	<b>Sources of Operating Funding</b>											
-	General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-	-	-	-	-	-	-	-	-
428	Targeted Rates	471	426	426	440	460	462	475	508	506	515	551
428	<b>Rates Revenue</b>	471	426	426	440	460	462	475	508	506	515	551
-	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>	-	-	-	-	-	-	-	-	-	-	-
428	<b>Total Sources of Operating Funding</b>	471	426	426	440	460	462	475	508	506	515	551
	<b>Applications of Operating Funding</b>											
40	Payments to Staff and Suppliers	60	250	258	265	272	280	289	298	307	318	328
-	Finance Costs	-	-	-	-	-	-	-	-	-	-	-
106	Internal Charges and Overheads Applied	164	158	156	169	169	168	180	189	184	191	194
-	Other Operating Funding Applications	-	-	-	-	-	-	-	-	-	-	-
146	<b>Total Applications of Operating Funding</b>	224	408	414	434	441	449	469	487	492	509	523
282	<b>Surplus / (Deficit) of Operating Funding</b>	247	18	12	6	19	13	6	22	14	6	28
	<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	15	-	-	-	-	-	-	-	-	-	-
282	Increase / (Decrease) in Reserve	232	18	12	6	19	13	6	22	14	6	28
-	Increase / (Decrease) in Investments	-	-	-	-	-	-	-	-	-	-	-
282	<b>Total Applications for Capital Funding</b>	247	18	12	6	19	13	6	22	14	6	28
(282)	<b>Surplus / (Deficit) of Capital Funding</b>	(247)	(18)	(12)	(6)	(19)	(13)	(6)	(22)	(14)	(6)	(28)
-	<b>Funding Balance</b>	-	-	-	-	-	-	-	-	-	-	-

Table 17: Wastewater activity group funding

<b>Wastewater (Treatment &amp; Disposal)</b>												
2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	
Actual	Annual Plan	LTP										
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
	<b>Sources of Operating Funding</b>											
-	-	-	-	-	-	-	-	-	-	-	-	
1,611	1,628	1,749	2,030	2,149	2,271	2,322	2,423	2,587	2,592	2,641	2,808	
1,611	1,628	1,749	2,030	2,149	2,271	2,322	2,423	2,587	2,592	2,641	2,808	
	<b>Rates Revenue</b>											
-	-	-	-	-	-	-	-	-	-	-	-	
308	319	309	317	325	333	341	349	357	366	374	383	
-	-	-	-	-	-	-	-	-	-	-	-	
352	333	391	391	381	390	381	398	388	403	393	399	
10	21	12	12	13	13	13	14	14	14	15	15	
670	673	711	720	719	736	734	760	759	783	782	798	
670	673	711	720	719	736	734	760	759	783	782	798	
2,281	2,301	2,460	2,751	2,868	3,007	3,056	3,183	3,346	3,375	3,423	3,605	
2,281	2,301	2,460	2,751	2,868	3,007	3,056	3,183	3,346	3,375	3,423	3,605	
	<b>Total Sources of Operating Funding</b>											
	<b>Applications of Operating Funding</b>											
1,220	959	1,258	1,470	1,320	1,385	1,386	1,422	1,493	1,587	1,533	1,611	
-	-	-	-	-	-	-	-	-	-	-	-	
500	570	550	588	626	629	624	667	695	691	702	710	
-	-	-	-	-	-	-	-	-	-	-	-	
1,720	1,528	1,808	2,057	1,946	2,014	2,010	2,089	2,188	2,278	2,234	2,322	
1,720	1,528	1,808	2,057	1,946	2,014	2,010	2,089	2,188	2,278	2,234	2,322	
1,720	1,528	1,808	2,057	1,946	2,014	2,010	2,089	2,188	2,278	2,234	2,322	
561	773	652	693	922	993	1,046	1,094	1,157	1,096	1,189	1,284	
561	773	652	693	922	993	1,046	1,094	1,157	1,096	1,189	1,284	
561	773	652	693	922	993	1,046	1,094	1,157	1,096	1,189	1,284	
	<b>Surplus / (Deficit) of Operating Funding</b>											
	<b>Sources of Capital funding</b>											
-	-	-	-	-	-	-	-	-	-	-	-	
100	100	96	96	96	96	96	96	96	96	96	96	
-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	
100	100	96	96	96	96	96	96	96	96	96	96	
100	100	96	96	96	96	96	96	96	96	96	96	
	<b>Total Sources of Capital Funding</b>											
	<b>Applications of Capital funding</b>											
	Capital Expenditure											
-	-	-	-	-	-	-	-	-	-	-	-	
29	525	473	487	-	499	-	-	-	-	-	-	
119	525	562	917	640	595	449	461	475	611	630	651	
513	(177)	(286)	(615)	377	(5)	693	728	778	581	654	729	
-	-	-	-	-	-	-	-	-	-	-	-	
661	873	748	789	1,017	1,089	1,142	1,190	1,253	1,192	1,285	1,379	
661	873	748	789	1,017	1,089	1,142	1,190	1,253	1,192	1,285	1,379	
661	873	748	789	1,017	1,089	1,142	1,190	1,253	1,192	1,285	1,379	
(561)	(773)	(652)	(693)	(922)	(993)	(1,046)	(1,094)	(1,157)	(1,096)	(1,189)	(1,284)	
(561)	(773)	(652)	(693)	(922)	(993)	(1,046)	(1,094)	(1,157)	(1,096)	(1,189)	(1,284)	
(561)	(773)	(652)	(693)	(922)	(993)	(1,046)	(1,094)	(1,157)	(1,096)	(1,189)	(1,284)	
	<b>Surplus / (Deficit) of Capital Funding</b>											
	<b>Funding Balance</b>											
-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	

**Table 18:** Wastewater management and minimisation activity group funding

<b>Waste Management &amp; Minimisation</b>												
2016/17		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Actual		Annual Plan	LTP									
\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
	<b>Sources of Operating Funding</b>											
1,049	General Rates, Uniform Annual General Charge, Rates Penalties	1,117	750	761	714	766	812	930	963	974	1,006	1,026
-	Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
1,049	<b>Rates Revenue</b>	1,117	750	761	714	766	812	930	963	974	1,006	1,026
84	Subsidies and Grants for Operating Purposes	82	92	94	96	98	100	102	104	107	110	112
1,280	Fees and Charges	76	168	171	175	178	182	92	94	97	99	102
-	Interest and Dividends from Investments	-	-	-	-	-	-	-	-	-	-	-
-	Internal Charges and Overheads Recovered	-	-	-	-	-	-	-	-	-	-	-
55	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	-	-	-	-	-	-	-	-	-	-	-
1,419	<b>Operating Revenue</b>	158	260	265	271	276	282	194	199	203	209	214
2,468	<b>Total Sources of Operating Funding</b>	1,275	1,010	1,026	984	1,042	1,094	1,124	1,161	1,177	1,214	1,240
	<b>Applications of Operating Funding</b>											
1,856	Payments to Staff and Suppliers	783	826	841	858	1,749	898	914	946	957	986	1,010
-	Finance Costs	-	-	-	-	-	-	-	-	-	-	-
232	Internal Charges and Overheads Applied	258	142	126	128	197	168	175	177	178	189	193
-	Other Operating Funding Applications	-	-	-	-	-	-	-	-	-	-	-
2,088	<b>Total Applications of Operating Funding</b>	1,042	968	967	987	1,946	1,066	1,089	1,123	1,135	1,175	1,203
380	<b>Surplus / (Deficit) of Operating Funding</b>	233	42	58	(3)	(904)	28	36	38	42	40	37
	<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	-	-	-	-	-	-	-	-	-	-	-
380	Increase / (Decrease) in Reserve	233	42	58	(3)	(904)	28	36	38	42	40	37
-	Increase / (Decrease) in Investments	-	-	-	-	-	-	-	-	-	-	-
380	<b>Total Applications for Capital Funding</b>	233	42	58	(3)	(904)	28	36	38	42	40	37
(380)	<b>Surplus / (Deficit) of Capital Funding</b>	(233)	(42)	(58)	3	904	(28)	(36)	(38)	(42)	(40)	(37)
-	<b>Funding Balance</b>	-	-	-	-	-	-	-	-	-	-	-

Table 19: Recreation activity group funding

Parks & Recreation		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
2016/17		Annual Plan	LTP									
Actual		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
	<b>Sources of Operating Funding</b>											
677	General Rates, Uniform Annual General Charge, Rates Penalties	713	618	639	658	685	783	1,084	1,728	1,775	1,805	1,848
3,390	Targeted Rates	3,094	3,041	3,131	3,169	3,283	3,338	3,380	3,485	3,568	3,625	3,658
4,067	<b>Rates Revenue</b>	3,807	3,659	3,770	3,827	3,968	4,121	4,464	5,212	5,342	5,430	5,506
43	Subsidies and Grants for Operating Purposes	24	34	35	36	36	37	38	39	40	41	42
986	Fees and Charges	1,015	1,056	1,077	1,099	1,122	1,147	1,173	1,200	1,229	1,259	1,292
-	Interest and Dividends from Investments	-	-	-	-	-	-	-	-	-	-	-
-	Internal Charges and Overheads Recovered	-	-	-	-	-	-	-	-	-	-	-
456	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	8	36	36	37	38	39	40	41	42	43	44
1,485	<b>Operating Revenue</b>	1,047	1,126	1,149	1,172	1,196	1,223	1,251	1,279	1,310	1,343	1,378
5,552	<b>Total Sources of Operating Funding</b>	4,854	4,785	4,919	4,999	5,164	5,343	5,714	6,492	6,653	6,773	6,884
	<b>Applications of Operating Funding</b>											
3,993	Payments to Staff and Suppliers	3,565	3,577	3,633	3,877	3,994	4,115	4,217	4,620	4,756	4,877	4,996
-	Finance Costs	-	-	-	-	-	-	-	-	-	-	-
530	Internal Charges and Overheads Applied	985	1,031	1,076	1,042	1,142	1,227	1,420	1,567	1,629	1,617	1,637
-	Other Operating Funding Applications	-	-	-	-	-	-	-	-	-	-	-
4,523	<b>Total Applications of Operating Funding</b>	4,550	4,608	4,709	4,919	5,137	5,342	5,637	6,187	6,385	6,494	6,633
1,029	<b>Surplus / (Deficit) of Operating Funding</b>	304	177	210	80	27	1	78	305	268	279	251
	<b>Sources of Capital funding</b>											
77	Subsidies and Grants for Capital Expenditure	20	20	20	21	21	3,720	3,824	23	23	24	24
-	Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-	-
-	Increase / (Decrease) in Debt	-	-	-	-	-	-	-	-	-	-	-
320	Gross Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	-	-	-
397	<b>Total Sources of Capital Funding</b>	20	20	20	21	21	3,720	3,824	23	23	24	24
	<b>Applications of Capital funding</b>											
	Capital Expenditure											
-	Meet Additional Demand	-	-	-	-	-	-	-	-	-	-	-
278	Improve Levels of Service	152	319	221	205	209	7,558	7,769	163	167	170	173
91	Replace Existing Assets	493	208	411	298	219	223	486	231	235	239	244
1,057	Increase / (Decrease) in Reserve	(321)	(330)	(402)	(402)	(379)	(4,060)	(4,354)	(66)	(111)	(107)	(142)
-	Increase / (Decrease) in Investments	-	-	-	-	-	-	-	-	-	-	-
1,426	<b>Total Applications for Capital Funding</b>	324	197	230	101	49	3,721	3,901	327	291	302	275
(1,029)	<b>Surplus / (Deficit) of Capital Funding</b>	(304)	(177)	(210)	(80)	(27)	(1)	(78)	(305)	(268)	(279)	(251)
-	<b>Funding Balance</b>	-	-	-	-	-	-	-	-	-	-	-

## KEY PLANNING ASSUMPTIONS

ACTIVITY	SIGNIFICANT NEGATIVE EFFECTS	OUR RESPONSE
<b>ROADING &amp; FOOTPATHS</b>	<ul style="list-style-type: none"> <li>• <b>Climate change</b> - That the resilience of our transport network will be exposed to regular and increasingly severe weather events; that the effects of coastal erosion that are being seen in parts of the district through the loss of roads, will continue to worsen.</li> <li>• <b>Demographic changes</b> - That the district will experience a change in land use - larger rural vehicles; larger tourist vehicles with drivers unused to the conditions; an ageing population greater than the national average requiring good quality footpaths for pedestrians and mobility scooters, walking and cycling tracks, footpaths and improved accessibility for the elderly, car parking in our town centres.</li> <li>• <b>Asset Information</b> - That our asset information is reliable and sufficient.</li> <li>• <b>Under-investment in roads</b> – Investments in local roading infrastructure compared to other peer councils is low (the focus of roading spend has been in the rural areas for a number of years - this is unsustainable).</li> <li>• <b>Skills</b> - That there will be a shortage of technically skilled people to design, construct, and manage roading and footpath assets.</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor the impact of climate change and be responsive to changes by building resilience required to Council's assets (including mitigation and adaptation).</li> <li>• National Institute of Water and Atmospheric Research (NIWA) are currently mapping the 100-year coast line. Council can then make more informed decisions regarding coastal erosion and investment, and the Council's Coastal Erosion Strategy will be consistent with this new information.</li> <li>• Maintain a resilient roading network, including funding drainage maintenance, renewals and improvements, and responding to coastal erosion threats.</li> <li>• Ongoing monitoring around signs of deterioration of the district's roads.</li> <li>• Regular reviews of levels of service to ensure they are appropriate and achievable.</li> <li>• Asset information has been assessed as reliable.</li> <li>• Council could increase asset information resourcing.</li> <li>• Plan for changing demands.</li> <li>• Continue to monitor road condition.</li> <li>• Council is considering the impact of this issue when planning.</li> <li>• Council could intervene sooner and divert resourcing to plan for a skill shortage.</li> </ul>

ACTIVITY	SIGNIFICANT NEGATIVE EFFECTS	OUR RESPONSE
<p><b>'3 WATERS'</b> - WATER, STORMWATER &amp; WASTEWATER</p>	<p><b>Water</b></p> <ul style="list-style-type: none"> <li>• <b>Sustainability agenda</b> - Central Government will continue its increased focus on water quantity and the sustainable management of these resources. There will also be increased environmental awareness around the importance and value of our waterways.</li> <li>• <b>Climate change</b> - that more extreme weather patterns will impact the district in ways similar to that noted in the Ministry for the Environment guidance.</li> <li>• <b>Asset Information</b> - that our asset information is reliable and sufficient.</li> <li>• <b>Skills</b> - that there will be a shortage of technically skilled people to design, construct and manage water assets.</li> <li>• <b>Meeting legislative requirements</b> - that Council continues to meet requirements for drinking water quality under the Health (Drinking Water) Amendment Act 2007 and NZDWS 20058. The Havelock North Water Inquiry recommendations will mean significant legislative changes relating to potable water.</li> <li>• <b>Affordability</b> - that there will be increased expectations around affordable services i.e. realistic funding now and in the future.</li> <li>• <b>Health and safety</b> - that there will be ongoing changes to health and safety requirements that Council is required to meet.</li> <li>• <b>Managing growth and increased demand</b> - that growth and changes in demographic composition will occur faster or slower than expected.</li> </ul> <p><b>Stormwater</b></p> <ul style="list-style-type: none"> <li>• <b>Regional council obligations</b> - Council will continue to comply with resource consent requirements, including The Canterbury Land and Water Regional Plan requiring development of Stormwater Management Plans and resource consent for discharge.</li> <li>• <b>Climate change</b> - that there will be an increase in frequency of extreme rainfall events in the future.</li> <li>• <b>Skills</b> - that there will be a shortage of technically skilled people to design, construct and manage stormwater assets.</li> <li>• <b>Affordability</b> - that there are increased expectations around affordable services i.e. realistic funding now and in the future.</li> </ul>	<ul style="list-style-type: none"> <li>• Be responsive to changing community and central and regional Government expectations around environmental standards and awareness.</li> <li>• Council may need to consider additional resources to meet increasing expectations.</li> <li>• Consider the impact that climate change may have on the security of supplies when additional information is available and there is greater certainty on the impact this may have locally.</li> <li>• Council may need to invest sooner in gathering more information around what effect climate change may have on water supplies.</li> <li>• Asset information has been assessed as reliable.</li> <li>• Council could increase asset information resourcing.</li> <li>• Council is considering the impact of this issue when planning.</li> <li>• Council could intervene sooner and divert resourcing to plan for a skill shortage.</li> <li>• Plan to meet higher water quality standards as legislated, but not quantified at present.</li> <li>• Better understand our assets so that renewal and maintenance costs can be well planned and communicated with the community to control expectations.</li> <li>• Remain prudent when considering rises in fees and charges.</li> <li>• Maintain sustainable workloads for current staff and be responsive to increased work demands.</li> <li>• Any increase in health and safety requirements would be incorporated into ongoing budgets.</li> <li>• Ensure that we have infrastructure able to adapt to positive population changes.</li> <li>• Continue to monitor demographic changes.</li> <li>• Retain some flexibility to respond to regional council requirements.</li> <li>• Stormwater treatment allowed for in Long Term Plan budgets.</li> <li>• Ongoing monitoring of resource consent conditions.</li> <li>• Monitor the impact of climate change and be responsive to the implications this may have locally.</li> <li>• Council is considering the impact of this issue when planning.</li> </ul>

ACTIVITY	SIGNIFICANT NEGATIVE EFFECTS	OUR RESPONSE
<p><b>'3 WATERS' - WATER, STORMWATER &amp; WASTEWATER</b></p>	<p><b>Wastewater</b></p> <ul style="list-style-type: none"> <li>• <b>Managing environmental effects and nuisance</b> - That Council appropriately manages odour and sludge disposal from treatment plants, and network overflows and spills.</li> <li>• <b>Regional council obligations:</b> Council will continue to comply with resource consent conditions and meeting new requirements of regional rules and standards that place greater emphasis on protecting the environment.</li> <li>• <b>Asset information</b> - That our asset information is reliable and sufficient.</li> <li>• <b>Climate change</b> - That our district will be exposed to more frequent extreme rainfall events in the future.</li> <li>• <b>Affordability</b> - That there are increased expectations in the community around affordable services i.e. realistic funding now and in the future.</li> <li>• <b>Skills</b> - That there will be a shortage of technically skilled people to design, construct and manage wastewater assets.</li> </ul>	<ul style="list-style-type: none"> <li>• Council could intervene sooner and divert resourcing to plan for a skill shortage.</li> <li>• Sludge disposal options to be investigated for treatment plant sludge.</li> <li>• Identify and implement methods of making wastewater collection and treatment services more efficient and sustainable.</li> <li>• Continue to monitor resource consent conditions.</li> <li>• Asset information has been assessed as reliable.</li> <li>• Council could increase asset information resourcing.</li> <li>• Monitor the impact of climate change and be responsive to changes required to assets (including mitigation and adaptation).</li> <li>• Remain prudent when considering rises in fees and charges.</li> <li>• Consider the impact of this issue when planning.</li> <li>• Intervene sooner and divert resourcing to planning for a skill shortage.</li> </ul>
<p><b>WASTE MANAGEMENT &amp; MINIMISATION</b></p>	<ul style="list-style-type: none"> <li>• <b>Oamaru landfill</b> - Continuation of use at the Oamaru landfill is not viable due to the lack of modern environmental controls and diminishing landfill space. Options for a replacement district landfill are not viable due to the high cost of modern landfill controls and operation, the likely difficulties in gaining consents, and the relatively low volumes of waste generated within the district through which costs could be recovered.</li> </ul>	<ul style="list-style-type: none"> <li>• Development of a Memorandum of Understanding with Waste Management Ltd (private company) and the Waitaki Resource Recovery Trust to ensure the best reuse and reduction.</li> </ul>
<p><b>RECREATION SERVICES</b></p>	<ul style="list-style-type: none"> <li>• <b>Climate change</b> - A rise in sea level may have impacts on the coastal reserves with erosion of beach / dune areas, inundation of low-lying areas and erosion/overflow of sea walls. With drier and warmer summers, there will be an increase in the demand and need for the installation of irrigation systems and subsequent water supply, primarily on sports fields and high profile park areas. More frequent heavy rain events will create additional drainage problems particularly on sporting fields where there is limited drainage infrastructure (due to not being required traditionally), and in parks with heavy silty loam soils eg. Kakanui and surrounds.</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor the impact of climate change and be responsive to changes required to Council's assets (including mitigation and adaptation).</li> <li>• Maintain awareness of the demands of an ageing population on parks and recreation assets and services and cater for their needs.</li> <li>• Facilitate opportunities for active lifestyles through partnering with other organisations eg. Sport Waitaki, Sport Otago.</li> <li>• Remain in tune with community aspirations around the environment.</li> <li>• Plan for growing tourism numbers, and tap into external funding sources for infrastructure.</li> </ul>

ACTIVITY	SIGNIFICANT NEGATIVE EFFECTS	OUR RESPONSE
<b>RECREATION SERVICES</b>	<ul style="list-style-type: none"> <li>• <b>Sustainability agenda</b> – Increasing public awareness of environmental issues, the importance of the restoration of native vegetation and habitat on coastal and freshwater areas, and some community concern around the use of herbicides.</li> <li>• <b>Tourism</b> – the Alps to ocean cycle trail (A2O) may lead to demand in additional linkages and trails. The demand for freedom camping will continue to put more pressure on local infrastructure.</li> <li>• <b>Affordability</b> – a high proportion of the district’s population is on fixed or low incomes, therefore access to recreational services and facilities may be compromised if costs rise eg. charges for camp grounds, Waitaki Aquatic Centre.</li> <li>• <b>Technology</b> – the influence of technology may affect recreational participation.</li> <li>• <b>Staff capacity and capability</b> – increased expectations to be involved in new initiatives including tourism.</li> <li>• <b>Asset information</b> – there is a need to improve asset data management.</li> <li>• <b>Meeting regional council obligations</b> – regional council rules are likely to become stricter, particularly around wastewater management.</li> <li>• <b>Sustainability of community organisations</b> – volunteer numbers are declining.</li> <li>• <b>Financial contributions</b> – after 2022 the Resource Management Act 1991 will no longer be a mechanism to collect financial contributions from subdivision and land use.</li> <li>• <b>Health and safety</b> – meeting our legislative obligations.</li> </ul>	<ul style="list-style-type: none"> <li>• Remain prudent when considering rises in fees and charges.</li> <li>• Remain in tune with changing technology.</li> <li>• Maintain sustainable workloads for current staff, and be responsive to increased work demands.</li> <li>• Continue to advance knowledge and awareness of Council’s recreational and associated infrastructure.</li> <li>• Be responsive to changing legislative requirements.</li> <li>• Plan for less volunteer numbers in the delivery of our services.</li> <li>• Ensure Development Contributions Policy factors in financial contributions for reserves (post second generation Waitaki District Plan coming into effect and ahead of April 2022 deadline).</li> <li>• Be responsive to changing regulatory and health and safety requirements.</li> </ul>



## ROADING AND FOOTPATHS

### WHAT WE DO

Council maintains and develops a safe, effective, efficient, accessible, affordable and fit for purpose roading network (including footpaths). The movement of heavy goods and tourism are key to the district's economic activity.

The Waitaki District covers 7,152 km<sup>2</sup> and is sparsely populated with approximately 21,000 residents. The district's roading network is rural, low volume, and comprised of more unsealed roads than sealed roads. Our roads provide access to properties and people. A further breakdown of the roading profile includes:

- 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 within the Waitaki District are owned and operated by Council, with the NZ Transport Agency (NZTA) operating the remaining 15% on state highways. Walking and cycling is a relatively small mode of transport but is becoming increasingly important as our population ages.

The majority of investment in roading is for the annual maintenance, operation and renewal of our transport infrastructure. Other investments include transport planning, demand management and developing new and improved infrastructure for local roads.

- Road maintenance and renewals;
- Road safety;
- Footpaths;
- Bridges;
- Road improvements;
- Township amenity, parking, litter bins, street cleaning;
- Street lighting;
- Corridor management;
- Permitting and regulatory.

### WHY WE DO IT

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. Without a reliable roading network, much of the economic activity within our district and country would not be possible.

### PROGRESS OVER LAST 3 YEARS

Key achievements over the last three years include:

- Improvements and road maintenance including seal widening, resurfacing, safety improvements, and road safety programmes;
- Progressed and completed the Rural Resilience Project which provides improved resilience to the road network in times of heavy storms;
- Collaboration with stakeholder groups to better understand their needs within the roading network;
- Collaboration with the Moeraki community – Haven Street upgrade;
- Council secured five sections of recycled timber and decks from the old SH82 timber bridge in Kurow for use in the bridge renewal programme (bridges renewed are on Otiake, Birchwood and Galbraith Roads);
- Creation of a new bus shelter for Eden Street bus stop featuring iconic Waitaki tourist attractions;
- Installation of bollards on Saleyards Road near Weston to create more safety for cyclists and pedestrians;
- Secured NZTA approval and undertook a major network LED street lighting upgrade to improve lighting performance with significant savings in electricity costs.

## MAINTAINING CURRENT SERVICE LEVELS

We propose to maintain our current levels of service. This includes:

Financially assisted works:

- Resilience improvements (river training, small bridge replacements, improving the unsealed roading network, sourcing aggregate);
- Efficiency improvements (minimising damage from flooding events and the costs of emergency reinstatement, ongoing in-house asset management capability, collaboration with other Councils, aggregate types more suited to works being undertaken and commissioning of Council quarries, traffic count programme, vegetation maintenance, dust mitigation, optimising the renewals programme – targeted works and timing, bridge maintenance, road marking);
- Access improvements (bridge renewal programme, improvements to key roads, including coastal improvements in walking and cycling modes);
- Safety improvements (community road safety activities, seal widening, risk assessments);
- Amenity improvements (local projects);
- Footpath maintenance;
- Travel time reliability improvement (customer communication on travel times and delays).

Non-financially assisted works:

- Council carpark maintenance;
- Retaining structures maintenance;
- Pest plant weed control on local roads;
- General rural works;
- Township amenity works;
- Meeting legal requirements for new and existing roads;
- Targeted maintenance;
- Coastal erosion (implementing Council's Coastal Erosion Strategy);
- Recoverables (private works completed in conjunction with Council works).

## IMPROVEMENTS AND PROPOSED CHANGES

To meet the feedback received from community consultation and levels of service identified through Council's Roding Asset Management Plan, we propose additional spending over the life of this Plan to improve response levels, undertake improvements to safety, resilience, efficiency, accessibility, amenity and travel time.

Other key areas to progress over the lifetime of the Plan include:

- Kakanui Point bridge replacement;
- Maintenance, operations, and renewals – taking into account a cost increase of Council's new roading contract which reflects the current market value including widening of high risk sealed roads, smoothing rural and urban roads, pavement rehabilitation, and seal replacement;
- Road safety programmes – expand the programmes and reverse the increasing trend of fatalities on all roads;
- Walking and cycling projects – to enable cyclists to safely commute from the Penguin Colony in Oamaru to the north end of Oamaru;
- Transport planning - detailed and indicative business case for Kakanui Point Bridge;
- Renewals - small increase as a result of the new roading maintenance contract;
- Reduction in street lighting costs due to efficiencies of LED lighting allowing for renewals of infrastructure eg. poles and brackets.

## PERFORMANCE MEASURES

ACTIVITY	PERFORMANCE MEASURE 2018-28	TARGETs Yr1-Yr3 + Yr4 -Yr10 Change
<b>ROADS &amp; FOOTPATHS</b>		
<b>Road safety</b>	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number (excludes State Highways).	Reduce the number of serious injuries and fatalities when compared to the previous year.
<b>Road condition</b>	Residents satisfied or very satisfied with the condition of Waitaki's non state highway sealed roads when compared to other districts.	Year 1-3: 60% 4-10: 70%
	Residents satisfied or very satisfied with the condition of Waitaki's non state highway unsealed roads when compared to other districts.	Year 1-3: 50% 4-10: 60%
	The average quality of ride on a sealed local road network, measured by smooth travel exposure (excluding state highways). - Combined - Rural - Urban	Greater than 90% of roads are maintained at 96 or less (ONRC benchmark).
<b>Road maintenance</b>	The percentage of the sealed local road network that is resurfaced: - Combined - Rural - Urban	Greater than 5% of sealed roads are resurfaced each year.
<b>Footpath maintenance</b>	The percentage of footpaths within the district that fall within the specified level of service (fit for purpose) set within the Roding Asset Management Plan.	96%
<b>Response to service requests</b>	The percentage of requests for service relating to roads and footpaths responded to within agreed timeframes.	Greater than 90% of public enquiries responded to within agreed timeframes.

# WATER, STORMWATER, WASTEWATER & WASTE MANAGEMENT & MINIMISATION



## WATER SUPPLY

### WHAT WE DO

Council supplies water to over 95% of the district's population through the operation of seventeen (17) individual water supplies consisting of Oamaru and Waihemo (with on demand and restricted zones), four urban areas, and eleven (11) rural water supplies. The urban supplies in most areas provide an "on demand" service to consumers and have provision for some fire-fighting from water supply mains. The rural supplies are intended to supply water for stock and domestic use on a continuous but restricted supply basis. The management and operation of the urban and rural water supplies are via a mixture of Council organisation or operational liaison groups. This activity is funded by targeted rates from properties that have access to water supply systems.

Council supports 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

Council has a legal obligation under the Health Act 1956 to improve, promote, and protect public health across the district. The Health (Drinking Water) Amendment Act 2007 places further obligation on Council to comply with the Drinking Water Standards for New Zealand. Under the LGA02, the continued operation of water supplies is required unless approval has been obtained by Council to cease some or all of the activity. The Havelock North water incident and subsequent Government inquiry has renewed the focus on the very high standard of care and diligence required to supply drinking water. The outcomes of the Havelock North Water inquiry are expected to result in further legislative changes relating to potable water.

Water is the single most significant underlying resource supporting business growth and environmental health. The Council considers that the provision of

reliable and safe drinking water to the community is a major contribution to the district's economy and to resident's wellbeing. 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, thus contributing to the rural economy.

### PROGRESS OVER LAST 3 YEARS

The main focus for Council over this period has been to improve water treatment throughout the district to comply with the Health (Drinking Water) Amendment Act 2007. This has required significant capital works to upgrade the treatment process on a number of supplies.

Council has also extended the Oamaru water supply to include Weston, Enfield and Kakanui, and amalgamated Palmerston, Dunback and Goodwood, forming the Waihemo Water Supply. This has effectively reduced the number of public water supplies and achieved economies of scale.

Other key achievements over the last three years include:

- Reviewing the activities of the water services and waste team to provide greater focus on core service delivery;
- Developing the 'H2OurHealth' pipeline project (the 30km pipeline to supply the Herbert-Waianakarua and Hampden-Moeraki water supplies from Oamaru) and overseeing project implementation - including stakeholder consultation, pipeline design, and construction;
- installing two new pipelines to connect Kakanui to the Oamaru water and sewer networks;
- Construction of the water treatment upgrade for Duntroon;
- Completing an award-winning renewal of the Oamaru Water Treatment Plant (membrane filtration system);
- Construction of new water supply bores and treatment upgrade in Otematata;
- Continuing to work towards compliance with the Health Act and New Zealand Drinking Water Standards for various water supplies.

## MAINTAINING CURRENT SERVICE LEVELS

We propose to maintain our current levels of service including:

- Maintaining community access to clean water;
- Undertaking renewal works (upgrades, refurbishment, or replacement of existing facilities and pipes to maintain capacity or performance) funded by the annual depreciation provision where funds are available;
- Continuing to investigate options to ensure the on-going affordability of the water; supply through innovation in governing, operating and maintaining the water supplies;
- Planning for the future development, maintenance and renewal of the water network to meet the needs of current and future consumers.

## IMPROVEMENTS AND PROPOSED CHANGES

Operation and maintenance costs of the upgraded water treatment plants are expected to be significantly higher than present due to the more sophisticated treatment plants and increased monitoring of water supplies necessary to comply with the Health (Drinking Water) Amendment Act 2007. Achieving compliance with the Act will continue into the lifetime of this Plan.

Over the lifetime of this Plan, Council plans to:

- Upgrade water treatment plants at Awamoko, Kauru Hill, Bushy Creek, Stoneburn, Tokarahi and Windsor and undertake improvements at Lower Waitaki to supply water which meets the requirements of the Health (Drinking Water) Amendment Act 2007;
- Water renewals – Oamaru;
- Improve the quality of asset information of the water network to ensure effective and efficient maintenance and development of the water network to meet future demand;
- Develop an improved renewal plan to better consolidate the asset set;
- Investigate and implement improved efficiencies;
- Develop and document risk management procedures;
- Respond to changing regulatory requirements.

## PERFORMANCE MEASURES

ACTIVITY	PERFORMANCE MEASURE 2018-28	TARGETs Yr1-Yr3+ Yr4 -Yr10 Change
<b>WATER SUPPLY</b>		
<b>Safety of drinking water</b>	The extent to which Council’s 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).	<p>Compliant:</p> <p>Oamaru (including Hampden-Moeraki and Herbert-Waianakarua), Waihemo, Kurow, Omarama, Otematata, Lake Ohau, Lower Waitaki, Tokarahi, Kauru Hill and Windsor.</p> <p>No compliance required (classified Rural agricultural water supplies): Stoneburn, Bushey Creek.</p> <p>No compliance required (Council has elected to comply with Section 10): Duntroon.</p>
<b>Maintenance of the reticulation network</b>	The percentage of real water loss from our networked reticulation system. This is calculated in accordance with Water New Zealand’s Water Loss Guidelines-Minimum Night Flow Analysis.	Maintain or reduce.
<b>Fault response times</b>	Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulated system, the following median response times are measured: Attendance for urgent call outs: from the time that Council receives notification to the time that service personnel reach the site.	One hour median attendance time for urgent call outs.
	Resolution of urgent call outs: from the time that Council receives notification, to the time that service personnel confirm resolution of the fault or interruption.	24 hours median time for resolution of urgent call outs.
	Attendance of non-urgent call outs: from the time that Council receives notification, to the time that service personnel reach the site.	2 working day* median attendance time for non-urgent call outs.
	Resolution of non-urgent call outs: from the time that Council receives notification, to the time that service personnel confirm resolution of the fault or interruption.	5 working day* median attendance time for non-urgent call outs.

ACTIVITY	PERFORMANCE MEASURE 2018-28	TARGETs Yr1-Yr3+ Yr4 -Yr10 Change
<b>WATER SUPPLY</b>		
<b>Customer satisfaction</b>	Total number of complaints received by Council about: (a) drinking water clarity; (b) drinking water taste; (c) drinking water odour; (d) drinking water pressure or flow; (e) continuity of supply; (f) Council's response to any of these issues.	Less than 25 complaints per 1,000 connections to Council's networked reticulation system.
<b>Demand management</b>	The average consumption of drinking water per day per resident within the Waitaki District.	Less than 500 litres per day average consumption of drinking water per resident within the Waitaki District.

\* A working day is any calendar day, between the hours of 8am and 5pm, other than Saturday, Sunday or a public holiday. For routine fault notifications received outside of working hours, the target response and resolution timeframes apply from 8am of the next working day.



## STORMWATER

### WHAT WE DO

Council operates stormwater systems in Kurow, Oamaru, Omarama, Otematata, Lake Ohau, Moeraki, Palmerston and Weston. The stormwater systems are designed to provide a safe and effective collection, divert and control moderate intensity rainfall, and protect property from damage. It is estimated that 65% of the district's population have access to a public reticulated stormwater system with the remainder being served by individual soak pits and associated disposal systems.

Council supports 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.

### WHY WE DO IT

Council's stormwater assets contribute to conserving public health and therefore enhancing the quality of life of residents in urban areas of the district. Council is legally obliged under the Health Act to improve, promote, and protect public health within the District. This includes identifying the need for stormwater services and either providing these directly, or to oversee the service if it is provided by others. Like water supply, the LGA02 requires ongoing stormwater services unless Council has gained approval to withdraw from such services. 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 building regulations.

### PROGRESS OVER LAST 3 YEARS

Council primarily maintained the existing eight stormwater systems and resolved localised issues, while ensuring the continued collection, treatment, and disposal of stormwater.

### MAINTAINING CURRENT SERVICE LEVELS

Demands for greater controls on improving the quality of urban stormwater runoff are being driven by regulation through agencies such as the Ministry for the Environment and Regional Councils. Development of a Stormwater Management Plan in compliance with the Canterbury Land and Water Plan will require water quality monitoring and improving water quality runoff.

Council plans to maintain current levels of service, unless legislation, consent conditions, or community expectations change. This includes continuing to collect, treat, and dispose of stormwater and plan for future development and needs.

It is expected that current legislation affecting stormwater will remain in force, and that Council's legal responsibilities will largely remain unchanged. There will be a focus on maintaining the existing stormwater network. If the stormwater systems are maintained and renewed regularly at appropriate times, the service can be expected to last indefinitely without significant costs.

### IMPROVEMENTS AND PROPOSED CHANGES

Council proposes to:

- Reinstate capacity within the Oamaru stormwater network;
- Develop and implement a Stormwater Management Plan for reticulated systems within the Canterbury region;
- Continue to gather information on the state of the network, as there is some uncertainty regarding the expected life of the pipes;
- Develop an improved renewal plan to better consolidate the asset set;
- Take all practicable steps to comply with the New Zealand legislation and standards;
- Plan for climate change and investigate system adaption;
- Consult with the community on issues such as health and legislative compliance issues.

## PERFORMANCE MEASURES

ACTIVITY	PERFORMANCE MEASURE 2018-28	TARGETs Yr1-Yr3+ Yr4 -Yr10 Change
<b>STORMWATER MANAGEMENT</b>		
<b>System and adequacy</b>	The number of flooding events that occur in Council's stormwater reticulation system.	Nil
	For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to Council's stormwater system).	Nil
<b>Management of environmental impacts</b>	Compliance with Council's resource consent for discharge from its stormwater system measured by the number of: (a) abatement notices; and (b) infringement notices; and (c) enforcement orders; and (d) successful prosecutions received by Council in relation to those resource consents.	Nil
<b>Response to stormwater system issues</b>	The median response time to attend a flooding event, measured from the time that Council receive notification to the time that service personnel reach the site.	2 hours
<b>Customer satisfaction</b>	The total number of complaints received by Council about the performance of the stormwater system, expressed per 1,000 properties connected to our stormwater system.	Less than eight (8) complaints per 1,000 connections.



# WASTEWATER

## WHAT WE DO

Council provides eight (8) wastewater systems at Duntroon (limited service area), Kurow, Lake Ohau, Moeraki, Oamaru (including Kakanui and Weston), Omarama, Otematata and Palmerston. The aim of reticulated wastewater systems 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 carry a much higher health risk).

The wastewater systems collect, treat and dispose of liquid waste to acceptable environmental standards. The wastewater network is operated under resource consent framework (meeting regional council requirements). This requires Council to ensure that adverse environmental effects associated with the discharges are mitigated. The quality of treated effluent is continually monitored and must be compliant with resource consent conditions.

## WHY WE DO IT

Council has a legal obligation under the Health Act to 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. The Council sees the provision of reliable wastewater collection and treatment services to the community as a major contribution to the District's economy and to resident's wellbeing. The LGA02 requires ongoing wastewater services unless Council has obtained approval to withdraw these services. The wastewater assets are fundamental to Council's statutory responsibilities and strategies for conserving public health in pursuit of its mission to enhance the quality of life of residents in the district.

## PROGRESS OVER LAST 3 YEARS

Council has continued to collect, treat and dispose of wastewater to comply with New Zealand legislation, standards and resource consents, to respond to call outs and service disruptions quickly and efficiently, plan for future development and need, and 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.

## MAINTAINING CURRENT SERVICE LEVELS

Council plans to maintain current levels of service, unless legislation, consent conditions, or community expectations change. This includes continuing to collect, treat, and dispose of wastewater, and plan for future development and needs. It is expected that the current legislation affecting wastewater will remain in force, and that Council's legal responsibilities will largely remain unchanged. There will be a focus on maintaining the existing wastewater network. If the wastewater systems are maintained and renewed regularly at appropriate times, the service can be expected to last indefinitely without significant costs.

## IMPROVEMENTS AND PROPOSED CHANGES

Improvements to the wastewater activity group over the lifetime of this plan are likely to include:

- Identifying and implementing methods to make wastewater collection and treatment services more efficient and sustainable;
- Investigating overflow mitigation and overall network capacity (particularly during storm events) and implementing appropriate measures;
- Upgrading treatment facilities to comply with resource consent conditions;
- Continuing maintenance works, and works to improve the capacity and operation of the wastewater systems (Omarama treatment plant capacity upgrade (years 3-4 of the 2018-28 Long Term Plan); Oamaru treatment plant capacity upgrade (years 4-5 of the 2018-28 Long Term Plan));
- Reviewing implications of Council taking ownership of sewer laterals to improve control over works in the road corridor (currently owned by private individual properties);
- Improving the management and performance of current contracts;
- Developing an improved renewal plan to better consolidate the asset set;
- Planning for climate change and investigating system adaption;
- Consulting with the community on issues such as health and legislative compliance issues.

## PERFORMANCE MEASURES

ACTIVITY	PERFORMANCE MEASURE 2018-28	TARGETs Yr1-Yr3 + Yr4 -Yr10 Change
<b>WASTEWATER MANAGEMENT</b>		
<b>System and adequacy</b>	The number of dry weather overflows from the sewerage system, expressed per 1,000 sewerage connections to the system.	Less than 4 sewerage overflows per 1,000 connections (<20 total).
<b>Management of environmental impacts</b>	Compliance with resource consents for discharge from the sewerage system measured by the number of: a) abatement notices; b) infringement notices; c) enforcement orders; and d) convictions received by Council in relation to those resource consents.	Nil for all
<b>Response to sewerage systems faults</b>	Where Council attends sewerage overflows resulting from a blockage or other fault in the sewerage system, the following median response times measured: a) attendance time: from the time that Council receives notification to the time that service personnel reach the site; b) resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.	a) 1 hour attendance time for sewerage overflows; b) 24 hours resolution time for sewerage overflows.
<b>Customer satisfaction</b>	The total number of complaints received by Council about any of the following: a) sewage odour; b) sewerage system faults; c) sewerage system blockages; and d) Council's response to issues with the sewerage system expressed per 1,000 properties connected to the system.	Less than 12 complaints per 1,000 connections.



## WASTE MANAGEMENT & MINIMISATION

### WHAT WE DO

In 2012, Council ceased Council-controlled kerbside waste collection and commenced planning for the development of a private refuse transfer station to coincide with the closure of the Oamaru landfill. The outcome of the 2012 decision was to encourage the private market to provide waste services in Waitaki. The private sector were seen to be more able to provide services that met the needs of these residents.

Council now works collaboratively with both the private sector and community organisations to ensure households and businesses have convenient access to affordable, effective and efficient solid waste disposal and waste minimisation services and facilities, and can choose what best suits their needs and budgets.

While Council no longer provides kerbside collection services and encourages the private market to provide services and facilities wherever possible, we continue to provide the following:

- A refuse transfer station in Oamaru (owned and operated by Waste Management Ltd);
- A network of four rural recovery parks (transfer stations) located at Otematata, Omarama, Kurow and Hampden;
- Funding to the Waitaki Resource Recovery Trust for the transfer of residual waste dropped off at the Recovery Park to the Oamaru Refuse Transfer Station;
- A landfill in Palmerston;
- Financial assistance to the Waitaki Resource Recovery Trust to operate the Resource Recovery Park in order to provide recovery, recycling and education services;
- Financial assistance to other community organisations, such as Waihemo Wastebusters, to provide recycling and waste minimisation services;
- Recycling drop-off facilities in Papakaio, Enfield, Duntroon and Herbert;
- Recycling drop-off services at the District's four rural transfer stations;
- Educational material about reducing, reusing and recycling waste;
- Management of fourteen closed landfills throughout the district (including the closed Oamaru landfill).

### WHY WE DO IT

Council has a statutory responsibility to promote effective and efficient waste management and minimisation within the Waitaki District. The provision of good quality waste management services is essential in supporting the health and economic wellbeing of our community.

Convenient access to waste minimisation services reduces the volume of residual waste going to landfill and provides opportunities for our community and businesses to save money through reducing their waste. Waste management and minimisation services need to be sufficiently robust and yet flexible enough to meet the reasonable needs of all sectors of our community. Inadequate services can place substantial cost burdens on businesses, residents and visitors alike, reducing affordability and discouraging development.

Council must have regard to the following statutes in managing and overseeing waste:

- New Zealand Waste Strategy
- Local Government Act 2002
- Resource Management Act 1991
- Litter Act 1979
- Health Act 1956
- Hazardous Substances and New Organisms Act 1996
- Health and Safety at Work Act 2015.

### PROGRESS OVER THE LAST 3 YEARS

In the past 3 years Council has:

- Undertaken the successful closure of Oamaru landfill;
- Formalised a Memorandum of Understanding with the Waitaki Resource Recovery; Trust and Waste Management Ltd to ensure appropriate services and facilities were in place for the community once the landfill closed;
- Facilitated the development of a new refuse transfer station by Waste Management Ltd to manage the district's residual waste;
- Provided assistance and financial support for the upgrade of the Waitaki Resource; Recovery Park to further enhance the excellent service they offer the community.

## MAINTAINING CURRENT SERVICE LEVELS

Council proposes to maintain the current service levels including:

- Working collaboratively with community providers, the private sector, and other local authorities, wherever possible and appropriate, to deliver cost-effective solid waste services and facilities;
- Financially assisting the Waitaki Resource Recovery Trust and other community organisations to provide opportunities for waste minimisation;
- Providing funding to the Waitaki Resource Recovery Trust for the transfer of residual waste dropped off at the Recovery Park to the Oamaru Refuse Transfer Station;
- Upholding the provisions of the Memorandum of Understanding with the Waitaki Resource Recovery Trust and Waste Management NZ Ltd;
- Ensuring the ongoing provision of the Oamaru Refuse Transfer Station for disposal and transfer of waste to an out-of-district landfill;
- Providing resource recovery parks (transfer stations) in Otematata, Omarama, Kurow and Hampden;
- Continuing to operate Palmerston Landfill until it has reached capacity or when its consent expires in 2027;
- Planning for the provision of suitable services and facilities for the Waihemo area once the Palmerston landfill closes;
- Continuing to manage 14 closed landfills in the District (including Oamaru).

## IMPROVEMENTS AND PROPOSED CHANGES

Council proposes the following changes to waste minimisation service delivery over the period of this Plan:

- Increasing user charges for residual waste and green waste at rural recovery parks (transfer stations) in Hampden, Kurow, Otematata and Omarama to increase the level of cost-recovery and ensure their long-term sustainability;
- Developing a closure plan for Palmerston landfill, including plans for an alternative service or facility to cater for the community's waste management needs;
- Working more closely with the Waitaki Resource Recovery Trust and other providers to implement more comprehensive waste minimisation education and initiatives;
- Completing a survey of households and residents to determine average costs for waste disposal across the district, and whether current provision of waste management and recycling services is meeting their needs;
- Reviewing and amending the Solid Waste Bylaw 2010 in order align the bylaw with Council's 2018-24 Waste Management and Minimisation Plan.

## PERFORMANCE MEASURES

ACTIVITY	PERFORMANCE MEASURE 2018-28	TARGETs Yr1-Yr3 + Yr4 -Yr10 Change
WASTE MANAGEMENT & MINIMISATION	Waitaki residents reside within 25km of a refuse transfer station, rural recovery park or landfill or recycling drop-off station.	Greater than 90% of residents are within 25km of a transfer station, landfill or recycling drop-off station.
	Volume of waste generated per person in Waitaki and received at the Oamaru Refuse Transfer Station and Palmerston landfill over the lifetime of this Plan.	Reduction in per capita volume of waste.
	Ratio of recycled material to residual waste generated in the Waitaki District.	(New measure – no baseline established)



## RECREATION SERVICES

### WHAT WE DO

Council manages approximately 1,200 hectares of parks and reserves across the Waitaki District (equating to around 26 hectares per 1,000 residents of publicly accessible park and reserves). This includes sports fields, public open spaces, neighbourhood parks, gardens and reserves, and a network of walking and cycling tracks. The following recreation services and opportunities are provided across the district:



**Playgrounds** - Council provides twenty-two (22) playgrounds and four skate parks, with four additional school playgrounds in Oamaru being available to the public outside school hours in return for grounds maintenance.



**Cemeteries and burial service** - Council operates thirteen (13) cemeteries (eleven (11) currently open), with a total land area of 38.44 hectares (26.27 hectares actively in use with the remaining area grazed for future expansion). The majority of interment activity occurs at the Oamaru Cemetery. The provision of cemeteries is managed as part of the recreation activity and meets Council's obligations under the Burial and Cremation Act 1964 to make provision for burials within the district.



**Camping opportunities** - Council provides six (6) "kiwi-experience" style campgrounds. Five (5) campgrounds are leased to commercial entities.



**Public toilets** - are located at parks, sports fields, campgrounds, and at roadside stopping points throughout the district with the aim of providing convenient, safe, and healthy toilet facilities and to protect from impacts on the environment. Two dump stations are provided in Oamaru and Omarama.



**Waitaki Aquatic Centre and pools** - Located in Oamaru providing a safe environment for aquatic based recreation and sport activities, and opportunities for learn to swim and water safety programmes. Council grants are also provided to assist with community access to school pools at Kurow and Palmerston.



**Maintaining monuments and heritage items** - Council manages heritage features and items located in recreation areas on behalf of the community.



**Town and street beautification / streetscapes** - Council provides street beautification in townships to enhance the amenity values of urban areas. This includes trees and shrubs, landscaped areas and hanging flower baskets.



**Forestry** - Council manages commercial farming forestry (reserve or endowment land) from which income is generated.

### WHY WE DO IT

Parks and reserves are provided by local government to deliver a range of benefits. Due to limited commercial opportunity and benefit, the private sector will not provide a comprehensive range of parks and recreation activities. Therefore, provision by local government, as a public good, is required. The community expects parks, recreation facilities, public toilets, and interment facilities to be managed in such a way that costs are minimised, while providing the levels of service that the community desires. This is a balancing act.

Council provides and manages affordable, safe and attractive sports and recreational facilities, amenities, and services responsive to a variety of community needs. These assets and services help contribute to the quality of life of the district's visitors and residents.

Parks and reserves are highly valued by the community and many of those in the Waitaki District have significant history associated with them. Many of the parks and reserves are protected and managed through legislation, and their underlying ownership history as crown derived or vested land. Through protecting, enlarging, and enhancing this network we will, over time, create significant ecological, amenity, recreation, and economic value.

## PROGRESS OVER LAST 3 YEARS

Key achievements over the last three years include:

- Craig Fountain, Oamaru Public Gardens - reinstatement as a working fountain;
- Streetscaping and beautification in townships;
- Waitaki Aquatic Centre – skylight renewals;
- Parks and reserves maintenance contract – significant ratepayer savings with a change of contractor;
- Waitaki Aquatic Centre hosted South Island Secondary School's Canoe Polo Tournament;
- Oamaru Swim Club (based at Waitaki Aquatic Centre) best performing swim club in the South Island based on numbers;
- Additional drainage installed at Weston Domain and Mill Domain to improve ground conditions;
- Completed extension to the Oamaru cemetery;
- Improved gardens and seating on the main street of Palmerston;
- Continued harbour improvements including children's "learn to ride" area;
- Supported Forest and Bird with various planting days on Cape Wanbrow, Oamaru;
- Harvesting of forests at Herbert, Cape Wanbrow, Palmerston Reservoir, Palmerston Cemetery and the Palmerston Landfill;
- Provision of grants for community access to school pools in Kurow and Palmerston;
- Refurbishment of old nursery in the Oamaru Public Gardens for use by the community to grow plants for Cape Wanbrow and other locations;
- Upgrades at Centennial Park including in-ground irrigation and a new first class wicket block;
- Liaison and support for local mountain bike group to create tracks at Cape Wanbrow and Oamaru Reservoir;
- Minor improvements, where practicable, to improve toilet accessibility;
- Construction of new toilet blocks at Friendly Bay and north-end Oamaru and Hampden;
- Overseeing Alps to Ocean cycle trail development.

## MAINTAINING CURRENT SERVICE LEVELS

We do not propose any changes to current recreation core business. However, a review of the parks and reserves network is planned.

## IMPROVEMENTS AND PROPOSED CHANGES

We propose to undertake the following activities over the lifetime of this Plan:

- Indoor recreation facility development – planning and delivery;
- Facility replacements and toilet upgrades;
- Completing Alps to Ocean cycle trail;
- Management of freedom camping and tourism facilities;
- Oamaru Harbour and Cape Wanbrow developments;
- Oamaru to Palmerston cycleway;
- Treatment of Council managed camps water supply (Havelock North implications).

## PERFORMANCE MEASURES

ACTIVITY	PERFORMANCE MEASURE 2018-28	TARGETs Yr1-Yr3 + Yr4 -Yr10 Change
RECREATION SERVICES	Increase in visitors to the Waitaki Aquatic Centre.	1% increase in number of visits per annum
	Customers satisfied or very satisfied with the Waitaki Aquatic Centre.	80% of customers satisfied or very satisfied with the Waitaki Aquatic Centre.
	Residents satisfied or very satisfied with Waitaki's parks and reserves.	80% of residents are satisfied or very satisfied with Waitaki's parks and reserves.
	Residents who have used the district's campgrounds and are satisfied or highly satisfied with the quality of the greenspace provided.	70% of users are satisfied or very satisfied.
	Residents satisfied or very satisfied with Waitaki's sports fields and facilities.	80% of residents are satisfied or very satisfied with Waitaki's sports fields and facilities.
	Residents who have visited a cemetery in Waitaki who are satisfied or very satisfied with the maintenance of the greenspace.	80% satisfaction with the district's cemeteries.
	Residents who have recently used public toilets in the district who are satisfied or very satisfied with the facility(s).	70% of residents are satisfied with public toilets.

## ARTS, CULTURE AND COMMUNITY

This activity group covers the Waitaki District Libraries, Forrester Gallery, North Otago Museum, Waitaki District Archive, Oamaru Opera House, and community development and engagement. The activity group contributes to the following Council community outcomes:

- Safe community;
- Affordability;
- Business opportunities;
- Diverse community;
- Access to services and facilities.



## ACTIVITY GROUP FUNDING IMPACT STATEMENT

Table 20 shows what it will cost and how the Arts, Culture and Community activity group is funded.

**Table 20:** Arts, Culture and Community activity group funding

<b>Arts, Culture &amp; Community</b>												
2016/17		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Actual		Annual Plan	LTP									
\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
	<b>Sources of Operating Funding</b>											
316	General Rates, Uniform Annual General Charge, Rates Penalties	360	380	388	397	404	412	420	429	439	449	460
3,170	Targeted Rates	3,324	3,442	3,547	3,726	3,893	4,096	4,145	4,219	4,320	4,389	4,453
<b>3,486</b>	<b>Rates Revenue</b>	<b>3,684</b>	<b>3,821</b>	<b>3,935</b>	<b>4,122</b>	<b>4,296</b>	<b>4,508</b>	<b>4,565</b>	<b>4,648</b>	<b>4,759</b>	<b>4,838</b>	<b>4,912</b>
98	Subsidies and Grants for Operating Purposes	117	110	112	114	110	107	109	111	113	115	117
669	Fees and Charges	367	394	402	409	417	424	433	443	453	463	475
-	Interest and Dividends from Investments	-	-	-	-	-	-	-	-	-	-	-
-	Internal Charges and Overheads Recovered	-	-	-	-	-	-	-	-	-	-	-
153	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	132	153	156	160	164	168	172	176	180	185	190
<b>920</b>	<b>Operating Revenue</b>	<b>616</b>	<b>658</b>	<b>670</b>	<b>683</b>	<b>691</b>	<b>699</b>	<b>714</b>	<b>730</b>	<b>746</b>	<b>763</b>	<b>782</b>
<b>4,406</b>	<b>Total Sources of Operating Funding</b>	<b>4,300</b>	<b>4,479</b>	<b>4,605</b>	<b>4,805</b>	<b>4,987</b>	<b>5,207</b>	<b>5,280</b>	<b>5,378</b>	<b>5,505</b>	<b>5,602</b>	<b>5,694</b>
	<b>Applications of Operating Funding</b>											
2,542	Payments to Staff and Suppliers	2,657	2,743	2,718	2,768	2,917	3,058	3,121	3,185	3,254	3,324	3,400
-	Finance Costs	-	-	-	-	-	-	-	-	-	-	-
1,357	Internal Charges and Overheads Applied	1,444	1,594	1,665	1,760	1,760	1,804	1,812	1,841	1,897	1,918	1,942
-	Other Operating Funding Applications	-	-	-	-	-	-	-	-	-	-	-
<b>3,899</b>	<b>Total Applications of Operating Funding</b>	<b>4,101</b>	<b>4,338</b>	<b>4,383</b>	<b>4,528</b>	<b>4,677</b>	<b>4,861</b>	<b>4,933</b>	<b>5,026</b>	<b>5,151</b>	<b>5,242</b>	<b>5,342</b>
<b>507</b>	<b>Surplus / (Deficit) of Operating Funding</b>	<b>199</b>	<b>141</b>	<b>222</b>	<b>277</b>	<b>310</b>	<b>346</b>	<b>346</b>	<b>352</b>	<b>354</b>	<b>360</b>	<b>352</b>
	<b>Sources of Capital funding</b>											
15	Subsidies and Grants for Capital Expenditure	2,000	-	-	2,000	2,100	-	-	-	-	-	-
-	Development and Financial Contributions	-	-	-	-	-	-	-	-	-	-	-
-	Increase / (Decrease) in Debt	-	-	-	-	-	-	-	-	-	-	-
3	Gross Proceeds from Sale of Assets	-	-	-	-	-	-	-	-	-	-	-
<b>18</b>	<b>Total Sources of Capital Funding</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>2,000</b>	<b>2,100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Applications of Capital funding</b>											
	Capital Expenditure											
-	Meet Additional Demand	-	-	-	-	-	-	-	-	-	-	-
266	Improve Levels of Service	2,255	5	5	2,255	3,755	5	6	6	6	6	6
120	Replace Existing Assets	135	192	147	150	153	156	159	163	166	170	174
139	Increase / (Decrease) in Reserve	(191)	(56)	70	(128)	(1,498)	184	181	183	182	184	172
-	Increase / (Decrease) in Investments	-	-	-	-	-	-	-	-	-	-	-
<b>525</b>	<b>Total Applications for Capital Funding</b>	<b>2,199</b>	<b>141</b>	<b>222</b>	<b>2,277</b>	<b>2,410</b>	<b>346</b>	<b>346</b>	<b>352</b>	<b>354</b>	<b>360</b>	<b>352</b>
<b>(507)</b>	<b>Surplus / (Deficit) of Capital Funding</b>	<b>(199)</b>	<b>(141)</b>	<b>(222)</b>	<b>(277)</b>	<b>(310)</b>	<b>(346)</b>	<b>(346)</b>	<b>(352)</b>	<b>(354)</b>	<b>(360)</b>	<b>(352)</b>
<b>-</b>	<b>Funding Balance</b>	<b>-</b>										

## KEY PLANNING ASSUMPTIONS

ACTIVITY	SIGNIFICANT NEGATIVE EFFECTS	OUR RESPONSE
ALL	<p><b>Cost of services</b> – a high proportion of ratepayer funding for the arts, culture and heritage activities.</p>	<ul style="list-style-type: none"> <li>Apply for grants and other community funding where possible to complement rate payer funding.</li> </ul>
Waitaki District Libraries	<p><b>On-line services in libraries</b> – may lead to reduced requirement for the traditional “books-on-shelves” display and storage of library stocks in library buildings as we have known them.</p>	<ul style="list-style-type: none"> <li>Being responsive to changing technology requirements.</li> <li>Understand community expectations for libraries in the District.</li> </ul>
Forrester Gallery, North Otago Museum and Waitaki District Archive	<p><b>Community engagement</b> – increasing demand for greater community engagement through online and events based activities.</p> <p><b>Online access</b> – greater demand for online access for collections.</p> <p><b>Operational costs</b> - increasing marketing costs, staff costs for front of house, shop and security management.</p> <p><b>Exhibitions</b> – increasing costs of delivering touring exhibitions (eg. rental, freight and insurance costs).</p> <p><b>Demand</b> – increasing demand for on-line services and support to use these services.</p>	<ul style="list-style-type: none"> <li>Being responsive to changing technology requirements.</li> <li>Fully understanding the full cost of operating these services.</li> <li>Utilise volunteers where possible to complement staff resourcing.</li> <li>Being responsive to changing technology requirements.</li> </ul>
Opera House	<p><b>Venue expectations</b> – conference and events facilities demand high spec services (eg. sound system).</p>	<ul style="list-style-type: none"> <li>Resourcing proposed to bring current sound system up to standard.</li> </ul>



## WAITAKI DISTRICT LIBRARIES

### WHAT WE DO

The district's libraries provide collections, resources and services to groups and individuals that promote life-long learning to the community.

Key District library activities include:

- The provision of a Central library (Oamaru);
- Providing four (4) branch libraries;
- Fostering reading and support information and digital literacy;
- Encouraging lifelong learning, research and innovation;
- Acting as a community hub.

### WHY WE DO IT

We provide libraries across the district to enable educational opportunities and resources for residents and visitors that contribute to their quality of life. We aim to provide an accessible and relevant archive including images, documents and information for the community which will benefit future generations.

### PROGRESS OVER LAST 3 YEARS

Key achievements over the last three years include:

- Continued to carry out research and audits of collections leading to the development of collection significance statements, ongoing collaborative research projects and improved knowledge and access to collections;
- Experienced increase in attendance at its various events, talks, presentations and demonstrations at the Oamaru Library.

### MAINTAINING CURRENT SERVICE LEVELS

We do not propose to change current service levels.

## IMPROVEMENTS AND PROPOSED CHANGES

Over the life of this Plan we propose the following:

- Better understanding the needs of our community for library services.

## PERFORMANCE MEASURES

ACTIVITY	PERFORMANCE MEASURE 2018-28	TARGETs Yr1-Yr3 + Yr4 -Yr10 Change
<b>WAITAKI DISTRICT LIBRARIES</b>	Residents who have visited the library who are satisfied or very satisfied with library services.	80% of residents are satisfied or very satisfied with library services.
	Average number of attendees per event held at the libraries.	Maintain or grow average number of people attending each event.
	Increase in the number of enquiries handled by librarians, which include, for example, readers' advisory, assistance with mobile devices, research enquiries.	Maintain.
	Number of library visitors: 1) Electronic visits to the library website; 2) Physical visits.	Maintain numbers.
	% of library members of resident population.	60%



## FORRESTER GALLERY, NORTH OTAGO MUSEUM AND WAITAKI DISTRICT ARCHIVE

### WHAT WE DO

The Forrester Gallery, North Otago Museum, and Waitaki District Archive preserves, promotes, and provides access to the social, natural, and visual culture of our district. We look after, grow, and develop our collections as important repositories of knowledge about the culture and heritage of our community which are preserved and made publicly accessible in perpetuity. We provide and enable activities, researching and telling the stories of our collections and the art, culture and natural heritage of our community.

### WHY WE DO IT

- We are a museum and as such we are a permanent, not for profit institution in the service of society and its development.
- We are a community service which contributes to the district's quality of life so that people want to stay and move here.
- We serve our community by acquiring, caring for, creating, and sharing new knowledge and ideas about our collections in order to tell the stories of our district as a community in the world.
- We are valuable because we enable cultural activities exploring our collections, the art, culture and natural heritage of our district which leads to the development of a connected, culturally inclusive, vibrant and safe community.

### PROGRESS OVER LAST 3 YEARS

- Development of Culture Waitaki as a collaborative website and umbrella for event and outreach delivery to the community;
- Development of an education programme 'the wonderlab' and increased engagement with schools and community;

- Development of exhibition, event, education outreach programming - physical and online - which engages with community, promotes an understanding of the Gallery/Museum/Archive as one museum and works collaboratively with other Council Services;
- Support of Cultural Facility Development Project through community and stakeholder engagement outputs, collection significance, auditing and conservation work, expert and community statements of support for collections and the project overall, drafting and successful submission and delivery of external funding to the value of \$1.9 million, development of draft architectural and design concept plans, ongoing administrative, staffing and operational adjustments to support the project.

### MAINTAINING CURRENT SERVICE LEVELS

We do not propose to change current service levels.

### IMPROVEMENTS AND PROPOSED CHANGES

- Continue to deliver a well-rounded programme of exhibition, event, education and outreach deliveries which engage with community, promoting an understanding of the Gallery/Museum/Archive as one museum;
- Continue to work collaboratively with other Council Services and Council initiatives such as the UNESCO Geopark and UNESCO World Heritage projects;
- Launch collections online through Vernon collections online;
- Continue to work innovatively and flexibly with staffing and volunteers to deliver our services efficiently and effectively;
- Reviewing the Cultural Facility Development Project in light of current opportunities delivered through central government's Provincial Growth Fund and through the UNESCO Geopark and UNESCO World Heritage Projects;
- Upgrade the current Museum display to balance the likely delay to the Cultural Facility Development Project.
- Better understanding the needs of our community for library services.

## PERFORMANCE MEASURES

ACTIVITY	PERFORMANCE MEASURE 2018-28	TARGETs Yr1-Yr3 + Yr4 -Yr10 Change
<b>FORRESTER GALLERY, NORTH OTAGO MUSEUM &amp; WAITAKI DISTRICT ARCHIVE</b>	Number of visitors to the Gallery.	Maintain visitor numbers to the Gallery.
	Schools in the Waitaki District who are satisfied or very satisfied with the Gallery and Museum's educational activities and/or engagement.	80% of the district's schools are satisfied or very satisfied with the Gallery's and Museum's educational activities and/or engagement.
	Archive users satisfied with the Archive services.	80% of Archive users are satisfied with the Archive services.



# OAMARU OPERA HOUSE

## WHAT WE DO

The Oamaru Opera House is one of the most significant heritage places in Oamaru, important to the town and nationally to New Zealand for its historic, social and aesthetic values. This is recognised by its registration under the Heritage New Zealand Pouhere Taonga Act 2014 (Category I) and its listing in the Waitaki District Plan.

Key activities include:

- Venue for performing arts and other cultural and community activities;
- Rentable space for private and community events, functions and conference activities.

## WHY WE DO IT

The Oamaru Opera House helps to enhance the commercial, community and cultural growth of the Waitaki District. Council provides and maintains through the Opera House facility, a high quality venue for performing arts, functions and conference activities to enhance the commercial, community and cultural growth of the district.

## PROGRESS OVER LAST 3 YEARS

Key achievements over the last three years include:

- Hosting the NZ Irrigation conference – one of the largest conferences to be held in Oamaru consisting of 350 delegates;
- Significant growth in the Opera House venue hire for meetings, events and conferences resulting in an increase of days when the venue was operating at capacity for room hire;
- Working collaboratively with local schools to present a two week schools programme leading up to the Victorian Heritage Celebrations;
- Increased audience attendance at theatre productions in the Opera House.

## MAINTAINING CURRENT SERVICE LEVELS

We do not propose to change current service levels.

## IMPROVEMENTS AND PROPOSED CHANGES

Over the life of this Plan we propose the following:

- Continued promotion of conferences, functions and business events;
- Restoration of the dome in the Opera House;
- Upgrading the Opera House sound system.

## PERFORMANCE MEASURES

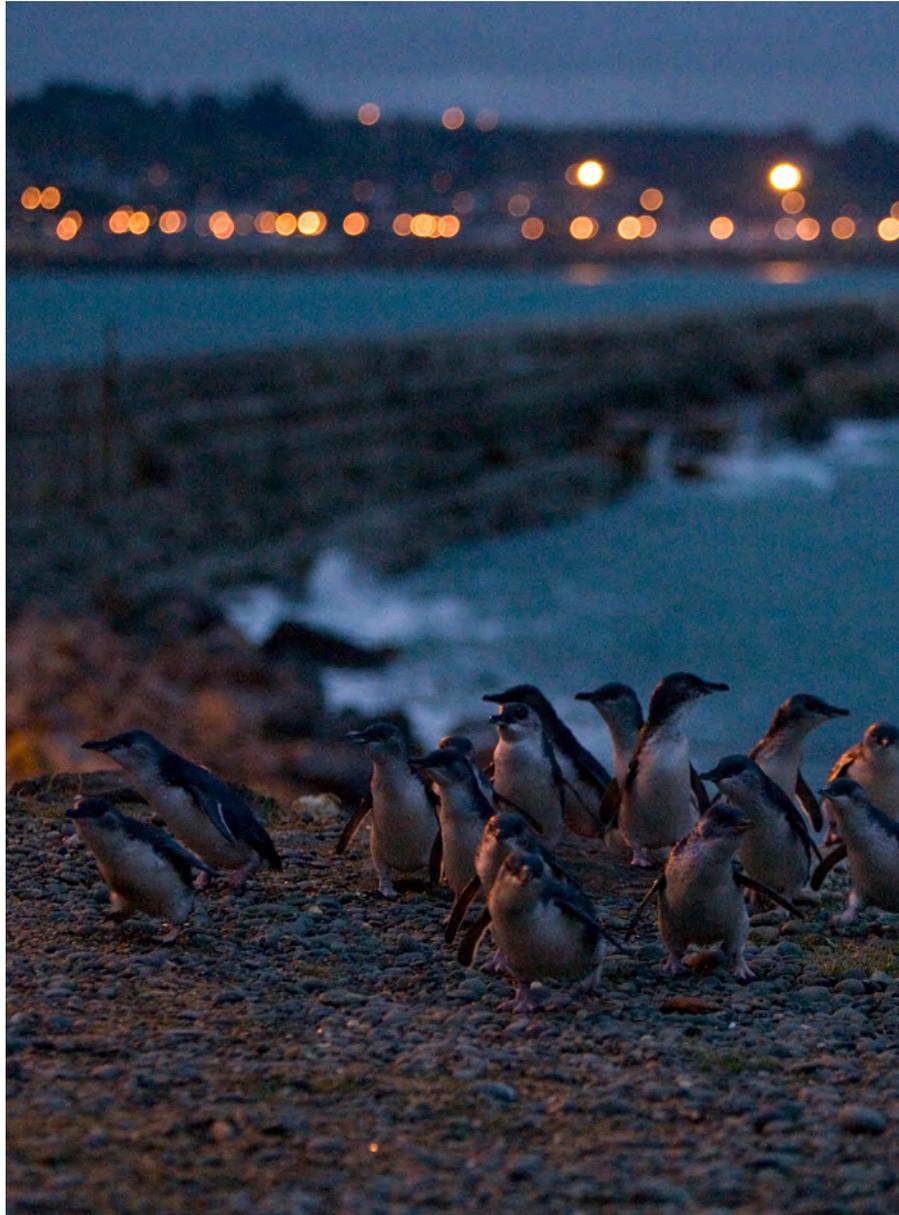
ACTIVITY	PERFORMANCE MEASURE 2018-28	TARGETs Yr1-Yr3 + Yr4 -Yr10 Change
<b>OAMARU OPERA HOUSE</b>	Residents who have visited the Opera House who are satisfied or very satisfied with the Opera House.	90% of residents are satisfied or very satisfied with the Opera House.
	Number of community meetings and events held at the Opera House.	Maintain numbers of community meetings and events held.
	Number of tickets sold for performances.	Average 5% increase in the number of tickets sold for performances over the previous 2 year period.
	Growth in use of the Opera House for commercial meetings, events, functions and conferences.	Average 5% increase in contracted hires over the previous 2 year period.

## COUNCIL CONTROLLED ORGANISATIONS

Council currently has four subsidiaries operating in the Waitaki District, namely Tourism Waitaki Ltd (100% owned), Waitaki District Health Services Ltd (100% owned), Whitestone Contracting Ltd (100% owned) and Omarama Airfield Limited (50% owned and treated as a joint venture).

Council-controlled organisations (CCOs) give Council the opportunity to engage people with the right skills and experience to focus on operating a business or other undertaking on its behalf. CCOs must meet the expectations of both its shareholders and its community. They operate in a political environment and are accountable to the community for their use of community assets or ratepayer funds. Council must carry out statutory functions well, to provide the foundations for an effective relationship. In particular, Council must:

- Be clear about the purpose of its CCOs;
- Appoint the right people to govern each CCO;
- Meet the requirements for monitoring and accountability.



## TOURISM WAITAKI LTD

The purpose of Tourism Waitaki Ltd is to advance tourism and promotion within the district. This includes fostering a diverse, sustainable, and growing tourism sector, and developing a consistent, district-wide promotional message.

Council's primary objective for continued ownership and control of the company is to advance and promote tourism within the district.

Tourism Waitaki Ltd contributes to the following Council community outcomes:

- Enables opportunities for new and existing business;
- Provide and enables services and facilities so people want to visit and reside in the district;
- Waitaki's distinctive environment is valued and protected.

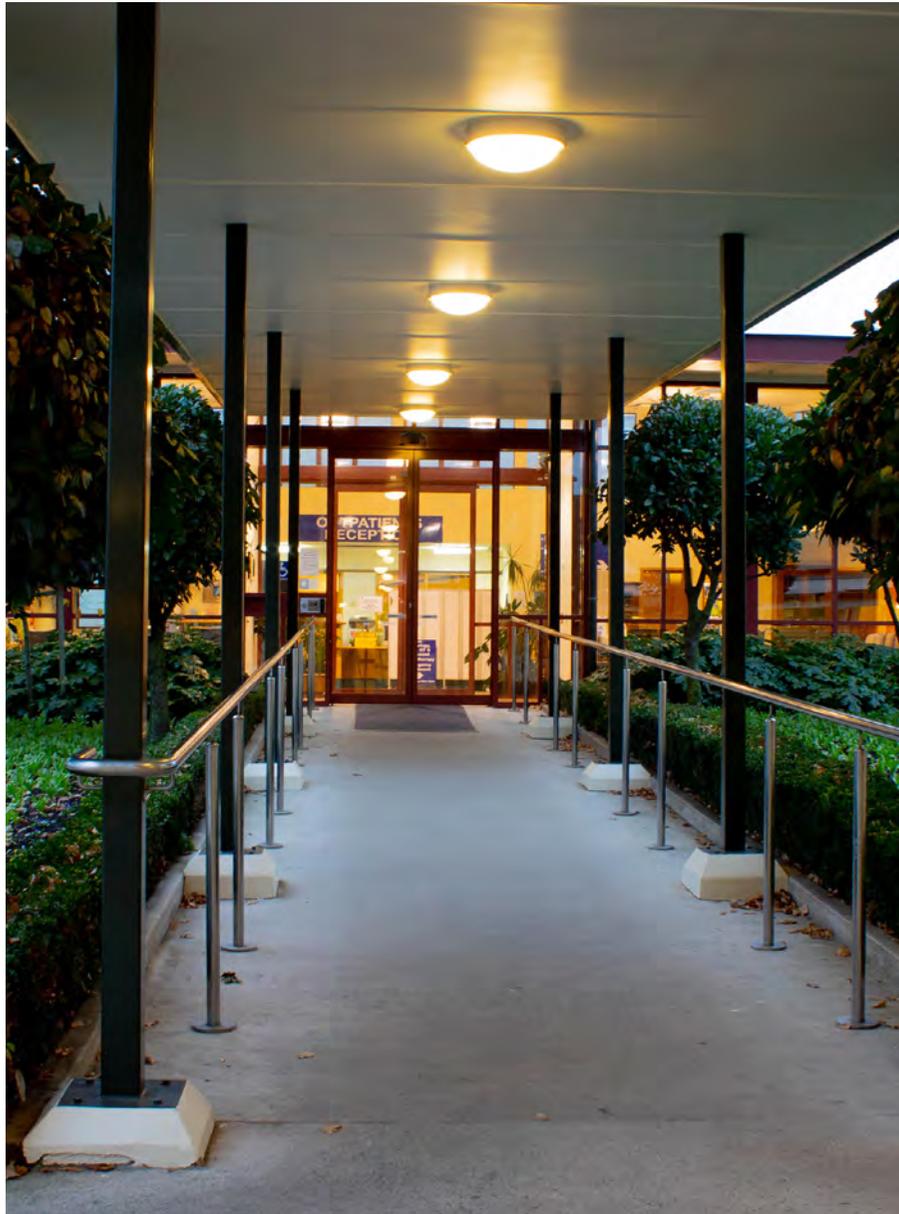
The company's performance targets are aligned with the Statement of Intent.

Within two months after the end of the financial year, the directors of the CCO's are required to deliver to shareholders an annual report and audited financial statements in respect of the financial year, containing as a minimum:

- 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 compliance with the company's Tendering Policy;
- Activity statistics with comparable figures for previous year;
- Any grants awarded by Tourism Waitaki to another party, including information measuring the effectiveness of the grant.

**PERFORMANCE MEASURES: TOURISM WAITAKI LTD**

LEVEL OF SERVICE	PERFORMANCE MEASUREMENT	TARGET PERFORMANCE	
		Yr1-Yr3 (2018/19-2020/21)	Yr4 -Yr10 (2021/22-2027/28)
Facilitate broad regional promotion	Growth in visitors from core domestic markets.	Achieve annual growth in visitors form core domestic markets.	Achieve annual growth in visitors form core domestic markets.
		Signage strategy developed and implemented.	Signage strategy developed and implemented.
Product development	Expansion of current trade ready products.	Develop new trade ready products.	Develop new trade ready products.
	Travel infrastructure network expanded.	Expand travel infrastructure network.	Expand travel infrastructure network.
Strategic partnerships	International Marketing Alliance (IMA) agreements in place across the South Island.	International Marketing Alliance agreements in place.	International Marketing Alliance agreements in place.
	Industry affiliations expanded.	Expand wider industry affiliations.	Expand wider industry affiliations.
	Increased inbound operators (IBO) visitors.	Increase number of Inward Bound Organised visitors.	Increase number of Inward Bound Organised visitors.
	Growth in TRENZ attendees from the district.	Increase number of TRENZ attendees.	Increase number of TRENZ attendees.



## WAITAKI DISTRICT HEALTH SERVICES LTD

The purpose of Waitaki District Health Services Ltd is to operate a successful healthcare business by providing infrastructure and healthcare facilities and services for the district. This includes:

- Operating and providing planning services within budgeted income, establishing strategic alliances with business partners and community groups to achieve desired health service outcomes;
- Supporting as appropriate initiatives for health services involving the housing and care of the elderly.

Council's primary objective for continued ownership and control is to ensure the healthcare needs and interests of the district are met through the provision of quality, locally based, healthcare services, principally at Oamaru Hospital.

Waitaki District Health Services Ltd contributes to the following Council community outcomes:

- Provide and enable services and facilities so people want to visit and reside in the district;
- Maintain a safe and healthy community.

The company's performance targets are aligned with the Statement of Intent.

Within two months after the end of the financial year, the directors are required to deliver to shareholders an annual report and audited financial statements in respect of the financial year, containing 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;
- 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 MEASURES: WAITAKI DISTRICT HEALTH SERVICES LTD**

LEVEL OF SERVICE	PERFORMANCE MEASUREMENT	TARGET PERFORMANCE	
		Yr1-Yr3 (2018/19-2020/21)	Yr4 -Yr10 (2021/22-2027/28)
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.	Meet all professional and technical standards	Meet all professional and technical standards.
	Forums provided for effective collaboration with stakeholders.	Provide adequate forums for effective collaboration with shareholders.	Provide adequate forums for effective collaboration with shareholders.
	Percentage compliance with all performance targets and service standards required by the Ministry of Health contractual arrangements within the company.	100% compliance with performance targets and service standards required under the Ministry of Health contractual arrangements within the company.	100% compliance with performance targets and service standards required under the Ministry of Health contractual arrangements within the company.
Our local hospital is well managed.	Percentage of planned services provided within budget	Operate and provide 100% of planned services within budgeted income including services contract with the District Health Board.	Operate and provide 100% of planned services within budgeted income including services contract with the District Health Board.



## WHITESTONE CONTRACTING LTD

The purpose of Whitestone Contracting Ltd is to be a reputable and trusted contractor, supporting local employment, the environment, and community while maximising profit and performance.

Council's objectives for continued ownership and control include:

- Stimulating and maintaining 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 Contracting Limited and the risk appetite of Council;
- Providing emergency services support.

Whitestone Contracting Ltd contributes to the following Council community 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's performance targets are aligned with the Statement of Intent.

Within two months after the end of the financial year, the directors are required to deliver to shareholders an annual report and audited financial statements in respect of the financial year, containing as a minimum:

- Performance against 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 compliance with the company's Tendering Policy.

## PERFORMANCE MEASURES: WHITESTONE CONTRACTING LTD

LEVEL OF SERVICE	PERFORMANCE MEASUREMENT	TARGET PERFORMANCE	
		Yr1-Yr3 (2018/19-2020/21)	Yr4 -Yr10 (2021/22-2027/28)
<b>Operate efficiently and effectively providing a financial benefit to Council.</b>	Before income tax return on opening shareholders' funds.	Achieve a before-income tax return (prior to donations, sponsorships and subvention payments) on opening shareholders' fund that exceed 7% return on investment.	Achieve a before-income tax return (prior to donations, sponsorships and subvention payments) on opening shareholders' fund that exceed 7% return on investment.
<b>Long term viability and profitability.</b>	The number of clients spending over \$10,000 annually.	Continue to diversify the portfolio of work and clients.	Continue to diversify the portfolio of work and clients.
<b>All environmental, legislative and regulatory requirements met.</b>	Maintenance of the relevant quality standards.	Maintain ISO 9001 registration and related quality assurance programmes.	Maintain ISO 9001 registration and related quality assurance programmes.
		Maintain ISO 14001 standard to ensure systems are in place to meet environmental legislative and regulatory requirements.	Maintain ISO 14001 standard to ensure systems are in place to meet environmental legislative and regulatory requirements.
<b>The company seeks ways to maximise profit and performance in a way that is sustainable.</b>	Percentage increase of revenue from sources other than Waitaki District Council over the previous year.	Increase the percentage of revenue from sources other than Waitaki District Council.	Increase the percentage of revenue from sources other than Waitaki District Council.
	In Quarter four of each year agree KPI targets for the next year.	In Quarter four of each year agree KPI targets for the next year.	In Quarter four of each year agree KPI targets for the next year.
	The increase in market share in North Otago and other areas of operation	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
	Ratio of shareholder funds to total assets.	Maintain the ratio of shareholder funds to total assets within the range 60% - 80%.	Maintain the ratio of shareholder funds to total assets within the range 60% - 80%.

## OMARAMA AIRFIELD LTD

The purpose of Omarama Airfield Ltd is to provide airfield facilities to support flying activities and opportunities in the Omarama area. This includes:

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

Council's primary objective for continued involvement in the ownership and control of the company is to advance and promote tourism and provide economic benefits and opportunity within the district.

Omarama Airfield Ltd contributes to the following Council community outcomes:

- Provide and enable services and facilities so people want to visit or reside in the district.

The company's performance targets are aligned with the Statement of Intent.

Omarama Airfield Ltd progress is reported to Council annually through an annual report 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 Standard.

### PERFORMANCE MEASURES: OAMARU AIRFIELD

OUTCOME	LEVEL OF SERVICE	PERFORMANCE MEASUREMENT	TARGET PERFORMANCE	
			Yr1-Yr3 (2018/19-2020/21)	Yr4 -Yr10 (2021/22-2027/28)
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.	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 of 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.	Maintain or improve economic benefits (against 2011/12 benchmarks).	Maintain or improve economic benefits (against 2011/12 benchmarks).



**DETAILED FINANCIAL  
STATEMENTS**

# DETAILED FINANCIAL STATEMENTS

## Prospective Statement of Comprehensive Revenue and Expense

Projected for the ten years ending 30 June, 2019 - 2028

	Notes	2017 Actual \$000	2018 Budget \$000	2019 LTP \$000	2020 LTP \$000	2021 LTP \$000	2022 LTP \$000	2023 LTP \$000	2024 LTP \$000	2025 LTP \$000	2026 LTP \$000	2027 LTP \$000	2028 LTP \$000
<b>Revenue</b>													
Rates Revenue	1	30,303	30,717	31,835	33,138	34,291	35,373	36,243	36,967	38,078	38,929	39,149	40,045
User Charges		5,909	3,907	4,348	4,526	4,572	4,667	4,809	4,777	4,882	5,050	5,118	5,245
Regulatory Charges		1,508	1,557	1,810	1,845	1,881	1,918	1,957	1,999	2,041	2,087	2,134	2,184
Development and RMA Contributions		738	692	690	693	693	693	693	693	693	693	693	693
Government Grants and Subsidies	2	6,339	7,163	8,496	8,139	12,085	8,139	8,264	8,623	8,660	8,934	9,177	9,472
Other Grants and Donations	3	900	2,388	636	376	2,439	2,484	4,034	4,136	341	348	356	364
Finance Revenue	4	1,184	1,354	1,299	1,410	1,435	1,544	1,591	1,709	1,895	2,339	2,657	3,125
Petrol Tax		193	196	205	209	213	218	223	228	234	239	245	252
Infringements and Fines		86	57	49	50	51	52	53	54	56	57	58	60
Dividend and Subvention Payments		790	120	500	500	500	500	500	500	500	500	500	500
Assets vested in Council		726	-	-	-	-	-	-	-	-	-	-	-
Other gains and Losses		(1,618)	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>		<b>47,058</b>	<b>48,151</b>	<b>49,868</b>	<b>50,886</b>	<b>58,160</b>	<b>55,588</b>	<b>58,367</b>	<b>59,686</b>	<b>57,380</b>	<b>59,176</b>	<b>60,087</b>	<b>61,940</b>
<b>Expenses</b>													
Personnel costs	5	10,652	11,314	12,489	12,707	12,921	13,192	13,470	13,723	13,982	14,258	14,541	14,844
Depreciation and amortisation	6	11,887	12,119	13,714	13,966	14,486	14,976	15,278	15,854	16,601	16,796	17,536	17,999
Finance Costs	4	1	-	2	2	2	2	2	2	2	2	2	2
Other expenses	7	22,987	21,286	22,795	23,032	23,414	24,509	24,653	24,685	25,770	26,153	27,047	27,253
<b>Total Expenses</b>		<b>45,527</b>	<b>44,719</b>	<b>48,998</b>	<b>49,705</b>	<b>50,821</b>	<b>52,677</b>	<b>53,401</b>	<b>54,262</b>	<b>56,353</b>	<b>57,207</b>	<b>59,124</b>	<b>60,096</b>
<b>Surplus / (Deficit) before Tax</b>		<b>1,531</b>	<b>3,432</b>	<b>870</b>	<b>1,181</b>	<b>7,339</b>	<b>2,911</b>	<b>4,966</b>	<b>5,424</b>	<b>1,027</b>	<b>1,969</b>	<b>963</b>	<b>1,844</b>
<b>Other Comprehensive Revenue and Expense</b>													
Gain/(Loss) on revaluation of Infrastructural Assets		-	14,315	6,621	-	37,843	9,733	-	43,470	8,416	-	51,329	9,347
Adjustment to reflect ACTUAL Roading revaluation 2018		-	-	70,610	-	-	-	-	-	-	-	-	-
Gain/(Loss) on revaluation of Properties		9,741	-	-	5,354	-	-	6,612	-	-	7,760	-	-
Other Comprehensive Revenue		-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Other Comprehensive Revenue and Expense</b>		<b>9,741</b>	<b>14,315</b>	<b>77,231</b>	<b>5,354</b>	<b>37,843</b>	<b>9,733</b>	<b>6,612</b>	<b>43,470</b>	<b>8,416</b>	<b>7,760</b>	<b>51,329</b>	<b>9,347</b>
<b>Total Comprehensive Revenue and Expense</b>		<b>\$11,272</b>	<b>\$17,747</b>	<b>\$78,101</b>	<b>\$6,535</b>	<b>\$45,182</b>	<b>\$12,644</b>	<b>\$11,578</b>	<b>\$48,894</b>	<b>\$9,443</b>	<b>\$9,729</b>	<b>\$52,292</b>	<b>\$11,191</b>

### Prospective Statement of Changes in Equity

Projected for the ten years ending 30 June, 2019 - 2028

	2017 Actual \$000	2018 Budget \$000	2019 LTP \$000	2020 LTP \$000	2021 LTP \$000	2022 LTP \$000	2023 LTP \$000	2024 LTP \$000	2025 LTP \$000	2026 LTP \$000	2027 LTP \$000	2028 LTP \$000
<b>Public Equity at 1 July</b>	750,897	763,303	781,050	859,151	865,686	910,868	923,512	935,090	983,984	993,427	1,003,156	1,055,448
Total Comprehensive Revenue and Expense	11,272	17,747	78,101	6,535	45,182	12,644	11,578	48,894	9,443	9,729	52,292	11,191
<b>Public Equity at 30 June</b>	<b>\$762,169</b>	<b>\$781,050</b>	<b>\$859,151</b>	<b>\$865,686</b>	<b>\$910,868</b>	<b>\$923,512</b>	<b>\$935,090</b>	<b>\$983,984</b>	<b>\$993,427</b>	<b>\$1,003,156</b>	<b>\$1,055,448</b>	<b>\$1,066,639</b>

## Prospective Statement of Financial Position

Projected for the ten years ending 30 June, 2019 - 2028

Notes	2017 Actual \$000	2018 Budget \$000	2019 LTP \$000	2020 LTP \$000	2021 LTP \$000	2022 LTP \$000	2023 LTP \$000	2024 LTP \$000	2025 LTP \$000	2026 LTP \$000	2027 LTP \$000	2028 LTP \$000
<b>Public Equity</b>												
Ratepayers' Equity	310,208	310,208	310,208	310,208	310,208	310,208	310,208	310,208	310,208	310,208	310,208	310,208
Revaluation Reserve	415,187	426,746	503,977	509,331	547,174	556,907	563,519	606,989	615,405	623,165	674,494	683,841
Operating Reserve	21,932	25,448	27,379	27,422	33,642	35,410	39,212	43,440	43,260	44,020	43,763	44,409
Other Reserves	14,842	15,648	17,587	18,725	19,844	20,987	22,151	23,347	24,554	25,763	26,983	28,181
<b>Total Public Equity</b>	<b>762,169</b>	<b>778,050</b>	<b>859,151</b>	<b>865,686</b>	<b>910,868</b>	<b>923,512</b>	<b>935,090</b>	<b>983,984</b>	<b>993,427</b>	<b>1,003,156</b>	<b>1,055,448</b>	<b>1,066,639</b>
<b>Non-Current Assets</b>												
Property Plant and Equipment	719,240	740,550	819,145	823,679	870,872	881,261	894,172	941,591	944,832	948,469	994,584	998,555
Intangible Assets	681	820	755	765	790	805	795	775	740	725	695	700
Forestry	226	100	125	145	185	215	265	325	370	420	480	515
Assets held for Sale	1,150	1,150	1,150	1,150	1,150	1,150	1,150	-	-	-	-	-
Other Financial Assets												
- Investments in CCO's	4,912	4,912	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	25,060	25,032	26,920	25,305	6,940	5,575	4,210	2,845	1,480	1,115	750	385
	751,414	772,709	853,152	856,101	884,994	894,063	905,649	950,593	952,479	955,786	1,001,566	1,005,212
<b>Current Assets</b>												
Cash and Cash Equivalents	4,483	2,150	2,234	1,092	1,161	1,277	1,328	1,200	1,963	1,459	1,995	1,537
Receivables	3,470	3,275	3,666	3,771	3,871	3,970	4,063	4,152	4,262	4,363	4,440	4,550
Prepayments	233	285	245	250	255	260	266	272	278	285	292	299
Inventory	26	14	15	15	15	15	15	15	15	15	15	15
Other Financial Assets												
- Term deposits	9,425	6,750	5,500	10,000	9,500	30,000	30,000	33,000	41,000	49,000	55,000	63,000
- Loans to other entities	16	1	1,366	1,615	18,365	1,365	1,365	1,365	1,365	365	365	365
Assets held for Sale	369	-	-	-	-	-	-	1,150	-	-	-	-
	18,022	12,475	13,026	16,743	33,167	36,887	37,037	41,154	48,883	55,487	62,107	69,766
<b>Total Assets</b>	<b>769,436</b>	<b>785,184</b>	<b>866,178</b>	<b>872,844</b>	<b>918,161</b>	<b>930,950</b>	<b>942,686</b>	<b>991,747</b>	<b>1,001,362</b>	<b>1,011,273</b>	<b>1,063,673</b>	<b>1,074,978</b>
<b>Non-Current Liabilities</b>												
Provisions	788	390	358	360	363	370	377	384	390	315	241	221
	788	390	358	360	363	370	377	384	390	315	241	221
<b>Current Liabilities</b>												
Trade and Other Payables	5,272	5,620	5,539	5,650	5,763	5,884	6,013	6,151	6,292	6,443	6,604	6,769
Employee Entitlement Liabilities	1,074	1,050	1,115	1,133	1,152	1,173	1,194	1,217	1,240	1,265	1,290	1,317
Provisions	133	74	15	15	15	11	12	11	13	94	90	32
	6,479	6,744	6,669	6,798	6,930	7,068	7,219	7,379	7,545	7,802	7,984	8,118
<b>Total Liabilities</b>	<b>7,267</b>	<b>7,134</b>	<b>7,027</b>	<b>7,158</b>	<b>7,293</b>	<b>7,438</b>	<b>7,596</b>	<b>7,763</b>	<b>7,935</b>	<b>8,117</b>	<b>8,225</b>	<b>8,339</b>
<b>Net Assets</b>	<b>762,169</b>	<b>778,050</b>	<b>859,151</b>	<b>865,686</b>	<b>910,868</b>	<b>923,512</b>	<b>935,090</b>	<b>983,984</b>	<b>993,427</b>	<b>1,003,156</b>	<b>1,055,448</b>	<b>1,066,639</b>

## Prospective Statement of Cash Flows

Projected for the ten years ending 30 June, 2019 - 2028

Notes	2017 Actual \$000	2018 Budget \$000	2019 LTP \$000	2020 LTP \$000	2021 LTP \$000	2022 LTP \$000	2023 LTP \$000	2024 LTP \$000	2025 LTP \$000	2026 LTP \$000	2027 LTP \$000	2028 LTP \$000
<b>Cash Flows from Operating Activities</b>												
Receipts from Rates Revenue	30,862	30,101	31,124	32,463	33,610	34,685	35,552	36,270	37,350	38,200	38,436	39,287
Interest received	1,097	1,001	1,299	1,410	1,435	1,544	1,591	1,709	1,895	2,339	2,657	3,125
Dividends/subvention payments received	790	120	500	500	500	500	500	500	500	500	500	500
Receipts from other revenues	15,502	17,131	16,749	16,408	22,515	18,760	20,631	21,118	17,525	18,036	18,417	18,918
Payments to suppliers and employees	(33,116)	(32,350)	(35,300)	(35,610)	(36,203)	(37,559)	(37,973)	(38,247)	(39,588)	(40,235)	(41,402)	(41,905)
Interest paid	(1)	-	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Net GST	182	(35)	(270)	(21)	(40)	(30)	(46)	(58)	(41)	(49)	(143)	(118)
Net Cash from Operating Activities	15,316	15,968	14,100	15,148	21,815	17,898	20,253	21,290	17,639	18,789	18,463	19,805
<b>Cash Flows from Investing Activities</b>												
Proceeds from sale of Property, Plant & Equipment	2,510	666	258	270	258	1,429	284	293	296	308	311	321
Proceeds from sale of Investments	14,751	27,940	7,103	6,866	11,365	27,865	31,365	31,365	34,365	42,365	49,365	55,365
Purchase of Property, Plant & Equipment	(13,806)	(22,257)	(12,234)	(13,426)	(24,119)	(15,926)	(21,851)	(20,076)	(11,687)	(12,966)	(12,603)	(12,949)
Acquisition of Investments	(16,751)	(24,094)	(9,143)	(10,000)	(9,250)	(31,150)	(30,000)	(33,000)	(39,850)	(49,000)	(55,000)	(63,000)
Net Cash from Investing Activities	(13,296)	(17,745)	(14,016)	(16,290)	(21,746)	(17,782)	(20,202)	(21,418)	(16,876)	(19,293)	(17,927)	(20,263)
<b>Cash Flows from Financing Activities</b>												
Proceeds from Borrowing	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Borrowing	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash from Financing Activities	-	-	-	-	-	-	-	-	-	-	-	-
Net Increase / (Decrease) in Cash	2,020	(1,777)	84	(1,142)	69	116	51	(128)	763	(504)	536	(458)
Total Cash Resources at 1 July	2,463	3,927	2,150	2,234	1,092	1,161	1,277	1,328	1,200	1,963	1,459	1,995
Total Cash resources at 30 June	4,483	2,150	2,234	1,092	1,161	1,277	1,328	1,200	1,963	1,459	1,995	1,537

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

Projected for the ten years ending 30 June, 2019 - 2028

Notes	2017 Actual \$000	2018 Budget \$000	2019 LTP \$000	2020 LTP \$000	2021 LTP \$000	2022 LTP \$000	2023 LTP \$000	2024 LTP \$000	2025 LTP \$000	2026 LTP \$000	2027 LTP \$000	2028 LTP \$000
Net Operating Surplus	1,531	3,432	870	1,181	7,339	2,911	4,966	5,424	1,027	1,969	963	1,844
<b>Add/Less non-cash items</b>												
Depreciation/Amortisation	11,887	12,119	13,714	13,966	14,486	14,976	15,278	15,854	16,601	16,796	17,536	17,999
Interest compounded	(87)	(94)	-	-	-	-	-	-	-	-	-	-
Increase/(Decrease) in Provision for Doubtful Debts	(414)	(23)	-	-	-	-	-	-	-	-	-	-
Increase/(Decrease) in Provision for Closed Landfill	185	(151)	(91)	2	3	3	8	6	8	6	(78)	(78)
Net Loss/(Profit) on sale of Assets	1,911	-	-	-	-	-	-	-	-	-	-	-
Gain on forestry harvesting	(208)	-	-	-	-	-	-	-	-	-	-	-
Loss/(Gain) on forestry revaluation	(85)	(15)	(25)	(20)	(40)	(30)	(50)	(60)	(45)	(50)	(60)	(35)
Vested Assets	(726)	-	-	-	-	-	-	-	-	-	-	-
Surrender of carbon credits	38	-	-	-	-	-	-	-	-	-	-	-
	12,501	11,836	13,598	13,948	14,449	14,949	15,236	15,800	16,564	16,752	17,398	17,886
<b>Add/(Less) movements in Other Working Capital items</b>												
Decrease/(Increase) in Trade & Other Receivables	891	749	(391)	(105)	(100)	(99)	(93)	(89)	(110)	(101)	(77)	(110)
Decrease/(Increase) in Prepayments	123	(55)	40	(5)	(5)	(5)	(6)	(6)	(6)	(7)	(7)	(7)
Decrease/(Increase) in Inventory	3	6	(1)	-	-	-	-	-	-	-	-	-
Increase/(Decrease) in Trade & Other Payables	208	(75)	(81)	111	113	121	129	138	141	151	161	165
Increase/(Decrease) in Employee Entitlements	59	75	65	18	19	21	21	23	23	25	25	27
	1,284	700	(368)	19	27	38	51	66	48	68	102	75
Net Cash Flow from Operating Activities	<b>15,316</b>	<b>15,968</b>	<b>14,100</b>	<b>15,148</b>	<b>21,815</b>	<b>17,898</b>	<b>20,253</b>	<b>21,290</b>	<b>17,639</b>	<b>18,789</b>	<b>18,463</b>	<b>19,805</b>

## Funding Impact Statement - Whole of Council

2016/17		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Actual		Annual Plan	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
	<b>Sources of Operating Funding</b>											
6,897	General Rates, Uniform Annual General Charge, Rates Penalties	6,968	7,018	7,157	7,090	7,163	7,381	7,610	8,308	8,565	8,754	8,881
22,877	Targeted Rates	23,108	24,214	25,365	26,573	27,571	28,210	28,692	29,093	29,674	29,692	30,447
29,774	<b>Rates Revenue</b>	30,076	31,232	32,522	33,663	34,734	35,591	36,303	37,401	38,239	38,446	39,328
1,302	Subsidies and Grants for Operating Purposes	3,121	4,182	3,951	4,035	4,109	4,185	4,274	4,369	4,470	4,648	4,813
7,049	Fees and Charges	5,579	6,125	6,306	6,430	6,561	6,698	6,753	6,900	7,059	7,223	7,398
1,974	Interest and Dividends from Investments	1,474	1,799	1,910	1,935	2,044	2,091	2,209	2,395	2,839	3,157	3,625
15,774	Internal Charges and Overheads Recovered	17,944	18,904	19,383	20,039	20,196	20,591	20,896	21,405	21,837	22,284	22,666
1,579	Local Authorities' Fuel Tax, Fines, Infringement Fees and Other Receipts	1,123	1,206	1,257	1,233	1,252	1,318	1,293	1,315	1,390	1,362	1,388
27,678	<b>Operating Revenue</b>	29,241	32,217	32,807	33,672	34,162	34,883	35,424	36,384	37,595	38,674	39,890
57,452	<b>Total Sources of Operating Funding</b>	59,317	63,449	65,329	67,335	68,896	70,474	71,727	73,785	75,834	77,120	79,218
	<b>Applications of Operating Funding</b>											
34,334	Payments to Staff and Suppliers	33,312	36,205	36,666	37,339	38,469	39,018	39,277	40,428	41,175	42,328	42,847
-	Finance Costs	-	-	-	-	-	-	-	-	-	-	-
15,772	Internal Charges and Overheads Applied	17,687	18,227	18,705	19,356	19,672	19,940	20,290	20,973	21,317	21,790	22,159
-	Other Operating Funding Applications	-	-	-	-	-	-	-	-	-	-	-
50,106	<b>Total Applications of Operating Funding</b>	50,999	54,432	55,372	56,695	58,141	58,958	59,566	61,400	62,492	64,117	65,006
7,346	<b>Surplus / (Deficit) of Operating Funding</b>	8,317	9,017	9,957	10,640	10,755	11,516	12,161	12,384	13,342	13,003	14,212
	<b>Sources of Capital funding</b>											
5,803	Subsidies and Grants for Capital Expenditure	6,296	4,873	4,488	10,411	6,435	8,031	8,401	4,547	4,726	4,798	4,935
1,549	Development and Financial Contributions	693	690	693	693	693	693	693	693	693	693	693
-	Increase / (Decrease) in Debt	-	-	-	-	-	-	-	-	-	-	-
806	Proceeds from Sale of Assets	266	258	270	258	279	284	293	296	308	311	321
8,158	<b>Total Sources of Capital Funding</b>	7,255	5,821	5,451	11,362	7,406	9,008	9,387	5,536	5,727	5,801	5,949
	<b>Applications of Capital funding</b>											
	Capital Expenditure											
-	Meet Additional Demand	-	-	-	-	-	-	-	-	-	-	-
5,140	Improve Levels of Service	12,027	3,218	3,216	8,060	7,439	13,307	10,615	3,178	3,020	3,616	3,710
8,350	Replace Existing Assets	10,424	9,012	10,200	15,978	8,483	8,540	9,438	8,506	9,942	8,982	9,236
2,014	Increase / (Decrease) in Reserve	(6,880)	2,608	1,992	(2,036)	2,239	(1,323)	1,495	6,237	6,108	6,207	7,215
-	Increase / (Decrease) in Investments	-	-	-	-	-	-	-	-	-	-	-
15,504	<b>Total Applications for Capital Funding</b>	15,572	14,838	15,408	22,002	18,161	20,524	21,548	17,920	19,070	18,805	20,161
(7,346)	<b>Surplus / (Deficit) of Capital Funding</b>	(8,317)	(9,017)	(9,957)	(10,640)	(10,755)	(11,516)	(12,161)	(12,384)	(13,342)	(13,003)	(14,212)
-	<b>Funding Balance</b>	-	-	-	-	-	-	-	-	-	-	-

## Reconciliation of Prospective Funding Impact Statements by Group of Activities

### Summary Income and Expenditure by Group of Activities

	2017 Actual \$000	2018 Annual Plan \$000	2019 LTP \$000	2020 LTP \$000	2021 LTP \$000	2022 LTP \$000	2023 LTP \$000	2024 LTP \$000	2025 LTP \$000	2026 LTP \$000	2027 LTP \$000	2028 LTP \$000
<b>Operating Revenue</b>												
Roads & Footpaths	1,593	3,611	4,664	4,441	4,533	4,624	4,716	4,819	4,926	5,042	5,233	5,414
Wastewater (Treatment & Disposal)	670	673	711	720	719	736	734	760	759	783	782	798
Stormwater Drainage	-	-	-	-	-	-	-	-	-	-	-	-
Water Supply	820	717	834	824	832	852	860	886	895	920	930	950
Waste Management & Minimisation	1,419	158	260	265	271	276	282	194	199	203	209	214
Arts, Culture & Community	920	612	658	670	683	691	699	714	730	746	763	782
Parks & Recreation	1,485	1,047	1,126	1,149	1,172	1,196	1,223	1,251	1,279	1,310	1,343	1,378
Democracy & Accountability	67	34	1	42	1	1	47	1	1	53	1	1
Commercial & Development Activities	3,263	2,747	3,108	3,325	3,396	3,524	3,622	3,750	3,991	4,451	4,829	5,334
Heritage, Environment & Regulation	1,618	1,681	1,905	1,942	1,980	2,018	2,060	2,104	2,149	2,197	2,247	2,299
Support Services (Net Allocated)	15,823	17,990	18,949	19,429	20,086	20,244	20,640	20,945	21,455	21,889	22,337	22,720
<b>Operational Revenue per Activity FIS</b>		29,270	32,217	32,807	33,672	34,162	34,883	35,424	36,384	37,595	38,674	39,890
<b>Total Sources of Capital Funding</b>												
Roads & Footpaths	5,259	4,226	4,028	4,337	8,224	4,306	4,405	4,512	4,623	4,742	4,869	5,003
Wastewater (Treatment & Disposal)	100	100	96	96	96	96	96	96	96	96	96	96
Stormwater Drainage	-	-	-	-	-	-	-	-	-	-	-	-
Water Supply	238	218	219	222	222	222	222	222	222	222	222	222
Waste Management & Minimisation	-	-	-	-	-	-	-	-	-	-	-	-
Arts, Culture & Community	18	2,000	-	-	2,000	2,100	-	-	-	-	-	-
Parks & Recreation	397	20	20	20	21	21	3,720	3,824	23	23	24	24
Democracy & Accountability	-	-	-	-	-	-	-	-	-	-	-	-
Commercial & Development Activities	1,908	489	1,208	524	529	348	300	476	312	383	328	339
Heritage, Environment & Regulation	168	175	175	175	175	175	175	175	175	175	175	175
Support Services (Net Allocated)	70	26	75	77	95	139	90	83	85	86	88	90
<b>Capital Revenue per Activity FIS</b>	8,158	7,254	5,821	5,451	11,362	7,406	9,008	9,387	5,536	5,727	5,801	5,949
Add total Rates	29,774	30,076	31,232	32,522	33,663	34,734	35,591	36,303	37,401	38,239	38,446	39,328
Less Internal recoveries included	(15,774)	(17,943)	(18,904)	(19,383)	(20,039)	(20,196)	(20,591)	(20,896)	(21,405)	(21,837)	(22,284)	(22,666)
<b>Revenue per Total Activities FIS</b>	49,836	48,657	50,366	51,397	58,658	56,107	58,891	60,219	57,916	59,724	60,637	62,501
Remove increase/decrease in debt	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of assets	(806)	(265)	(258)	(270)	(258)	(279)	(284)	(293)	(296)	(308)	(311)	(321)
Adjust Sales contra account	(1,703)	-	-	-	-	-	-	-	-	-	-	-
Adjust Rate remissions offset against revenue	(272)	(242)	(240)	(240)	(240)	(240)	(240)	(240)	(240)	(240)	(240)	(240)
Adjust internal revenue	3	1	-	-	-	-	-	-	-	-	-	-
<b>Revenue per prospective Statement of Comprehensive Revenue and Expenditure</b>	47,058	48,151	49,868	50,886	58,160	55,588	58,367	59,686	57,380	59,176	60,087	61,940

## Reconciliation of Prospective Funding Impact Statements by Group of Activities

### Summary Income and Expenditure by Group of Activities

	2017 Actual \$000	2018 Annual Plan \$000	2019 LTP \$000	2020 LTP \$000	2021 LTP \$000	2022 LTP \$000	2023 LTP \$000	2024 LTP \$000	2025 LTP \$000	2026 LTP \$000	2027 LTP \$000	2028 LTP \$000
<b>Total Applications of Operating Funding</b>												
Roads & Footpaths	6,129	7,072	7,334	7,395	7,619	7,836	7,993	8,169	8,363	8,571	8,780	9,006
Wastewater (Treatment & Disposal)	1,720	1,529	1,808	2,057	1,946	2,014	2,010	2,089	2,188	2,278	2,234	2,322
Stormwater Drainage	146	224	408	414	434	441	449	469	487	492	509	523
Water Supply	4,561	4,212	4,515	4,568	4,759	4,786	4,867	5,063	5,170	5,193	5,287	5,432
Waste Management & Minimisation	2,088	1,041	968	967	987	1,946	1,066	1,089	1,123	1,135	1,175	1,203
Arts, Culture & Community	3,899	4,097	4,338	4,383	4,528	4,677	4,861	4,933	5,026	5,151	5,242	5,342
Parks & Recreation	4,523	4,586	4,608	4,709	4,919	5,137	5,342	5,637	6,187	6,385	6,494	6,633
Democracy & Accountability	3,451	3,993	3,816	4,014	4,066	4,034	4,263	4,310	4,269	4,534	4,559	4,541
Commercial & Development Activities	3,430	2,924	3,818	3,160	3,340	2,854	3,230	2,572	2,935	2,606	3,141	2,803
Heritage, Environment & Regulation	4,299	4,338	5,258	5,421	5,560	5,635	5,743	5,798	5,697	5,811	5,922	6,005
Support Services (Net Allocated)	15,860	17,267	17,562	18,282	18,537	18,782	19,134	19,438	19,955	20,336	20,774	21,198
<b>Total Operational expenditure per FIS</b>	<b>50,106</b>	<b>51,283</b>	<b>54,432</b>	<b>55,372</b>	<b>56,695</b>	<b>58,141</b>	<b>58,958</b>	<b>59,566</b>	<b>61,400</b>	<b>62,492</b>	<b>64,117</b>	<b>65,006</b>
Less internal recoveries	(15,772)	(17,941)	(18,227)	(18,705)	(19,356)	(19,672)	(19,940)	(20,290)	(20,973)	(21,317)	(21,790)	(22,159)
<b>Expenditure per Total Activities FIS</b>	<b>34,334</b>	<b>33,342</b>	<b>36,205</b>	<b>36,666</b>	<b>37,339</b>	<b>38,469</b>	<b>39,018</b>	<b>39,277</b>	<b>40,428</b>	<b>41,175</b>	<b>42,328</b>	<b>42,847</b>
Less internal charges included in capital	(422)	(503)	(681)	(687)	(765)	(528)	(655)	(628)	(436)	(524)	(499)	(511)
Adjust internal charges	-	1	-	-	-	-	-	1	-	1	(1)	-
Adjust Rate remissions offset against revenue	(272)	(240)	(240)	(240)	(240)	(240)	(240)	(240)	(240)	(240)	(240)	(240)
Add Depreciation and Amortisation	11,887	12,119	13,714	13,966	14,486	14,976	15,278	15,854	16,601	16,796	17,536	17,999
<b>Expenditure per prospective Statement of Comprehensive Revenue and Expenditure</b>	<b>45,527</b>	<b>44,719</b>	<b>48,998</b>	<b>49,706</b>	<b>50,820</b>	<b>52,677</b>	<b>53,401</b>	<b>54,264</b>	<b>56,352</b>	<b>57,208</b>	<b>59,123</b>	<b>60,095</b>

# STATEMENT OF ACCOUNTING POLICIES

## REPORTING ENTITY

The Waitaki District Council (Council), is a territorial local authority established under the Local Government Act 2002 (the LGA, the Act), and is domiciled and operates solely in New Zealand. Relevant legislation governing Council's operations include the LGA and the Local Government (Rating) Act 2002.

Council's consolidated group consists of the ultimate parent, Waitaki District Council, and its subsidiaries: Whitestone Contracting Limited (100% owned), Waitaki District Health Services Limited (100% owned) and Tourism Waitaki Limited (100% owned). The investment in Omarama Airfield Limited (50% owned) is treated as a joint venture. All companies are incorporated and domiciled in New Zealand.

The primary objective of Council is to provide local infrastructure and public services, and to perform regulatory functions in the community for social benefit rather than making a financial return. Accordingly, Council has designated itself and the group as public benefit entities (PBEs) for the purposes of complying with generally accepted accounting practice.

The prospective financial statements presented here are for the years ended 30 June 2019 and the subsequent ten years ending 30 June 2028.

## BASIS OF PREPARATION

The prospective financial statements have been prepared on the going concern basis on the basis of best-estimate assumption as to future events in accordance with Tier 1 Public Benefit Entity Financial Reporting Standard 42, and are for Council itself.

Consolidated group prospective financial statements have not been provided as Council believes Council's prospective financial statements are of greater relevance and benefit to users of the Long Term Plan.

## Statement of Compliance

The prospective financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and the requirements of the Act, particularly section 98, part 6, and part 3 of Schedule 10 of the Act, and

comply with NZ IFRS PBE, and other applicable Financial Reporting Standards as appropriate for Public Benefit Entities. All requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014, which include the requirement to comply with (NZ GAAP), have been complied with.

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, in accordance with Tier 1 PBE accounting standards, and are fully compliant with those accounting standards.

## Presentation currency and rounding

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

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting policies affecting the measurement of operating results, cash flows and financial position may be found in the notes to the financial statements. All accounting policies have been applied consistently throughout the ten years of the Plan.

## Comparative and Budget Figures

Figures presented for the 2016/17 financial year are sourced directly from the audited Annual Report for the year ended 30 June 2017.

Budget figures for 2017/18 are those approved by Council in its unaudited 2017/18 Annual Plan, and have been prepared in accordance with NZ GAAP, using accounting policies consistent with those adopted by Council for the preparation of these prospective financial statements.

## Groups of Activities

The Groups of Activities report the net cost of services for each significant activity of Council, and are represented by the costs of providing the service less all revenue that can be allocated to these activities. The net cost of service for each significant Council activity is derived using the cost allocation system outlined below.

Direct costs are directly attributable to a significant activity, and are charged accordingly. Indirect costs cannot be attributed in an economically feasible manner to a specific significant activity, and are allocated as overheads using appropriate cost drivers such as actual usage, staff numbers, floor area occupied, etc.

### Foreign Currency Transactions

Council does not undertake significant transactions in foreign currencies. Foreign currency transactions are translated into New Zealand dollars upon receipt or payment at the prevailing spot rate. Council does not recognise gains or losses on such transactions, and holds no assets or liabilities denominated in foreign currencies.

### Goods and Services Tax

The prospective financial statements have been prepared on a GST exclusive basis and any net GST due or owing at balance date is included in Trade and Other Payables or Trade and Other Receivables as appropriate. Trade and Other Receivables and Trade and Other Payables are stated inclusive of GST. Any GST that is not recoverable as an input tax is recognised as part of the related asset or expense.

### General Revenue Recognition - Policy

Revenue is measured at the fair value of consideration received or receivable, and is reported gross. Specific accounting policies for significant revenue items not otherwise outlined in Notes 1 to 5 are detailed below:

- **User and Regulatory charges**
- **Sales of goods and revenue from commercial activities**
- **Petrol Tax**
  - ▶ Fees and charges, and the proceeds of sales of goods, are recognised when invoiced or when a product is sold or a service is provided to the customer
  - ▶ Rental income is recognised as revenue over the course of individual lease terms
  - ▶ Gross revenue from other commercial operations undertaken in the normal course of business, and Petrol Tax, is recognised when earned.
- **Development and financial contributions**
  - ▶ Development and financial contributions are recognised at the later of invoicing or the event that gives rise to a requirement for a development or financial contribution under relevant legislation.

- **Infringements and Fines**

- ▶ Infringement fees and fines are recognised when an infringement notice is issued, but the degree to which the income is recognised takes into account the likelihood that the fee or fine will be collected.

- **Dividends and subvention payments**

- ▶ Dividends and subvention payments from subsidiaries are recognised immediately when received.

Notes 1 to 5 provide more analysis in relation to specific types of Revenue, and include detail of relevant accounting policies.

### Revenue from non-exchange transactions

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

- Rates, which fund services that may not be accessed equally, or at all, by all ratepayers, or 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 Council, but for no service is provided

### Revenue from exchange transactions

Council also derives revenue from exchange transactions, where a measurable service is provided in exchange for the revenue earned by Council. Examples include:

- User charges for use of the Aquatic Centre, landfill and similar charges
- Regulatory charges for building consents, liquor licenses, 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 or detailed in Notes 1 to 5, Council has policies requiring certain revenues arising from non-exchange transactions to be held in special reserves until the funds are required.

## **Borrowing Costs**

Council has 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:*

The lease transfers 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:*

The lease does not transfer substantially all the risks and rewards of ownership. These are charged on a straight-line basis over the term of the lease

## **Trade and Other Receivables**

Receivables from both Non-exchange and 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.

## **Cash and Cash Equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call, 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 approximates 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 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.

## **Financial Assets**

Financial assets, other than shares in subsidiaries, are initially recognised at fair value plus transaction costs, if any, unless they are carried at fair value through surplus or deficit, in which case transaction costs are expensed when incurred.

### Term deposits, community and other loans (Loans and Receivables)

Loans and receivables are reported as current assets except for those with maturities greater than twelve months after balance date, which are included in non-current assets.

Loans made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flow, discounted at the current market rate of return for a similar financial instrument. For loans to community organisations, the difference between loan balance and the present value of future cash flows for the loan is recognised in the surplus or deficit as a grant expense.

After initial recognition, term deposits, community and other loans are measured at amortised cost using the effective interest method. Where applicable, interest accrued is added to the outstanding balance of the investment

At year end, all assets are assessed for indicators of impairment. Impairment is established when Council and the group will not be able to collect amounts due according to the original terms of the investment. Indicators of impairment include: significant financial difficulties of the debtor, the probability that the debtor will enter into bankruptcy, receivership or liquidation, and default in payments due.

If assets are considered impaired, the amount of the impairment is recognised in the surplus or deficit.

### Listed and unlisted shares (available for sale)

Council may hold shares in businesses, whether listed or unlisted, for strategic or other reasons. The intention at the time of acquisition is normally to hold long term, but the assets may be realised prior to maturity. Shares held at year end are classified as Non-Current Assets unless disposal is contemplated within the following twelve month period.

After initial recognition, unlisted shares (other than those in subsidiaries) are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. When sold, any cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to the surplus or deficit. For shares, a significant or prolonged decline in fair value provides objective evidence of impairment. If such evidence exists, the cumulative loss recognised in other comprehensive revenue and expense is transferred to the surplus or deficit. Impairment losses on shares recognised in the surplus or deficit are not reversed through the surplus or deficit.

#### Shares in subsidiaries

Council consolidates in the group financial statements all entities where Council can control financing and operating policies so as to obtain benefits from the activities of the subsidiaries. This right exists through the exercise of majority voting power on the governing body, where such policies have been irreversibly determined by Council, or where the determination of such policies would not materially affect the potential ownership benefits arising from the subsidiary. The investment in subsidiaries is carried at cost in Council's parent entity financial statements

### **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.

Council currently proposes no properties that it 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 Council's forests as at date of valuation. The valuation method adopted is Net Present Value based on the age and condition of the trees. Council's forests are revalued annually as at 30 June each year.

The cost of maintaining forestry assets is included in the reported surplus or deficit. Forestry holdings are professionally managed, and Council adheres strictly to a replanting plan developed by its advisers to ensure it has 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 which provide benefit or service to the community and which cannot be disposed of because of legal or other restrictions.

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

### **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 Council and the cost of the item can be measured reliably. In most instances, an item of property, plant or 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 disposal are determined by comparing the proceeds with the carrying amount of the asset, and 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 if it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably.

## **Revaluations**

The classes of assets below are revalued 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 2020 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 Roading infrastructure will be recognised in the 2018 financial year and of Water infrastructure in the 2019 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, and included in Fixed Assets. These items are not depreciated until fully 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 in 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, 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, as follows:

#### ASSET CATEGORY

##### Infrastructural Assets

	DEPRECIATION BASE
- 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

##### Harbour Assets

Wharves and Breakwater	40 – 100 years
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## Other Assets

Other assets are depreciated over their expected useful lives:

#### ASSET CATEGORY

Land	not depreciated
Buildings	15 – 100 years
Motor vehicles	3 – 10 years
Office equipment	2 – 5 years
Office furniture and fittings	2 – 10 years
Library collections	7 years
Cultural & heritage assets	not depreciated

#### DEPRECIATION BASE

## 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 implement. Costs related to maintaining computer software are expensed as incurred. The useful life of software is 3 to 10 years and the cost is amortised on a straight-line basis.

### *Other Intangible Assets, including:*

#### *Emissions Trading Scheme (ETS) - Carbon credits*

Carbon credits are not amortised, as they represent current expenditure relating to a known future event, and market pricing is generally trending upwards. Carbon credits surrendered to meet Council's 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 finite useful lives are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets having 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 and an impairment loss is recognised for the amount by which the carrying value exceeds the likely recoverable amount (the higher of an asset's fair value less costs to sell, and value in use).

Value in use is the depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets' ability to generate net cash 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 Council expects 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. Council recognises a liability and expense for bonuses if contractually obliged or where a past practice has created a constructive obligation.

### *Long Service Leave*

Entitlements payable beyond 12 months, such as long service leave, are calculated on an actuarial basis 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*

Council belongs 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

Council recognises 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. Council owns both the Palmerston and the recently closed Oamaru landfills, and is also responsible for several closed landfills throughout the District. Resource consents obtained when landfills reach the end of their operating life and are closed set out closure requirements, including on-going maintenance and monitoring at the landfill site. 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

Council is party to financial instrument arrangements as part of everyday operations, including 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 the Council, 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 Council makes of its accumulated surpluses.

The components of equity are Ratepayers Equity, Restricted Reserves (Special Funds), Operating Reserves and Asset Revaluation Reserves

## Reserves

Reserves generally represent a particular purpose to which elements of equity have been assigned. These may be legally restricted or created by Council.

Restricted reserves are subject to specific conditions accepted as binding by the Council which may only be revised by 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, and may be altered without reference to any other parties. Transfers to and from these reserves are at the discretion of the Council.

Asset revaluation reserves represent unrealised gains on assets owned by Council, which are held 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 Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently so as to promote 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, a principle promoted in the Act and applied by Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets but does not expect them to meet the full cost of long term assets that will benefit ratepayers in future generations. Council has 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 the Council to make adequate and effective provision in its Long Term Plan to meet the expenditure needs identified in those plans, and sets out factors that the Council 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.

### **Critical Accounting Estimates and Assumptions**

In preparing these prospective financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities over the term of the Long Term Plan are discussed below:

#### *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 Council 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.

Council minimises 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 Council 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 Council's asset management planning activities to give further assurance over the estimates of useful life.

#### *Classification of Property*

Community housing - Council owns and maintains 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 Council's social housing policy, and are accounted for as property, plant and equipment.

Unoccupied land - Council owns unoccupied land. Given the uncertainty over the future intended use of the land, Council has not classified these holdings 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, and so have not been allowed for in this Long Term Plan.

### **Changes in Accounting Policies**

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

It should be noted that there is potential for any of the PBE Standards to be reviewed and changed during the ten year period covered by this Long Term Plan, and it is likely that some of these future revisions may impact Council's financial reporting in future periods. The effect of any such changes arising as a result of the adoption of future revisions to the current suite of PBE Standards cannot be foreseen and so has not been allowed for.

# NOTES TO THE PROSPECTIVE FINANCIAL STATEMENTS

## NOTE 1: OPERATING REVENUE - RATES

### Rates revenue - Policy

General rates, targeted rates (excluding water by meter) and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates at the amounts due.

Late payment penalties applied to unpaid rates are recognised as revenue when rates become overdue.

Revenue from rates for water supplied by meter is recognised based on usage.

Rate remissions are recognised as a reduction in rates revenue at the start of the financial year.

### Analysis of revenue from Rates:

	2017 Actual \$000	2018 Budget \$000	2019 LTP \$000	2020 LTP \$000	2021 LTP \$000	2022 LTP \$000	2023 LTP \$000	2024 LTP \$000	2025 LTP \$000	2026 LTP \$000	2027 LTP \$000	2028 LTP \$000
General Rates	1,837	1,757	2,076	2,107	1,863	1,736	1,764	1,573	1,675	1,793	1,889	1,940
District Services Rates	1,505	1,615	2,144	2,182	2,053	2,098	2,133	2,021	1,920	2,085	2,128	2,171
Uniform Annual General Charge	5,059	5,211	4,812	4,917	5,097	5,285	5,476	5,894	6,480	6,614	6,706	6,773
Ward Rates	6,578	6,437	6,471	6,677	6,891	7,162	7,411	7,506	7,692	7,880	8,013	8,119
Separate Rates	9,559	9,678	10,222	10,513	11,408	11,837	11,974	12,157	12,261	12,365	12,727	12,988
Targeted Rates for water supply	5,236	5,378	5,507	6,126	6,351	6,616	6,833	7,152	7,373	7,502	6,983	7,337
User charges for water supply by meter	416	481	468	481	493	504	517	529	542	555	568	582
Rates Penalties charged	385	400	375	375	375	375	375	375	375	375	375	375
Less Rates Remitted	(272)	(240)	(240)	(240)	(240)	(240)	(240)	(240)	(240)	(240)	(240)	(240)
	30,303	30,717	31,835	33,138	34,291	35,373	36,243	36,967	38,078	38,929	39,149	40,045

## NOTE 2: OPERATING REVENUE – GOVERNMENT GRANTS AND SUBSIDIES

### Government grants and subsidies - Policy

New Zealand Transport Agency provides funding assistance towards the costs of roading maintenance and capital expenditure. These subsidies are recognised as revenue upon entitlement when conditions pertaining to eligible expenditure have been met.

The Ministry of Business, Innovation and Employment, through the New Zealand Cycletrails fund, has approved funding for the construction of the Alps2Ocean Cycletrail. This revenue is recognised as work is completed towards meeting funding milestones set as part of that contractual arrangement.

In general, revenue from other Government Grants and Subsidies is recognised when eligibility has been established, unless there is an obligation in substance to return the funds should conditions of the grant not be met, in which case the grants are initially recorded as revenue in advance, and only recognised as revenue when all conditions are satisfied

### Analysis of revenue from Government Grants:

	2017 Actual \$000	2018 Budget \$000	2019 LTP \$000	2020 LTP \$000	2021 LTP \$000	2022 LTP \$000	2023 LTP \$000	2024 LTP \$000	2025 LTP \$000	2026 LTP \$000	2027 LTP \$000	2028 LTP \$000
New Zealand Transport Agency subsidies	6,047	6,776	7,724	7,795	11,762	7,915	8,089	8,280	8,479	8,692	8,989	9,280
Ministry of Business, Innovation and Employment	138	250	575	179	156	53	-	166	-	58	-	-
Ministry for the Environment	84	82	92	94	96	98	100	102	104	107	110	112
Ministry for Youth Development	18	-	-	-	-	-	-	-	-	-	-	-
Other Government Grants and Subsidies	52	55	105	71	71	73	75	75	77	77	78	80
	6,339	7,163	8,496	8,139	12,085	8,139	8,264	8,623	8,660	8,934	9,177	9,472

## NOTE 3: OPERATING REVENUE – OTHER GRANTS AND DONATIONS

### Other Grants and donations - Policy

Revenue is recognised when eligibility has been established, unless there is an obligation in substance to return the funds should conditions of the grant not be met, in which case the grants are initially recorded as revenue in advance, and only recognised as revenue when all conditions are satisfied.

### Analysis of revenue from Other Grants and Donations:

	2017 Actual \$000	2018 Budget \$000	2019 LTP \$000	2020 LTP \$000	2021 LTP \$000	2022 LTP \$000	2023 LTP \$000	2024 LTP \$000	2025 LTP \$000	2026 LTP \$000	2027 LTP \$000	2028 LTP \$000
Grants for the Cultural Facility redevelopment	15	2,000	-	-	2,000	2,100	-	-	-	-	-	-
Grants for the Indoor Sports Stadium	-	-	-	-	-	-	3,698	3,802	-	-	-	-
Grants for the Alps2Ocean Cycletrail Construction	537	-	400	137	178	80	81	83	85	86	88	90
North Otago Rugby Club	32	20	30	31	31	32	33	33	34	35	36	37
Other Grants and Subsidies	316	368	206	208	230	272	222	218	222	227	232	237
	900	2,388	636	376	2,439	2,484	4,034	4,136	341	348	356	364

## NOTE 4: FINANCE REVENUE AND FINANCE EXPENSE

### Finance Revenue & Expense - Policy

Interest revenue is recognised when earned, and Borrowing costs are recognised as an expense in the year in which they are incurred

### Analysis of Finance revenue and Finance expense:

	2017 Actual \$000	2018 Budget \$000	2019 LTP \$000	2020 LTP \$000	2021 LTP \$000	2022 LTP \$000	2023 LTP \$000	2024 LTP \$000	2025 LTP \$000	2026 LTP \$000	2027 LTP \$000	2028 LTP \$000
<b>Finance Revenue</b>												
Interest - bank deposits	473	506	232	290	370	842	1,303	1,463	1,712	2,210	2,593	3,102
Interest - North Otago Irrigation Company Ltd	609	558	646	680	680	357	-	-	-	-	-	-
Interest - Observatory Village Charitable Trust	87	273	407	424	370	330	273	231	169	115	50	9
Interest - other community loans	15	17	14	16	15	15	15	15	14	14	14	14
<b>Total Finance Revenue</b>	<b>1,184</b>	<b>1,354</b>	<b>1,299</b>	<b>1,410</b>	<b>1,435</b>	<b>1,544</b>	<b>1,591</b>	<b>1,709</b>	<b>1,895</b>	<b>2,339</b>	<b>2,657</b>	<b>3,125</b>
<b>Finance costs</b>												
Interest on bank overdraft	1	-	2	2	2	2	2	2	2	2	2	2
Interest on bank borrowings	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Finance Costs</b>	<b>1</b>	<b>-</b>	<b>2</b>									

## NOTE 5: PERSONNEL COSTS

### Personnel costs - Policy

Defined contribution plan employer contributions – contributions to Kiwisaver and other similar schemes are accounted for as defined benefit superannuation schemes and expensed as incurred.

### Analysis of Personnel Costs:

	2017 Actual \$000	2018 Budget \$000	2019 LTP \$000	2020 LTP \$000	2021 LTP \$000	2022 LTP \$000	2023 LTP \$000	2024 LTP \$000	2025 LTP \$000	2026 LTP \$000	2027 LTP \$000	2028 LTP \$000
Salaries and Wages	10,364	10,969	12,133	12,347	12,556	12,820	13,091	13,337	13,589	13,861	14,133	14,430
Defined Contribution Plan - employer contribution	249	307	313	319	324	331	339	345	352	359	366	374
Fringe Benefit Taxes	39	38	41	41	41	41	41	41	41	41	41	41
Redundancy and Severance payments	-	-	-	-	-	-	-	-	-	-	-	-
	<b>10,652</b>	<b>11,314</b>	<b>12,487</b>	<b>12,707</b>	<b>12,921</b>	<b>13,192</b>	<b>13,471</b>	<b>13,723</b>	<b>13,982</b>	<b>14,261</b>	<b>14,540</b>	<b>14,845</b>

## NOTE 6: DEPRECIATION EXPENSE

Council's policies regarding Depreciation and Amortisation are outlined in the Accounting Policies

### Analysis of Depreciation charges by Activity

	2017 Actual \$000	2018 Budget \$000	2019 LTP \$000	2020 LTP \$000	2021 LTP \$000	2022 LTP \$000	2023 LTP \$000	2024 LTP \$000	2025 LTP \$000	2026 LTP \$000	2027 LTP \$000	2028 LTP \$000
Roads & Footpaths	5,193	5,309	6,674	6,675	7,120	7,209	7,212	7,771	7,771	7,774	8,484	8,484
Sewerage (Treatment & Disposal)	1,012	1,013	1,031	1,041	1,069	1,166	1,190	1,190	1,294	1,294	1,294	1,435
Stormwater Drainage	222	222	222	222	222	241	241	241	264	264	264	295
Water Supply	1,649	1,649	1,819	1,915	1,923	2,076	2,126	2,126	2,317	2,317	2,325	2,577
Waste Management & Minimisation	79	56	56	56	62	62	62	68	68	68	75	75
Arts, Heritage & Community	173	169	169	169	169	231	293	293	293	293	293	293
Parks & Recreation	848	971	981	1,013	1,044	1,085	1,129	1,140	1,563	1,614	1,630	1,664
Commercial & Development Activities	1,415	2,194	1,443	1,510	1,503	1,547	1,616	1,616	1,620	1,702	1,702	1,707
Regulation & Safety	37	34	26	26	26	26	26	26	26	26	26	26
Support Services (Net Allocated)	1,259	502	1,293	1,339	1,348	1,333	1,383	1,383	1,385	1,444	1,443	1,443
	11,887	12,119	13,714	13,966	14,486	14,976	15,278	15,854	16,601	16,796	17,536	17,999

## NOTE 7: OTHER EXPENSES

### Operating costs - Policy Grant Expenditure

Non-discretionary grants are awarded when grant applications meet specified criteria, and are recognised as expenditure when such applications are approved and payment is made.

Discretionary grants are those which Council has no obligation to award, and are recognised as expenditure when approved by Council and when that approval is communicated to the applicant.

In all cases, grants, or portions of grants, which are not applied to the purpose for which they were provided, must be returned, thus reducing grants expense for the period in which the funds are received.

### Leases

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

### Analysis of Other Operating Costs

	2017 Actual \$000	2018 Budget \$000	2019 LTP \$000	2020 LTP \$000	2021 LTP \$000	2022 LTP \$000	2023 LTP \$000	2024 LTP \$000	2025 LTP \$000	2026 LTP \$000	2027 LTP \$000	2028 LTP \$000
Audit Fees - Annual Report	117	127	129	132	134	137	140	143	147	150	154	158
Audit Fees - Long Term Plan	-	85	-	-	90	-	-	100	-	-	110	-
Community Grants and Donations	1,212	840	1,030	910	924	891	907	925	942	961	980	1,001
Renting and Leasing	105	113	114	117	120	121	124	127	130	134	137	141
Insurance	318	322	408	432	458	494	517	540	592	611	629	648
Bad Debts /change in Provision for Doubtful Debts	342	175	150	150	150	150	150	150	150	150	150	150
Change in Provision for Closed Landfill	186	(455)	3	3	3	7	7	8	7	(79)	(78)	(253)
Other Expenditure	20,707	20,079	20,961	21,288	21,535	22,709	22,808	22,692	23,802	24,226	24,965	25,408
	22,987	21,286	22,795	23,032	23,414	24,509	24,653	24,685	25,770	26,153	27,047	27,253

## NOTE 8: LOANS TO OTHER ENTITIES

	2017 Actual \$000	2018 Budget \$000	2019 LTP \$000	2020 LTP \$000	2021 LTP \$000	2022 LTP \$000	2023 LTP \$000	2024 LTP \$000	2025 LTP \$000	2026 LTP \$000	2027 LTP \$000	2028 LTP \$000
<b>Non-current portion</b>												
North Otago Irrigation Company Ltd	17,000	17,000	17,000	17,000	-	-	-	-	-	-	-	-
Observatory Village Lifecare Ltd	7,222	7,180	9,400	7,800	6,450	5,100	3,750	2,400	1,050	700	350	-
Oamaru Whitestone Civic Trust	540	555	510	495	480	465	450	435	420	405	390	375
Corriedale Water Management Ltd	10	10	10	10	10	10	10	10	10	10	10	10
Otago Rural Fire Authority	285	285	-	-	-	-	-	-	-	-	-	-
Oamaru Steam & Rail Society	3	2	-	-	-	-	-	-	-	-	-	-
	25,060	25,032	26,920	25,305	6,940	5,575	4,210	2,845	1,480	1,115	750	385
<b>Current portion</b>												
North Otago Irrigation Company Ltd	-	-	-	-	17,000	-	-	-	-	-	-	-
Observatory Village Lifecare Ltd	-	-	1,350	1,600	1,350	1,350	1,350	1,350	1,350	350	350	350
Oamaru Whitestone Civic Trust	15	-	15	15	15	15	15	15	15	15	15	15
Oamaru Steam & Rail Society	1	1	1	-	-	-	-	-	-	-	-	-
	16	1	1,366	1,615	18,365	1,365	1,365	1,365	1,365	365	365	365

The loan to the North Otago Irrigation Company will be settled in the 2021/22 financial year

Loans to Observatory Village Lifecare Ltd have varying maturity dates and repayment requirements

## NOTE 9: PROVISION FOR CLOSED LANDFILLS

	2017 Actual \$000	2018 Budget \$000	2019 LTP \$000	2020 LTP \$000	2021 LTP \$000	2022 LTP \$000	2023 LTP \$000	2024 LTP \$000	2025 LTP \$000	2026 LTP \$000	2027 LTP \$000	2028 LTP \$000
Opening balance	736	615	828	373	376	379	382	389	395	402	409	330
Additional provision	279	30	46	22	22	22	23	23	23	24	25	22
Provision utilised	(94)	(181)	(501)	(19)	(19)	(19)	(16)	(17)	(16)	(17)	(104)	(99)
Closing balance	921	464	373	376	379	382	389	395	402	409	330	253
<b>Analysed as</b>												
- Non-current portion	788	390	358	360	363	370	377	384	390	315	241	221
- Current portion	133	74	15	16	16	12	12	11	12	94	89	32
	921	464	373	376	379	382	389	395	402	409	330	253

The Provision for Closed Landfills has been established to recognise Council's obligation to restore land formerly used for landfill operations, and to monitor those sites to ensure that adverse effects are mitigated. The provision represents the net present value of Council's projected costs over the thirty year period commencing at the closure date. Final capping of the Oamaru landfill is to occur during the 2018/19 financial year, and capping of the Palmerston landfill will be undertaken over the 2024 and 2025 financial years.

## RESERVE FUND SCHEDULE

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

Council has established five types of reserves, three of which are restricted, being reserves with rules set by legal obligation restricting the use to which the funds may be put. These are Trust Reserves, Development Reserves and Special Reserves.

The remaining Council-created reserves are discretionary reserves, established for the fair and transparent use of monies. These are Operating Reserves and Renewal (Depreciation) Reserves.

Reserves are not held separately in cash and funds are managed as part of treasury management. Details of reserves, their general purposes, projected opening balances, movements over ten years, and closing balances are presented in the following tables, and are also available on Council's website, [www.waitaki.govt.nz](http://www.waitaki.govt.nz).

<b>Restricted Reserves</b>	<b>Projected opening balance 1 July 2018 \$000</b>	<b>Projected deposits and transfers to Reserves \$000</b>	<b>Projected withdrawals and transfers from Reserves \$000</b>	<b>Projected closing balance 30 June 2028 \$000</b>
<b>Trust Reserves</b>				
Funded from sources external to Council, subject to binding conditions regarding their use. The largest relates to Resource Management Act financial contributions. Many of the funds are to support cultural facilities	1,875	3,000	(1,710)	3,165
<b>Development Reserves</b>				
Reserves to record and allocate funds received under Council's Development Contributions policy	4,250	6,656	(4,348)	7,987
<b>Special Reserves</b>				
These are similar to Trust Reserves, as they have a specific purpose, but as they are Council-created, Council has more discretion over their use. The largest are the Disaster Fund and the Community Housing Reserve	8,800	8,386	(2,919)	14,267

<b>Discretionary Reserves</b>	<b>Projected opening balance 1 July 2018 \$000</b>	<b>Projected deposits and transfers to Reserves \$000</b>	<b>Projected withdrawals and transfers from Reserves \$000</b>	<b>Projected closing balance 30 June 2028 \$000</b>
<b>Separate Rate Operating Reserves</b>				
Separate rates are described in the Funding Impact section of this LTP, and are set to match funding required so that there is no budgeted movement in these reserves. Movements arise when actual revenue or expenditure differs from budget. If Council considers the level of accumulated surplus or deficit in a reserve is too large, it can, at its discretion, decide to either reduce the surplus or fund the reserve. Such movements are difficult to forecast, and have been estimated based on previous history, and form part of overall Operating Reserves	8,929	792	(4,009)	5,712
<b>Renewal (Depreciation) Reserves</b>				
Funded depreciation reserves are maintained to fund the renewal of existing assets when these reach the end of their economic lives. Amounts credited to these reserves represent the annual depreciation charge, less any element that Council has decided not to fund. Assets for which depreciation is either fully or partially unfunded are detailed in the Financial Strategy contained in this LTP. Expenditure from these reserves represents the use of the reserves to fund either replacement assets or to maintain the economic lives and service potential of existing assets	34,218	99,390	(75,688)	57,920

# AUDITOR'S REPORT

To the reader:

## Independent auditor's report on Waitaki District Council's 2018 28 Long Term Plan

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). Section 259C of the Act requires a report on disclosures made under certain regulations. We have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 26 June 2018.

### Opinion

In my opinion:

- the plan provides a reasonable basis for:
  - long term, integrated decision making and co ordination 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 229 to 232 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

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 the accuracy of the information in the plan.

### Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor General's Auditing Standards and the International Standard on Assurance

Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

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

Our 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 during the next 30 years;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in 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 in 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 the plan and the disclosures required by the Regulations, 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

In carrying out our work, we complied with the Auditor General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

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,  
Dunedin, New Zealand



# PART 4

## OUR POLICIES AND STRATEGIES

*a tatou kaupapa here me o rautaki*





## REVENUE & FINANCING POLICY

# REVENUE AND FINANCING POLICY

## INTRODUCTION

This policy outlines the choices Council has 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 Council has complied with section 101(3)<sup>2</sup>. The comprehensive section 101(3) analysis is separately documented in the Funding Needs Analysis.

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

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

In determining the appropriate Revenue and Financing Policy, Council plans 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

Council has 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.

<sup>1</sup> The sources of funds are listed in section 103(2).

<sup>2</sup> All legislative references are to the Local Government Act 2002 unless otherwise stated.

- 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 (e.g. 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. The Council must apply judgment in assessing many options to determine appropriateness in its 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 Council has 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.

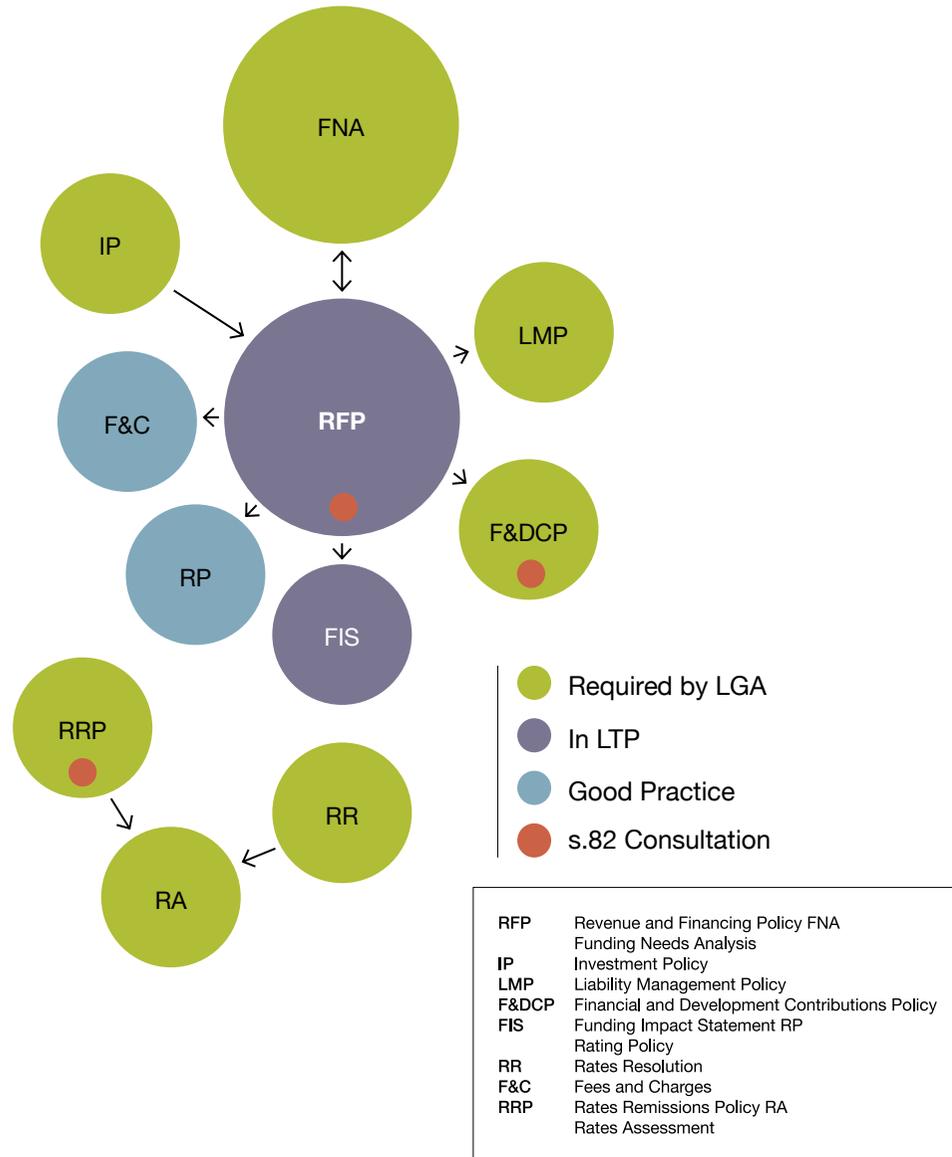
The Rating Policy further clarifies the funding requirements of Council by documenting matters not included in the Rating Funding Impact Statement, rates resolution or this policy.

It includes the allocation of activity rates requirements to different rate types, detailed definitions and maps for rating areas.

The Rating 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. Council must also comply with other legislation in regards to the setting of some fees and charges and the Local Government (Rating) Act 2002 for the setting of rates.

## Revenue and Financing Policy Relationships



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 must demonstrate how council has 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 council manages its borrowings.
4. The Financial and Development Contributions Policy is informed by the RFP as to when Council needs to use these as a funding source (Neil Construction v. North Shore City, found the RFP and Funding Needs Analysis as being fundamental to a lawful DC – in theory this logic applies to rates, fees and charges and other income sources – 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 LRFP and rating Policy into numbers.
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 to them all in one place.

### Previous reviews

Council undertook a major first principles review of its Funding Policy in 2002/03. 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 Council has considered particular activities that may need re-analysis. Council does 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 Council. This includes contributions to the wear and tear on assets used (depreciation), interest charged on borrowing and corporate overheads.

Council 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 Council including all of its 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. User charges is a broad group of revenue charged directly to an individual or entity. It includes:

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

### 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 Council.

Council's ability to impose user charges is limited by the powers conferred to it 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 (e.g. Waste Minimisation Act 2008) Council may set fees at greater than the cost of providing the service. Council considers it appropriate to incorporate overhead charges in the determination of the cost of providing a service.

Where Council is charging for the sale of goods or services not required by statute, Council's 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 Council at any time and are reviewed by Council annually. A list of regular fees and charges is maintained on Council's 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 Council is in competition with local business for discretionary retail activities, the policy is that for Council retail operations rates should not be used to subsidise unfair competition and considers that it is appropriate for Council 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 regularly 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 (e.g. reparation payments, Civil defence and other reimbursements, legal settlements and insurance payouts)

Council expects to continue receiving substantial subsidies for road maintenance from government or its agencies.

### Investment income

Council Investment Policy is documented in its 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.

Council maintains reserve funds and much of the income received by Council is allocated to reserve balances and is not used to reduce rates requirements for operating costs.

### Financial contributions

Council collects 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.

Council's 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 (e.g. the establishment of a garden).

### Development contributions and proceeds from the sale of assets

Council does not collect revenue from these funding sources to fund operating costs.

### Reserve funds

Council maintains 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.

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

### Borrowing

Council does not borrow to fund operating costs. This is not allowed under Council's policies on borrowing, documented in the Liability Management and Investment Policy.

### Rates

Council funds its remaining operating expenses from rates by being prudent and appropriately exhausting all other funding sources. For many activities this is the main funding source.

Council 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 matters of section 101(3), Council placed emphasis on "the area of benefit". By this, Council means that it reviewed each activity and determined where the benefits from the provision of the service is, then chose a rating option that most closely charges that group. Matters which Council has considered are:

Table 1: Council's rating preferences

Type of Benefit	Preferred rating solution
To an area of the district (e.g. 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

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

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

Council has applied the above preferences for the use of the funding sources to each activity in its Funding Needs Analysis. The table describes the extent to which each funding source is used, which is 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
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	✓	✓
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	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	✓
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%	✓

Council 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 Council 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 the 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:

### User charges

User charges are generally not available for funding capital costs as individual user contributions are generally too large to be affordable. Borrowing and charging users annually for financing costs (interest and principal) via rates is often a more affordable method of charging user contributions.

Council does charge for capital works that are solely for private benefit (e.g. a network extension to a single dwelling) or where capital works are done outside of asset management plans at the request of individuals (e.g. a rural seal extension for dust suppression).

### Grants, subsidies, and other income

Council relies on a significant subsidy for capital works for its roads and bridges activity. Other activities are able to access grants and subsidies from time to time. Other income can be from many and varied sources and is unlikely to be predictable enough to budget for in advance. Other income used to fund capital expenditure could include bequests, insurance payouts, and legal settlements. Grants, subsidies and other income are used wherever they are available.

### Development contributions

Council collects development contributions to fund capital expenditure, necessary to service growth over the long-term.

Council has a Development and Financial Contributions Policy, where most contributions receipted are transferred to reserve accounts or loan accounts<sup>3</sup>. The funds collected under this policy will be applied to the projects identified by the policy. Projects identified in the policy may be either completed projects (with debt yet to be repaid from future development contributions), or future projects planned to be undertaken.

Note that, in addition to the requirements of sections 101(3) and 103 the Development and Financial Contributions Policy additionally describes funding matters further as stipulated by section 106(2)(c).

<sup>3</sup> Many growth developments are undertaken in anticipation of growth. The growth portion of the project is funded from borrowing. When this occurs and the development contribution receipts are used to repay the debt.

### Financial contributions

Council collects financial contributions under the Resource Management Act 2001. The purpose of these contributions is outlined in the Waitaki District Plan. Most contributions are received as revenue by the vesting of assets in Council; some contributions (reserve contributions) are paid to Council.

Council's approach is to deposit receipts into a reserve fund and to draw funds from that account for specific projects that meet the purpose for which the funds were collected.

### Proceeds from the sale of assets

From time to time Council disposes of assets. Many of these are low value items and the revenue is received by the activity that owns the assets.

Council's property activity holds some higher value assets that are intended for sale. Unrestricted proceeds from the sale of these assets will be used to repay debt held by the property activity, unless resolved otherwise by Council. Restricted revenues will be placed in a reserve fund and used for the purpose required by the document that imposes the restriction (e.g. endowments).

### Reserve funds

Council maintains various reserve funds for capital projects and will approve the use of the funds when a project meets the specific criteria of the reserve. These reserve funds 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, Council 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. Council may resolve to capitalise interest repayments on some debt, where it considers it most likely (prudent) that another funding source (e.g. 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, Council prefers 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.

## 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.

Council 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

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

Council uses 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 (e.g. 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. Council 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 Council resolves to consider a separate funding policy it 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 Council 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. Council has chosen to use land value as the basis by which to calculate the amount of rates to allocate to each property. Subsequently, Council has chosen to have an undifferentiated general rate (i.e. every fully rateable property pays the same rate in the dollar). In considering the area of benefit approach, Council has allocated the cost of activities to the general rate where Council has determined there is a primary benefit to the use or value of the land.

Council has determined in its 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
- Noxious plants
- Resource consent processing
- District planning
- Forestry
- Sports grounds
- Oamaru harbour - port operations
- Waitaki community recreation centre

The uniform annual general charge is allocated to each separately used or uninhabited part of a rating unit<sup>4</sup>. The uniform annual general charge is used to fund activities where Council has determined that the primary benefit is to people and that all people in the district receive a similar benefit.

Council has determined in its Funding Needs Analysis that all or part of the following activities should be funded from the uniform annual general rate:

- Building control
- Environmental health
- Liquor licensing
- Community safety and grants - Otago museum

<sup>4</sup> Separately used or uninhabited part of a rating unit – is a factor listed in the Local Government (Rating) Act 2002 - Schedule 2, which Council 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.

- Waste management
- Closed landfills
- Tourism development and visitor services
- Cemeteries
- Sports grounds
- Public toilets
- Civil defence
- Community development and grants

### Targeted rates

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

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

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

- Council
- Community Boards
- Roads and bridges
- Town centre services -township works
- Town centre services –Christmas decorations
- Economic development
- Oamaru harbour - coastal protection
- Oamaru harbour - port operations
- Public halls and community centres
- Water supplies
- Waste water
- Stormwater
- North Otago museum
- Forrester gallery
- Waitaki district libraries
- Oamaru public gardens
- Community housing
- Waitaki lakes camping
- Reserves, greenspaces and playgrounds
- Waitaki aquatic centre
- Waitaki community recreation centre
- Oamaru opera house
- Community planning and consultation
- Waihemo service centre
- Tourism development and visitor services

In funding the above activities, Council uses 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 for each rate, and the rating area maps can be found in the Rating Policy.

Table 1: Targeted rate types

Name	Activities funded	Basis for Rate
<b>District services rate</b>	Activities that Council considers to benefit every property in the district.	Capital value across whole district.
<b>Ward services rate</b>	Activities that Council considers to benefit a ward.	Capital value across each ward.
<b>Ward services charge</b>	Activities that Council considers to benefit a ward.	Uniform charge across each ward to every separately used or inhabited part of a rating unit.
<b>Community Board rate</b>	Activities that Council considers are directed by the community within a ward's choice to have a community board.	Land value across each ward with a community board.
<b>Oamaru business area rate</b>	Activities that Council considers to benefit the business area.	Capital value set differentially based on use and location of the rating unit.
<b>Oamaru urban area rate</b>	Activities that Council considers to benefit the Oamaru urban area.	Uniform charge across the Oamaru urban area to every separately used or inhabited part of a rating unit.
<b>Loan rates</b>	For reasons of public safety or due to private benefit Council may agree to fund the private benefit of works by specific local rates on targeted properties.	Uniform charge to each identified rating unit.
<b>Roading Rate</b>	To fund roads, bridges and related activities.	Capital value rate across the district set differentially. There are 4 differentials based on use; hydroelectric power generation, mining and mineral extraction, forestry and other uses.

Name	Activities funded	Basis for Rate
<b>Local amenity rate</b>	To fund those activities that provide local amenity to townships.	Land value rate across each property within a town area.
<b>Public hall rates</b>	To fund public halls and community centres.	Uniform charge to each separately used or inhabited part of a rating unit within a hall area.
<b>Sewerage rates</b>	To fund sewerage treatment and disposal.	Uniform charge to each water closet set differentially to connected water closets and serviceable rating units.
<b>Water rates</b>	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.
<b>Construction loan rates</b>	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.

## OVERALL FUNDING CONSIDERATION

Council is required by section 101(3)(b) to consider the overall impact of the allocation of liability for revenue needs on the community. It allows Council, as a final measure, to modify the overall mix of funding in response to these considerations.

1. Council is 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>5</sup>. If the sum of the activities to be funded from the uniform annual general charge is more than the 30% cap, Council will adjust the rate down to the cap and the balance will be funded from the general rate.
2. Council 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. Council may waive or discount fees and charges where it considers it appropriate to do so. Some matters Council 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>5</sup> Local Government Rating Act 2002 - s.21



**RATING BASE  
INFORMATION**

# RATING FUNDING IMPACT STATEMENT

## BACKGROUND

Council 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 Council to disclose some funding and rating information and policies in the 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 Council 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 i.e. 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 Council 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	Community Planning and Accountability
Community Boards	Sports Grounds
Resource Consents Processing	District Planning
Noxious Plants	Waitaki Community Recreation Centre Grant
Forestry	Oamaru Harbour – Port Operations

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 Safety, Development and Grants	Otago Museum Grant
Cemeteries	Sports Grounds
Public Toilets	Building Control
Liquor Licensing	Environmental Health
Tourism Development and Visitor Services	Civil Defence
Environmental Monitoring and Enforcement	Waste Management and Minimisation

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

### Targeted Rates – District Services

Council 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	Community Planning and Accountability
Community Boards	Economic Development
Waitaki Community Recreation Centre	Community Housing
Commercial Property	Waitaki Lakes Camping
Town Centres – Christmas Decorations	Oamaru Harbour – Coastal Protection

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

Council 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:

Reserves and Open Spaces	Playgrounds
Township Works	

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

Council 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

Council 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

Council 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:

Reserves and Open Spaces	Playgrounds
Township Works	

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

Council 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

Council 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 and Open Spaces	Playgrounds
Township Works	

### Oamaru Ward Services Charge

Council 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	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

Council 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 and Open Spaces	Playgrounds
Township Works	

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

Council 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. Council 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	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

Council 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 Council. 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, Council may agree to fund the private benefit of works by specific local rates on targeted properties.

## TARGETED RATES BY ACTIVITY

### Roading Rate

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

The Roothing 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, Forestry, and General Purposes).

Part of the rate will be used to fund a reserve to help fund forestry related roading issues.

The differential categories are defined thus:

Differential Category	Description of Category	Differential basis
Hydroelectric Power General Installations	All rating units used primarily or predominantly for the generation of hydroelectric power from Lakes Aviemore, Benmore, Ohau or Waitaki	6% of activity funded from this differential
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% of activity funded from this differential
General Purposes	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, or primarily used for forestry activities	89% of activity funded from this differential
Forestry	All rating units used primarily or predominantly for the commercial forestry purposes	4x "General Purposes" base rate

## Local Amenity Rates

Council set targeted rates for local amenity based on the land value of each rating unit in the defined area. The rates will be set as separate targeted rates for each township that has agreed to establish a local amenity rate. The targeted rates will be set at uniform rate in the dollar.

The separate targeted rates are:

Duntroon	Lake Ohau	Otematata
Herbert	Maheno	Palmerston
Hampden	Moeraki	Shag Point
Kakanui	Oamaru	Weston
Kurow	Oamaru	

The targeted rates will contribute to the funding of new footpaths, kerb and channel, off-street car parks, street lighting, stormwater and other improvements, within these boundaries. The Oamaru Amenity Rate provides funding for the Oamaru Drill Hall.

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.

## Public Hall and Community Centre Rates

Council, in consultation with the Public Hall and Community Centre Committees, has set uniform charges for public halls and community centres charged on each Separately Used or Inhabited Part (SUIP) of a rating unit in the defined areas. The defined areas are specified on the maps available from Council offices in either Oamaru or Palmerston.

The separate uniform targeted rates for public halls:

Airedale	Kurow	Palmerston
Ardgowan	Macraes	Lower Waitaki
Awamoko	Maheno	Pukeuri

Dunback	Moeraki	Tokarahi
Duntroon	Ngapara	Totara
Enfield	Omaru	Waianakarua
Five Forks	Otekaieke	Waitaki Bridge
Hampden	Otematata	Weston
Kakanui	Otepopo	Windsor

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

## Sewerage (Waste Water) Rates

Council set targeted rates for sewerage 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	Kakanui	Kurow
Lake Ohau Village	Moeraki	Oamaru
Oamaru	Otematata	Palmerston

## Water Rates – Urban

Council 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.

Individual urban water rates are based on the following:

Urban Town/Township	Basis for charge
Oamaru Supply	Connections per rating unit
Oamaru Reticulation	Per connected rating unit
Kurow	Connections per rating unit
Lake Ohau Village	Connections per rating unit
Lake Ohau Village availability	Per rating unit located within 100m of water reticulation
Omarama	Connections per rating unit
Otematata	Connections per rating unit
Palmerston zone – Waihemo Water	Connections per rating unit

## Water Rates – Rural

Council 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 zone – Waihemo Water	Supply per unit	1,818
Duntroon	Supply per unit	1,818
Enfield zone – Oamaru Water	Supply per unit	1,818
Goodwood zone – Waihemo Water	Supply per unit	1,818
Herbert/Waianakarua zone – Oamaru Water	Supply per unit	1,818
Kauru Hill	Supply per unit	1,818
Lower Waitaki	Supply per unit	1,818
Bushy Creek Water Supply	Supply per unit	1,818
Stoneburn	Supply per unit	1,000
Tokarahi	Supply per unit	1,818
Weston zone – Oamaru Water	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 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 zone – Oamaru Water	Domestic supply per unit (crib)	909
	Rural Supply per unit	1,818
Kakanui zone – Oamaru Water	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

Council 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.

These rates fund the cost of financing the capital works.

The uniform targeted rates are:

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

Council will not invite or accept lump sum contributions in settlement of targeted construction loan rates.

### 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:
  - ▶ A residential sleep-out or ‘granny flat’ without independent kitchen facilities
  - ▶ A hotel room with or without independent kitchen facilities
  - ▶ A motel room with or without independent kitchen facilities
  - ▶ Rooms in a residential dwelling or hostel with common kitchens
  - ▶ Separately leased commercial areas with shared access, reception or other facilities
- These are separately used parts of a rating unit:
  - ▶ Flats, apartments and other residential units with independent kitchen facilities
  - ▶ Separately leased commercial areas with separate access, sanitary or other facilities.

## 2018/19 RATES SCHEDULE

This table specifies, with reference to the revenue and financing mechanism used to meet the estimated expenses of Council, the total 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 used in this table					
LV	=	Land Value	CRU	=	Connected Rating Unit
CV	=	Capital Value	Unit	=	Type of connection
RU	=	Rating Unit	M3	=	Cubic Metres
SRU	=	Serviceable Rating Unit	SUIP	=	Separately used or inhabited Part of a Rating Unit
WC	=	Water Closet			

Rate Name	2018/19		
	Proposed Rate	Basis for Rate	Budgeted Total Revenue
General Rate	\$0.0565	LV	\$2,387,653
Uniform Annual General Charge	\$414	SUIP	\$5,534,070
District Services Rate	\$0.0300	CV	\$2,465,119
Ahuriri Ward Services Rate	\$0.0241	CV	\$396,290
Ahuriri Community Board Rate	\$0.0072	LV	\$40,996
Ahuriri Ward Services Charge	\$118	SUIP	\$191,290
Corriedale Ward Services Rate	\$0.0108	CV	\$312,197
Corriedale Ward Services Charge	\$326	SUIP	\$903,768
Oamaru Ward Services Rate	\$0.0563	CV	\$1,067,360
Oamaru Ward Services Charge	\$526	SUIP	\$3,688,604
Waihemo Ward Services Rate	\$0.0559	CV	\$479,966
Waihemo Community Board Rate	\$0.0240	LV	\$129,369
Waihemo Ward Services Charge	\$118	SUIP	\$232,338
Oamaru Business Area Rate A	\$0.4302	CV	\$534,777
Oamaru Business Area Rate B	\$0.2151	CV	\$102,292
Oamaru Urban Area	\$0.0269	CV	\$399,864

Rate Name	2018/19		
	Proposed Rate	Basis for Rate	Budgeted Total Revenue
<b>Township Amenity Rates</b>			
Township Amenity - Duntroon	\$0.0601	LV	\$1,725
Township Amenity - Hampden	\$0.2152	LV	\$34,500
Township Amenity - Herbert	\$0.0564	LV	\$1,725
Township Amenity - Kakanui	\$0.0121	LV	\$5,750
Township Amenity - Kurow	\$0.1409	LV	\$20,656
Township Amenity - Maheno	\$0.0915	LV	\$1,725
Township Amenity - Moeraki	\$0.0222	LV	\$6,876
Township Amenity - Oamaru	\$0.1161	LV	\$539,651
Township Amenity - Ohau	\$0.0241	LV	\$3,819
Township Amenity - Omarama	\$0.0568	LV	\$20,973
Township Amenity - Otematata	\$0.1288	LV	\$63,841
Township Amenity - Palmerston	\$0.2602	LV	\$47,548
Township Amenity - Shag Point	\$0.0163	LV	\$1,725
Township Amenity - Weston	\$0.1140	LV	\$41,559
<b>Roading Rate</b>			
Roading - General	\$0.0906	CV	\$6,750,737
Roading - Electrical Generation	\$0.0609	CV	\$467,297
Roading - Mineral Extraction	\$2.7039	CV	\$386,797
Roading - Forestry	\$0.3601	CV	\$131,100

Rate Name	2018/19		
	Proposed Rate	Basis for Rate	Budgeted Total Revenue
<b>Public Hall Rates</b>			
Airedale Public Hall Rate	\$20	SUIP	\$560
Ardgowan Public Hall Rate	\$20	SUIP	\$2,520
Awamoko Public Hall Rate	\$30	SUIP	\$2,460
Dunback Public Hall Rate	\$30	SUIP	\$3,930
Duntroun Public Hall Rate	\$20	SUIP	\$2,880
Enfield Public Hall Rate	\$20	SUIP	\$2,700
Five Forks Public Hall Rate	\$20	SUIP	\$1,460
Hampden Public Hall Rate	\$30	SUIP	\$8,310
Kakanui Public Hall Rate	\$20	SUIP	\$7,360
Kurow Public Hall Rate	\$50	SUIP	\$15,300
Lower Waitaki Public Hall Rate	\$60	SUIP	\$11,100
Macraes Public Hall Rate	\$60	SUIP	\$3,180
Maheno Public Hall Rate	\$30	SUIP	\$5,580
Moeraki Public Hall Rate	\$40	SUIP	\$8,680
Ngapara Public Hall Rate	\$20	SUIP	\$1,640
Omarama Public Hall Rate	\$50	SUIP	\$17,150
Otekaieke Public Hall Rate	\$20	SUIP	\$1,040
Otematata Public Hall Rate	\$40	SUIP	\$19,320
Otepopo Public Hall Rate	\$20	SUIP	\$3,460
Palmerston Public Hall Rate	\$30	SUIP	\$20,580
Pukeuri Public Hall Rate	\$20	SUIP	\$2,000
Tokarahi Public Hall Rate	\$30	SUIP	\$3,180

Rate Name	2018/19		
	Proposed Rate	Basis for Rate	Budgeted Total Revenue
<b>Public Hall Rates (continued)</b>			
Totara Public Hall Rate	\$40	SUIP	\$8,720
Waianakarua Public Hall Rate	\$30	SUIP	\$1,770
Waitaki Bridge Public Hall Rate	\$20	SUIP	\$3,000
Weston Public Hall Rate	\$40	SUIP	\$21,800
Windsor Public Hall Rate	\$30	SUIP	\$1,920
<b>Water Rates - Urban</b>			
<b>Oamaru</b>			
Oamaru Water - Supply	\$190	CRU	\$1,246,059
Oamaru Water - Reticulation	\$186	CRU	\$1,149,367
Oamaru Water Treatment Loan (excludes businesses with water meters)	\$96	CRU	\$538,542
Oamaru Water - Enfield Zone	\$472	CRU	\$126,334
Oamaru Water - Weston Zone	\$472	CRU	\$460,941
Oamaru Water - Kakanui Zone - ordinary supply	\$472	CRU	\$198,696
Oamaru Water - Kakanui Zone - crib unit supply	\$377	CRU	\$18,100
Oamaru Water - metered supply	\$0.98	m3	N/A
<b>Waihemo Water</b>			
Waihemo Water - Palmerston Zone	\$698	CRU	\$367,289
Waihemo Water - Dunback Zone	\$698	CRU	\$141,763
Waihemo Water - Goodwood Zone	\$698	CRU	\$163,074
Waihemo Water - Palmerston Zone - metered supply	\$0.98	m3	N/A

Rate Name	2018/19		
	Proposed Rate	Basis for Rate	Budgeted Total Revenue
<b>Other Urban Water</b>			
Kurow Water Supply	\$497	CRU	\$144,414
Kurow metered supply	\$0.47	m3	N/A
Lake Ohau Village Water Supply	\$245	CRU	\$16,692
Lake Ohau Village - connection availability	\$123	SRU	\$7,732
Omarama Water Supply	\$522	CRU	\$162,904
Omarama - metered supply	\$0.87	m3	N/A
Omarama Water Upgrade Loan rate	\$95	CRU	\$14,985
Otematata Water Supply	\$393	CRU	\$204,138
Otematata - metered supply	\$0.47	m3	N/A
<b>Rural Water Supplies</b>			
Awamoko Water Supply	\$449	Unit	\$113,653
Bushy Creek Water Supply	\$129	Unit	\$12,681
Dunroon Water Supply	\$466	Unit	\$37,996
Hampden/Moeraki Zone - Domestic Water Supply	\$377	Unit	\$185,341
Hampden/Moeraki Zone - Water Supply	\$472	Unit	\$57,548
Herbert/Waianakarua Zone - Water Supply	\$472	Unit	\$279,899
Kauru Water Supply	\$392	Unit	\$72,332
Lower Waitaki Water Supply	\$483	Unit	\$200,363
Stoneburn Water Supply	\$280	Unit	\$92,212
Tokarahi Water Supply	\$370	Unit	\$256,322
Windsor Water Supply	\$346	Unit	\$63,734

Rate Name	2018/19		
	Proposed Rate	Basis for Rate	Budgeted Total Revenue
<b>Sewerage Rates and Charges</b>			
Sewerage – Oamaru	\$156	WC	\$1,218,101
Sewerage – Kakanui	\$156	WC	\$50,008
Sewerage - Duntroon	\$84	WC	\$840
Sewerage – Kurow	\$190	WC	\$55,290
Sewerage - Lake Ohau Village	\$240	WC	\$14,874
Sewerage - Lake Ohau Village - connection availability	\$120	SRU	\$7,917
Sewerage – Moeraki	\$719	WC	\$130,072
Sewerage - Moeraki - connection availability	\$359	SRU	\$17,606
Sewerage - Moeraki Reticulation Construction Loan Rate	\$314	RU	\$32,345
Sewerage - Moeraki Treatment Construction Loan Rate	\$201	RU	\$19,336
Sewerage - Omarama	\$274	WC	\$142,945
Sewerage - Otematata	\$231	WC	\$123,584
Sewerage - Palmerston	\$327	WC	\$198,020

## RATES EXAMPLES

	CAPITAL VALUE				ANNUAL RATES			
	2017/18 Value	2018/19 Value	Change \$	Change %	2017/18 Rates	2018/19 Rates	Change \$	Change %
<b>Agricultural Properties</b>								
Ahuriri	\$7,200,000	\$7,780,000	+\$580,000	+8.1%	\$14,882	\$16,076	+\$1,194	+8.02%
Awamoko	\$2,360,000	\$2,380,000	+\$20,000	+0.8%	\$6,299	\$6,311	+12	+0.19%
Maerewhenua	\$3,020,000	\$3,020,000	\$0	0%	\$9,871	\$9,830	-\$41	-0.42%
Papakaio	\$15,640,000	\$16,200,000	+560,000	+3.6%	\$31,905	\$32,857	+\$962	+2.99%
Waihemo	\$1,410,000	\$1,540,000	+\$130,000	+9.2%	\$5,442	\$5,666	+224	+4.12%
Waitaki Bridge	\$7,700,000	\$7,700,000	\$0	0%	\$15,160	\$15,141	-\$19	-0.13%
<b>Commercial Properties</b>								
Oamaru	\$395,000	\$440,000	+\$45,000	+11.4%	\$4,523	\$4,677	+154	+3.39%
Oamaru	\$4,350,000	\$5,150,000	+\$800,000	+18.4%	\$33,724	\$37,337	+\$3,613	+10.71%
Omarama	\$1,230,000	\$1,450,000	+\$220,000	+17.9%	\$7,222	\$7,901	+679	+9.39%
Otematata	\$740,000	\$740,000	\$0	0%	\$4,302	\$3,967	-\$335	-7.79%
Palmerston	\$650,000	\$640,000	-\$10,000	-1.5%	\$7,093	\$7,220	+\$127	+1.79%
<b>Residential Properties</b>								
Goodwood	\$120,000	\$140,000	+\$20,000	+16.7%	\$1,603	\$1,533	-\$70	-4.39%
Hampden	\$230,000	\$255,000	+\$25,000	+10.9%	\$1,540	\$1,566	+26	+1.71%
Herbert	\$180,000	\$265,000	+\$85,000	+47.2%	\$1,375	\$1,620	+245	+17.80%
Kakanui	\$350,000	\$390,000	+\$40,000	+11.4%	\$1,933	\$1,969	+\$36	+1.88%
Kurow	\$190,000	\$230,000	+\$40,000	+21.1%	\$1,770	\$1,726	-\$44	-2.46%
Lake Ohau	\$295,000	\$415,000	+\$120,000	+40.7%	\$1,623	\$1,797	+164	+10.72%
Maheno	\$170,000	\$215,000	+\$45,000	+26.5%	\$1,054	\$1,097	+\$43	+4.10%
Moeraki	\$200,000	\$240,000	+\$40,000	+20.0%	\$2,226	\$2,178	-\$48	-2.16%
Oamaru	\$315,000	\$380,000	+\$65,000	+20.6%	\$2,478	\$2,653	+175	+7.07%
Oamaru	\$89,000	\$133,000	+\$44,000	+49.4%	\$1,808	\$1,908	+\$100	+5.54%
Oamaru	\$250,000	\$310,000	+\$60,000	+24.0%	\$2,240	\$2,390	+\$150	+6.69%
Omarama	\$210,000	\$310,000	+\$100,000	+47.6%	\$1,894	\$1,974	+80	+4.21%
Otematata	\$245,000	\$320,000	+\$75,000	+30.6%	\$1,902	\$1,833	-\$69	-3.70%
Palmerston	\$230,000	\$255,000	+\$25,000	+10.9%	\$2,191	\$2,173	-\$18	-0.80%
Weston	\$280,000	\$355,000	+75,000	+26.8%	\$2,255	\$2,389	+134	+5.94%

# SUNDRY RATING POLICIES

## POSTPONEMENT OF RATES

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.

### Postponement of Rates for Extreme Financial Hardship

#### Objective

The objective of this policy is to assist ratepayers experiencing extreme financial hardship that affects their ability to pay rates.

The assistance will be by way of the postponement of rates arrears. The assistance will generally be only given to any ratepayer once. Properties that have a mortgage will not be considered for postponement.

#### Conditions and Criteria

Only rating units used primarily for the residence of the ratepayer(s) will be eligible for consideration for rates postponement for extreme financial circumstances.

Properties used for business, intensive agriculture, or properties greater than 8ha will not be considered to be used primarily for residence of the ratepayer(s).

Only the person(s) entered as the ratepayer, or their authorised agent, may make an application for rates postponement for extreme financial circumstances. The ratepayer(s) must be the current owner(s) of, and have owned for not less than five years, the rating unit which is the subject of the application. The person(s) entered on our rating information database as the 'ratepayer(s)' must not own any other rating units (whether in the district or in another place).

The ratepayer(s) (or authorised agent) must make a written application to Council. Council will consider, on a case-by-case basis, all applications received that meet the criteria described in paragraphs 1 and 2 under this section.

Council 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, Council must be satisfied that the ratepayer(s) is (are) unlikely to have sufficient funds left over after the payment of overdue rates and for normal health care, as well as making provision for normal day to day living expenses.

Where Council 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.

Council will only postpone rates to a value up to the capital value of the property as recorded in the Rating Information Database.

Council 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 Council's administrative and financial costs and may vary from year to year. The fee will be set annually in Council's 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 Council 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 Council under this policy. The appeal must be in writing (verbal presentation of the written appeal will be accepted). Council 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 Council consider utilisation would be uneconomic if full rates are required during the years of development or establishment of a crop.

### **Conditions and Criteria**

Council 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.

Council 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.

Council may, at its 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**

Council 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 Council consider it reasonable in the circumstances to do so.

### **Criteria and Conditions**

Council's policy is that where properties are occupied by the same ratepayer (as stated on the district valuation roll), it 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 Council's 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**

Council 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**

Council 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 the 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**

Council 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 and 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**

Council 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.

Council 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

Council 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, i.e. 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 our part 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 Council prefers 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. Council's outgoings are always recovered
5. The ratepayer's entire relationship with Council will be reviewed. This is to

ensure a benefit is not provided to a ratepayer when costs are being incurred because of the ratepayer's other interactions with Council.

6. The remission of the penalty will facilitate the sale of the property, on the basis Council 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 Council 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). Council will consider all applications; there will be no right of appeal.

## GENERAL MATTERS

### Council Discretion

The extent of the relief is at Council's sole discretion and may be cancelled or reduced at any time.

### Information to Be Supplied

Council 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 for Council to 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 Officer

Unless otherwise stated, the Chief Executive Officer 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:

- Eftpos
- Automatic payment
- Internet banking
- Direct debit
- Cash
- Cheque
- Credit card

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

Council 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. Council 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, Council 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**

Council 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 other delegated 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**

Council will charge a fee for supplying any person with a copy of information from the rating information database except when requested in person at one of its offices in Oamaru and Palmerston. For more information please go to [www.waitaki.govt.nz](http://www.waitaki.govt.nz).





## SIGNIFICANCE & ENGAGEMENT POLICY

# SIGNIFICANCE & ENGAGEMENT POLICY

## PURPOSE

1. To enable Council and its communities to identify the degree of significance attached to proposals relating to issues, assets, and other matters.
2. To provide clarity about how and when communities can expect to be engaged in decisions made by Council.
3. To inform Council from the beginning of a decision-making process about the appropriate extent, form and type of engagement that may be required.

## Definitions

<b>Community</b>	A group of people living in the same place or having a particular characteristic in common. Includes interested parties, affected people and key stakeholders
<b>Decisions</b>	Refers to all the decisions made by or on behalf of Council including those made by officers under delegation. (Management decisions made by officers under delegation during the implementation of Council decisions will not be deemed to be significant).
<b>Engagement</b>	Is a term used to describe the process of seeking information from the community to inform and assist decision making. There is a continuum of community involvement from lower to higher levels of engagement.
<b>Significance</b>	As defined in Section 5 of the Local Government Act (LGA 2002) “in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for: (a) the district or region; (b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter; (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so”

### Strategic asset

As defined in Section 5 of the LGA 2002 “in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority’s capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes  
(a) any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and  
(b) any land or building owned by the local authority and required to maintain the local authority’s capacity to provide affordable housing as part of its social policy; and  
(c) any equity securities held by the local authority in—  
(i) a port company within the meaning of the Port Companies Act 1988;  
(ii) an airport company within the meaning of the Airport Authorities Act 1966”

## General approach to determining significance

4. Council will take into account the following matters when assessing the degree of significance of any proposals related to issues, assets or other matters, seven of which are reflected in the procedure for determining significance (Schedule 2 of this policy):
  - 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 proposal or decision will affect a large portion of the community
  - Whether community interest is high
  - Whether the likely consequences are controversial
  - Whether community views are already known
  - The extent to which the decision or proposal is difficult to reverse
5. The level of uncertainty associated with the proposal or decision
6. Whether the proposal relates to a strategic asset listed in Schedule 1 of this policy

## General approach to engagement

7. In general, the more significant an issue, the greater the need for community engagement.
8. 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.
9. The Community Engagement Guide (Schedule 3 of this policy) identifies the form of engagement Council 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.
10. Council will apply a consistent and transparent approach to engagement.
11. Council is required to undertake a special consultative procedure as set out in Section 83 of the Local Government Act 2002, or to carry out consultation in accordance with or giving effect to Section 82 of the Local Government Act 2002 on certain matters (regardless of whether they are considered significant as part of this policy).
12. Wherever practicable, Council will include major decisions within the Long Term Plan or Annual Plan.
13. For all other issues requiring a decision, Council will determine the appropriate level of engagement on a case-by-case basis.
14. For all proposals or decisions requiring community engagement under this policy (beyond 'Inform'), an engagement plan will be prepared using the template included in Schedule 4 of this policy.
15. Council's policy on Fostering Maori Contribution to the Decision Making Process will guide Council's approach to engaging with Māori.
16. When Council makes a decision that is significantly inconsistent with this policy, the steps identified in Section 80 of the Local Government Act 2002 will be undertaken.

## SCHEDULE 1: STRATEGIC ASSETS

Section 5 of the Local Government Act 2002 requires the following to be listed in this Policy:

- a. any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and
- b. any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
- c. any equity securities held by the local authority in—
  - (i) a port company within the meaning of the Port Companies Act 1988
  - (ii) an airport company within the meaning of the Airport Authorities Act 1966

The following is a list of assets or group of assets that the council needs to retain if it is to maintain its capacity to achieve or promote any outcome that it determines to be important to the current or future well-being of the community.

### STRATEGIC ASSETS

- The roading network
- Water collection, treatment and distribution systems (including water rights and resource consents)
- Wastewater collection, treatment and disposal systems (including resource consents)
- Stormwater collection and disposal systems
- Oamaru and Palmerston Landfills
- Oamaru Airport
- Oamaru Harbour Breakwater
- Community housing

1. For the purpose of this policy, Council considers its roading network and other strategic assets as whole single assets. This is because the asset class as a whole delivers the service, thereby making it strategic.
2. In line with this whole single asset approach, and in the interest of efficient management of resources, Council does not expect to undertake the special

consultative procedure for decisions that relate to the transfer of ownership or control, or minor construction or replacement, of part of a strategic asset, unless that part substantially affects the level of service provided to the community.

3. Any physical alterations to strategic assets that are required to either prevent an immediate hazardous situation arising, or to repair an asset to ensure public health and safety due to damage from an emergency or unforeseen situation, will also be undertaken without formal consultation. Discretionary engagement may be undertaken with affected communities where practicable and in accordance with Schedule 3 of this policy. Any actions taken will be reported in the relevant Annual Report.

## **SCHEDULE 2: PROCEDURE FOR DETERMINING SIGNIFICANCE**

4. Council will use the criteria and thresholds on the following page to help it decide whether specific proposals and decisions are significant. Note: significance does not necessarily trigger or require consultation along the engagement spectrum.
5. A sliding scale of 0-5 will be used to assess each criterion against its threshold (0 meaning the threshold has not been triggered, 5 meaning it is of high significance).
6. If the proposal relates to a strategic asset as listed in Schedule 1 of this policy, it will receive a score of 5 (taking into account that proposals or decisions must relate to strategic assets as whole single assets) – otherwise it will score 0 for that criterion.
7. Where a proposal or decision scores 5 on the scale of significance for a single criterion, but does not trigger any other criteria, it will generally be considered to be of low significance. It may, however, be deemed to be of higher significance depending on the issue and specific criterion under consideration.
8. Where a proposal or decision scores 5 on the scale of significance for a single criterion, and triggers the threshold of any other criterion, it is more likely to be of higher significance, depending on how many other criteria are triggered and the scores allocated to each of those criteria.
9. Where the total score for all criteria is greater than 10, the decision or

proposal is more likely to be of significance. The likelihood and degree of significance will become greater as the score increases.

10. Where the Chief Executive or officers consider any proposal or decision to be potentially significant, the Chief Executive shall report to the Council or its relevant standing committee, providing a detailed assessment of the degree of significance of the proposal or decision (including an assessment against the following criteria and thresholds) and the appropriate level of community engagement in accordance with Schedule 3 of this poli

### Criteria and thresholds for determining significance

A score of 0 means the criterion threshold has not been triggered. 1 = low significance. 5 = high significance.

CRITERIA	DESCRIPTION	THRESHOLD
<b>Consistency</b>	The extent to which the proposal or decision is consistent with, or a logical consequence of, a significant decision already made or from a decision made as part of a Long Term Plan or Annual Plan (including agreed service levels). Where the decision or proposal is fully described in a plan or significant decision, the significance for this criterion will be small or negligible. Where the proposal or decision has no precedent significant decision or is not included in a plan, or where it is not consistent with the significant decision or plan, it will be of greater significance.	A substantial proposal or decision that is materially inconsistent with a precedent significant decision or plan will trigger this threshold and be scored 1-5 depending on the degree of inconsistency.
<b>Financial consequences</b>	The level of impact the decision will have in terms of its cost to Council. Most major decisions will be made in the context of the Community Plan or the Annual Plan. Decisions involving unidentified or unbudgeted expenditure should be scrutinised carefully. Where the decision or proposal has no net cost or long term financial implications, the significance in terms of this criterion will be small. As the net cost or expected long term financial implications increase, it will be of greater significance.	<p>A decision or proposal will trigger this threshold when it involves:</p> <p>New expenditure of \$100k would score 1 point on the sliding scale. Each additional \$100k would add 1 to the total and increase the significance of the financial consequences (ie expenditure of \$500k or greater would score 5); or</p> <p>Capital expenditure of 0.2% of gross asset value for that activity would score 1 point on the sliding scale. Each additional 0.2% would add 1 to the total and increase the significance of the financial consequences (eg expenditure of 0.8% would score 4); or</p> <p>New expenditure of \$100k would score 1 point on the sliding scale. Each additional \$100k would add 1 to the total and increase the significance of the financial consequences (ie expenditure of \$500k or greater would score 5); or</p>
<b>Community impact</b>	The extent to which the proposal or decision will impact on the current or future interests of the community, and whether it will create radically different effects from the status quo in terms of costs, benefits on members of the community and which members of the community it impacts on. Where the differences from the status quo are small, the significance in terms of this criterion will be small. If the effects of this proposal or decision on the community vary more greatly from the status quo, or where it affects a larger portion of the community, it will be of greater significance.	A decision or proposal that will have an impact on the current or future interests of the community, or create radically different effects from the status quo will trigger this threshold and be scored 1-5 depending on the scope and degree of different effects.

CRITERIA	DESCRIPTION	THRESHOLD
<b>Controversy</b>	The extent to which the decision or proposal is controversial within the community. Where community views are known to be uniform, the matter generates little interest or is likely to generate little interest based on the best information available, the significance in terms of this criterion will be small. A higher level of controversy will be of greater significance.	A decision or proposal on a matter where community views generate considerable interest or the community is deeply divided will trigger this threshold and be scored 1-5 depending on the degree of interest or controversy.
<b>Reversibility</b>	The extent to which the decision or proposal is difficult to reverse or the likely impact of not being able to reverse the decision. Where the outcome can be largely reversed, albeit in a different form, the significance in terms of this criterion will be small. Where the difficulty in reversing the decision is greater, or the decision is effectively irreversible, the impact the decision will be of greater significance.	A substantial decision or proposal that is difficult to reverse or completely irreversible will trigger this threshold and will be scored 1-5 depending on the degree of difficulty in reversing the decision or the likely impact of not being able to reverse the decision.
<b>Uncertainty</b>	The extent to which lack of information or conflicting information regarding the effects of a decision or proposal on the matters in clause 4 of this policy and/or its costs, benefits, impact, controversy or reversibility make its significance unclear. Where full and clear information is available, the significance in terms of this criterion will be small. Where there is a higher level of uncertainty regarding any of the matters in the proposal, affecting many of the criteria, the decision will be of greater significance.	A substantial decision or proposal will trigger this threshold if there is a high level of uncertainty concerning any of the major matters in the proposal.
<b>Strategic asset</b>	Whether or not the proposal or decision directly relates to a strategic asset listed in Schedule 1 of this policy. Because Council considers its roading network and other strategic assets as whole single assets, this criterion will not apply to decisions or proposals that relate to parts of those strategic assets.	A substantial decision or proposal will trigger this threshold if it is in relation to a strategic assets listed in schedule two of this policy. A strategic asset it will score 5, otherwise a score of 0 will be given for this criterion.

## SCHEDULE 3: COMMUNITY ENGAGEMENT GUIDE

### Approach to engagement

Community engagement is a process which involves all or some of the public, and is focused on decision-making or problem-solving.

### Public participation spectrum

The International Association for Public Participation (IAP2) has developed a Public Participation Spectrum to demonstrate the possible types of engagement with the community. This model also shows the increasing level of public impact as you progress through the spectrum from left to right - 'inform' through to 'empower'. In simply 'informing' stakeholders there is no expectation of receiving feedback, and consequently there is a low level of public impact. At the other end of the spectrum, 'empowering' stakeholders to make decisions implies an increase in expectations and therefore an increased level of public impact. Differing levels of engagement may be required during the varying phases of decision-making on an issue, and for different stakeholders.

It will not always be appropriate or practicable to conduct processes at the 'collaborate' or 'empower' end of the spectrum. Many minor issues will not warrant such an involved approach. Time, legal constraints and money may also limit what is possible on some occasions.

In general, the more significant an issue, the greater the need for community engagement.

## Legally mandated engagement

### Special consultative procedure

The Council will use the Special Consultative Procedure (as set out in section 83 of the LGA 2002) where required to do so by law, including for the following issues requiring decisions:

- The adoption or amendment of a Long Term Plan (in accordance with section 93A of the LGA 2002)
- The adoption, amendment, or revocation of bylaws if required under section 156(1)(a) of the LGA 2002
- The adoption, amendment or revocation of a Local Alcohol Policy
- The adoption or review of a Local Approved Products (Psychoactive Substances) Policy
- The adoption or review of a class 4 venue policy under the Gambling Act 2003
- The preparation, amendment or revocation of a waste management and minimisation plan

Unless already explicitly provided for in the Long Term Plan, the Council will seek to amend its Long Term Plan, and therefore use the Special Consultative Procedure, when it proposes to:

- Alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of Council, including commencing or ceasing such an activity; or
- Transfer the ownership or control of strategic assets, as listed in Schedule 1.



The Special Consultative Procedure requires Council to:

- Prepare and adopt a statement of proposal and in some cases a summary of the statement of proposal which must:
  - ▶ be a fair representation of the statement of proposal
  - ▶ be in a form determined by the council
  - ▶ indicate where it is available
  - ▶ state the period it is open for public submission
- Make publicly available:
  - ▶ the statement of proposal
  - ▶ a description of how people will be able to present their views
  - ▶ a statement of the period the proposal is open for comment/submission
- Make the summary of proposal widely available
- Allow people to present their views to the council ensuring that they have a reasonable opportunity to do so and know how and when this opportunity will be available to them
- Allow people to present their views by audio link or audio-visual link.

Council may also request advice or comment from a council officer or any other person. Where Council is required to use the special consultative procedure in relation to making, amending or revoking bylaws the statement of proposal must include:

- A draft of the proposed bylaw, or the proposed amendment or a statement of revocation of the bylaw
- The reasons for the proposal
- A report on any determinations made under section 155 of the Act on whether a bylaw made under this Act is appropriate.

### **Consultation under section 82 of the LGA**

Council will consult in accordance with, or using a process or a manner that gives effect to the requirements of, section 82 of the LGA 2002 where required to do so by law, including for the following specific issues requiring decisions:

- Adopting or amendment of the annual plan if required under section 95 of the LGA 2002
- Transferring responsibilities to another local authority under section 17 of the LGA 2002
- Establishing or becoming a shareholder in a council-controlled organisation

- Adopting or amending a revenue and financing policy, development contributions policy, financial contributions policy, rates remission policy, rates postponement policy, or a policy on the remission or postponement of rate on Māori freehold land

For such consultation, Council will develop information fulfilling the requirements of Section 82A of the LGA 2002 including the matters set out in S82A (2), namely:

- (a) The proposal and the reasons for the proposal; and
- (b) An analysis of the reasonably practicable options, including the proposal, identified under section 77(1); and
- (c) If a plan or policy or similar document is proposed to be adopted, a draft of the proposed plan, policy, or other document; and
- (d) If a plan or policy or similar document is proposed to be amended, details of the proposed changes to the plan, policy, or other document.

Council will make this information available to the public, allow submissions for a period of up to one month, and will consider all submissions prior to making decisions.

### **Discretionary engagement**

For issues, decisions and proposals not requiring a Special Consultative Procedure (SCP) or mandatory under the LGA 2002, Council will consider using the different forms and methods of engagement outlined in the table on the following pages (based on the Public Participation Spectrum). Council may also use these forms or methods of engagement to precede or complement a SCP or other mandatory engagement process

## Levels of engagement

LEVEL	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
<b>What does it involve</b>	One-way communication providing balanced and objective information to assist understanding about something that is going to happen or has happened.	Two-way communications designed to obtain public feedback about ideas on rationale, alternatives and proposals to inform decision making.	Participatory process designed to help identify issues and views to ensure that concerns and aspirations are understood and considered prior to decision-making.	Working together to develop understanding of all issues and interests to work out alternatives and identify preferred solutions.	The final decision making is in the hands of the public.
<b>Promise to stakeholders</b>	We will keep you informed.	We will keep you informed, listen to and acknowledge your concerns and aspirations, and provide feedback on how community/stakeholder input influenced the outcome.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how stakeholder input influenced the outcome.	We will look to you for advice and information in formulating solutions and options and incorporate your advice and recommendations into the outcomes to the maximum extent possible.	We will implement what you decide. We will support and complement your actions.
<b>Issues, decisions or proposals for which this might be used</b>	For any issues or decisions expected to be of interest to the wider community or to a specific group within the community.	When Council has developed a proposal it wants to obtain feedback on, whether or not that proposal has been developed with the prior involvement and collaboration of the community (it may also be undertaken either preceding or following other engagement).	For more significant or complex issues and proposals where involving the community prior to confirming solutions, options or a proposal is considered likely to achieve better outcomes and contribute to more effective and efficient decision-making.	For more significant or complex issues and proposals where collaborating with the community prior to developing solutions, options and proposals is considered likely to achieve better outcomes and contribute to more effective and efficient decision-making.	For matters where Council determines, by way of a resolution, that this is the most appropriate form of determining a decision on an issue.
<b>Examples of issues we might use this for</b>	Roadworks Boil water notices Community events Updates on projects underway	Any proposal of moderate to high significance where community views are not known and feedback is required to assist decision-making.	Water supply upgrades Some bylaws and policies Reserve Management Plans Upgrades or redevelopments of facilities and services which are of moderate to high significance	Redevelopments or upgrades of facilities and services that are of high significance	Dialogue with Government Shared projects
<b>Methods Council might use</b>	Websites Information flyers Public notices	Formal submissions and hearings, focus groups, phone surveys, surveys, opinion polls.	Workshops Focus groups Citizens Panel	External working groups (involving community experts), participatory editing.	Binding referendum
<b>Who might be involved</b>	Generally all members of the public, but information may be targeted to specific groups within the community where the decision specifically affects them.	Generally all members of the public, but consultation may be targeted to specific groups within the community affected by the decision.	Sub-committees Community groups Community representatives Members from other organisations Business representatives	Sub-committees Community groups Community representatives Members from other organisations Business representatives	Generally all members of the public, but may be only for specific groups within the community to whom the decision relates.
<b>When the community can expect to be involved</b>	Council would generally advise the community once a decision is made.	Council would advise the community once a draft decision is made Council and would generally provide the community with up to 4 weeks to participate and respond.	Council would generally provide the community with a greater lead in time to allow them time to be involved in the process.	Council would generally involve the community at the start to scope the issue, after information has been collected and when options are being considered.	Council would generally provide the community with a greater lead in time to allow them time to be involved in the process - eg typically a month or more.

## General guidelines for discretionary engagement

Council should inform the community about all decisions. At a minimum this can be done through the Council minutes placed on the website. The more significant a decision is, particularly where the ‘controversy’ and ‘community impact’ criteria score highly in the assessment undertaken in Schedule 2 of this policy, the information provided should be more widely distributed.

For all issues requiring engagement beyond ‘inform’, an engagement plan must be prepared using the template provided in Schedule 4 of this policy prior to commencement of the engagement process. The time spent on the engagement plan and detail provided should be proportionate to the level of significance and extent of the engagement process i.e. a lighter level of detail for the ‘inform’ level of the spectrum but more detailed for ‘consult’ onwards.

The following steps should be undertaken in conjunction with preparing the engagement plan.

### Step One: Define the purpose of engagement

- Identify why engagement is important for your policy, project or service – e.g. to create awareness of issues, greater understanding of on-the-ground issues, early identification of potential problems.
- Identify what outputs (tangible products you want to produce) or outcomes (desired end states) you want to achieve by undertaking stakeholder engagement.

### Step Two: Decide who to engage

- Create a list of relevant stakeholders with consideration given to the following questions, where relevant:
  - ▶ What individuals have a stake or an interest in the issue? Who will potentially be impacted by the outcomes?
  - ▶ Who is influential in the project/policy arena? Who makes the decisions or can influence decisions?
  - ▶ Who is critical to delivery? Who will contribute resources?
  - ▶ Who can slow or stop the project?
  - ▶ Who has been excluded and may not have been considered?
  - ▶ What point in the process are stakeholders being engaged with?
  - ▶ Who are the silent, marginalised or harder to reach stakeholders?

- Determine the suitable level of engagement for each stakeholder based on:
  - ▶ Their level of interest and/or level of influence/representation
  - ▶ The overall significance of the issue, decision or proposal
  - ▶ Time and resources available for engagement
  - ▶ The extent to which community views are already known or can be gauged through previous consultation on similar issues, proposals and decisions
  - ▶ How well the choice of engagement will achieve the best decision-making outcomes for the community and contribute to effective and efficient decision-making

### Step Three: Decide how to engage

- When a level of engagement has been selected, the significance of the issue, decision or proposal (as assessed under Schedule 2 of this policy) should be used to help determine the extent of:
  - ▶ Time and resources committed to the engagement process
  - ▶ The range of tools used for that level of engagement as outlined on the following table.

## Community-initiated engagement

Sometimes representatives or groups from the community approach Council inviting us to engage on matters that are important to them.

Decisions on whether engagement should be undertaken should be made on a case-by-case basis.

In determining whether Council will commit time and resources to community-initiated engagement, officers should assess whether there is a potential decision or proposal associated with the matter, the significance of the matter and refer to the General Approach to Engagement outlined in this policy.

## SCHEDULE 4:

### COMMUNITY ENGAGEMENT PLAN TEMPLATE

#### [Project name] Engagement Plan

##### Project description and background

[Briefly describe the proposal or decision to be made, the circumstances that led to it, related council decisions already made, and any legislation applying]

##### Engagement purpose and objectives

[What is the overall purpose of the engagement?]

What feedback or decisions are sought from communities and stakeholders?

What decisions will be made by council that are to be informed by community input?]

Objective of the proposal/decision	Reasons for engagement	Outputs	Outcomes
<i>Example: Cultural facilities redevelopment</i>	<i>Example: To ensure stakeholders contribute to:  <ul style="list-style-type: none"> <li>■ Knowledge and understanding of the business needs</li> <li>■ Assessment of business risks</li> <li>■ Development of appropriate solutions</li> <li>■ Achievement of the business objectives</li> </ul> </i>	<i>Example: To develop a business plan and redevelopment proposal for the LTP that incorporates and is consistent with the needs of the community and visitors.</i>	<i>Example: Redeveloped facilities meet the needs of the community and visitors.</i>

##### Timeframe and completion date

[Describe the project stages and key decision points, include the likely dates of decisions to be made by council. If necessary, a more detailed timetable can be attached to this plan.]

Key project stages	Start date	Completion date

##### Communities and stakeholders to be engaged with

[List the key communities and stakeholder representatives to be engaged]

##### Level of engagement

[List the key communities and stakeholders to be engaged with, describe level of engagement to be used Refer to the Engagement Guide to determine the engagement level desired and why this level is considered appropriate].

Community group or stakeholder representative	Level of engagement	Rationale for level of engagement

##### Engagement tools and techniques to be used

[List the key communities and stakeholders to be engaged with, describe the tools and techniques that will be used to engage and indicate when they can expect to be. Refer to the Engagement Guide to determine tools and techniques appropriate to the level of engagement identified above].

Community group or stakeholder representative	How this group will be engaged (methods and tools to be used)	When they will be engaged

### Resources needed to complete the engagement

[This schedule should include time allocations for council staff and councillors, and costs involved in delivering the selected tools and techniques. This should include costs of external service providers, special materials needed, data analysis, venue hire and so on.]

### Communication planning

[Outline any council reputation risks that may be associated with this project

Describe measures to be undertaken to mitigate those risks

Describe key messages to be publicly communicated

If necessary attach a separate communication plan]

### Basis of assessment and feedback to the communities and stakeholder representatives involved

[Having gathered and analysed community input, describe how this will be analysed and results communicated to council and to the participating communities. Indicate whether this feedback will occur before or after Council decisions are made.]

### Project team roles and responsibilities

Outline who will be contributing to this project, including external service providers, and who has oversight of it within Council.

Team member	Role and responsibilities



**INFRASTRUCTURE  
STRATEGY**

## EXECUTIVE SUMMARY

This document outlines the Infrastructure Strategy for Waitaki District Council for the period of 2018 – 2048 and is aligned to the Council's vision for the Waitaki District of growing Waitaki and making it the best place to live, work and play, and the supporting outcomes that will help Council achieve this vision.

In summary, the strategy continues the theme of focusing on high quality infrastructure services that meets the needs of the Community. This aligns well with the direction of the Financial Strategy which is to concentrate on delivering good quality services that meet the changing needs of the community while ensuring rates affordability and financial flexibility through efficiency and effectiveness, maximising value and repaying debt.

This is the second Infrastructure Strategy, with a continued focus on maintaining core services and infrastructure for roads and footpaths as well as the three waters. Eight strategic issues have been determined as priorities, being Climate Changes, Water Quality, Rooding Resilience, Demographic Changes, Tourism Growth, Community Growth, New Technologies and Affordability.

A list of actions has been created from these issues as well as supporting programmes and projects. It is intended that these are assessed and prioritised for implementation before the strategy is updated with an Action Plan. This effectively marks the strategy as a transition document, and as such it will be worked on more extensively once the Council's Long Term Plan has been adopted, with a view to having the updated and revised strategy ready well in advance of the next Long Term Plan.

There are options to increase the speed of delivery of existing projects and the actions identified to address the strategic issues and challenges. This includes increasing resourcing or reprioritising works. These options and others identified, will likely be explored further when the action plan is developed. The action plan will also be informed by feedback from the consultation feedback.

The strategy also investigates and outlines the Council's details of its core infrastructure, including its condition and performance while recording the significant assumptions, risks and mitigation. Emerging issues that will impact on the core infrastructure assets, and Council's response to these issues and the

significant decisions to be made during the term of this strategy are outlined. The benefits, cost, timing and funding sources are documented.

Parks and Recreation, Community buildings and other Property assets are outside the scope of the Strategy due to resourcing constraints. However, it is intended to include both these groups in future Strategies as resourcing allows.

The strategy shows that Council's Rooding and Water infrastructure is being fully funded for replacement and Council is managing the maintenance and operation of the assets with its current level of resourcing. However, there are several challenges that the Strategy identifies as needing to be addressed moving forward into the future.

# WAITAKI DISTRICT

## WAITAKI DISTRICT

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 to Lindis Pass. 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, Lake Ohau and the Waitaki Valley. As at June 2017, Waitaki District's population is 22,200, of which 13,900 (63%) live in Oamaru.

Traditionally a rural and farming district, Waitaki's tourism market is growing rapidly. There are many attractions and activities, including beautiful lakes ideal for all sorts of water activities, ski fields, tramping, fishing and hunting, and beaches with great surf and brilliant white sand. In 2014 Lonely Planet named Oamaru NZ's Coolest Town and it is, offering some pretty special things – the historic Victorian precinct (including Victorian Heritage Week), little blue penguins and Steampunk HQ. Further afield we have award-winning restaurants, wineries, craft breweries and special archaeological sites.

Waitaki is the only district in the South Island that lies within two regions. A major reason for this split was the governance of the Waitaki River, which forms a political boundary between Canterbury and Otago. Therefore, the district has two regional authorities – the Otago Regional Council and the Canterbury Regional Council (ECan).

## WAITAKI DISTRICT COUNCIL

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:

- We enable opportunities for new and existing businesses
- We provide and enable services and facilities, so that people want to stay, and move here
- We keep our District affordable
- We understand the diverse needs of our community
- We maintain the safest community we can
- Waitaki's distinctive environment is valued and protected

# STRATEGY

## STRATEGY PURPOSE

This is Waitaki District Council's second Infrastructure Strategy. The strategy has been informed by Council's Asset Management Plans (AMPs) and a series of assumptions. The Strategy should be considered in conjunction with the Financial Strategy which is also informed by Council's vision, based on similar assumptions and issues for the District. The Strategy sits over existing Activity AMPs and does not alter the details of such plans.

The issues discussed within the Strategy reflect the current legislative environment and requirements on Council 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.

### Council's Infrastructure Priorities

At a high level, Council's 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

## STRATEGY OVERVIEW

The following one-page strategy overview was developed in conjunction with key asset managers and then workshopped with councillors. This document identified the strategic issues and challenges, for Infrastructure, aligned to the Council's Vision and District Outcomes. The emerging issues formed a key background context to the strategic issues highlighted in the strategy overview. The overview does not cover all emerging issues, but in the views of Council, covers the most significant. Section 5 of this document provide a complete list of Emerging Issues.

At this stage, Council's Infrastructure Activities are operating in a business as usual model, with scarce resourcing available for additional projects. This document has recognised that the strategy moving forward is to develop more thinking around how these actions can be completed, and thus adequately address the key strategic issues that have been identified.

This strategy overview has also helped identify that the options available to Council are to either resource up, to complete the projects required in a timely manner, or take a longer-term view to achieving the actions at the current resource level.

**VISION:** “ Waitaki is the best place to live, work and play ”

## DISTRICT OUTCOMES

- 1 District Affordability**
- 2 Business Opportunities**
- 3 Attractive Facilities & Services**
- 4 Meeting Diverse Needs**
- 5 Valued & Protected Environment**
- 6 Safe Communities**

	Climate Changes	Water Quality	Roading Resilience	Demographic Changes	Tourism Growth	Community Growth	New Technologies	Affordability
Strategic Issues	Ensuring long and short-term infrastructure planning anticipates the scale and speed of climate changes.	Ensuring 3-Water networks meet public demands for cleaner rivers, lakes etc	Managing the costs of increased traffic volumes and service level and safety expectations on rural roads and changing uses on urban streets and	Delivering infrastructure that responds to the changing needs of an ageing population and accounts for social affordability issues.	Ensuring infrastructure meets growing tourism numbers and higher service expectations.	Developing infrastructure, particularly community assets, to support community and economic development goals.	Responding to rapidly changing technology when making long-term infrastructure investment decisions.	Maximising alternative funding sources, while ensuring that services and service levels match the community's ability to pay.
Goals & Outcomes Supported	Infrastructure is resilient and adapting to climate changes before having materially adverse impacts. <b>Outcomes 5 &amp; 6</b>	Network discharges meet both public expectations and legislative requirements. <b>Outcomes 5 &amp; 6</b>	Waitaki roads are responsive and resilient to changing public needs and expectations. <b>Outcomes 3, 4 &amp; 6</b>	Waitaki has a balanced population and caters for the changing needs of current and future residents. <b>Outcomes 2, 3 &amp; 4</b>	Infrastructure meets demands and enables opportunities for new and existing businesses. <b>Outcomes 2 &amp; 3</b>	Infrastructure is retaining and attracting residents. <b>Outcomes 3, 4 &amp; 6</b>	Use of technology enables Council to deliver better and more cost-effective infrastructure <b>Outcomes 1 &amp; 3</b>	Revenue sources can financially sustain current and future infrastructure needs and expectations. <b>Outcomes 1 &amp; 4</b>
Actions	Develop and improve network understanding, especially points of critical failure.  Improve and prioritise development of greater network redundancy and failover points	Improve understanding of the state of 3W network  Develop knowledge of cost implications of options for better discharge standards  Understand affordable options	Better understand likely traffic volumes and patterns of use.  Continue to review the scale of investment required and options available.  Continue to review other funding options	Modify the capex investment to addresses emerging needs of retirement community.  Better understand community infrastructure needed to attract new workers and families.	Better understand the likely changes to the volume, nature and requirements of future tourism demands on the District because of initiatives (outside of this strategy) to increase tourism.	Better understand community infrastructure needs and to supply services to attract new workers and families. Improved 30+ year understanding of cost of community infrastructure. Add community structure assets into Infrastructure Strategy	Improve data quality, volume and analysis.  Deepen understanding of the technology opportunities for managing infrastructure.  Develop longer-term (100 year) and more adaptable capex programme	Increase integration of Financial and Infrastructure Strategies.  Improve financial modelling of 30+ years capital & operational costs  Understand whole of life asset costs  Review asset management levels

	Climate Changes	Water Quality	Roading Resilience	Demographic Changes	Tourism Growth	Community Growth	New Technologies	Affordability
Supporting Programmes & Projects	<p>Enhanced standards for infrastructure resilience</p> <p>Updated AMPs to reflect climate change priorities</p> <p>Lifelines plan to ensure power supply continuity to infrastructure network</p> <p>Business continuity planning</p>	<p>Engagement programme with community and key stakeholders (Otago Regional Council; iwi; MfE etc)</p> <p>Establish baseline assessments of current network.</p>	<p>Improve network model</p> <p>Improve roading database</p> <p>Increase investment in rural network</p> <p>Road safety programmes</p>	<p>Develop 30-year population/ demography model for District</p> <p>Revise 2021 – 2031 AMPs to reflect demography changes as a result of interventions</p>	<p>Improve town centres</p> <p>Improve roading amenities (e.g. laybys for photos)</p> <p>Cycleways development</p> <p>Improved signage for facilities and attractions</p> <p>Better public toilet facilities</p>	<p>Revised Park, Reserves, Recreation AMP</p> <p>Economic development strategy.</p> <p>District Plan review inputs</p>	<p>Develop a technology strategy in partnership with other TLAs, IPWEA etc.</p> <p>Enhance current business case methodology to consideration of technology implications</p>	<p>Council's Finance Strategy</p> <p>Asset audit to confirm confidence in information quality.</p> <p>Review DCs Policy</p> <p>Work with LGNZ on LG Funding Review</p> <p>Review Funding Policy</p>
KPIs	<p>Business continuity planning</p>	<p>National standards</p> <p>Customer satisfaction</p>	<p>One Network Road Classification benchmarks</p> <p>Customer satisfaction</p>	<p>Out of District population growth</p> <p>Ratepayer satisfaction</p>	<p>Tourism volumes</p> <p>Economic growth</p> <p>Ratepayer surveys</p> <p>Tourism surveys</p>	<p>Out of District population growth</p> <p>Community well-being and health statistics</p> <p>Residents satisfaction</p>	<p>Value for money measure</p>	<p>Industry benchmarks</p> <p>Value for money measure</p>
Infrastructure Impacted	<p>Roading, Water, Wastewater, Stormwater</p>	<p>Roading, Water, Wastewater, Stormwater</p>	<p>Roading</p>	<p>Roading, Water, Wastewater, Stormwater</p>	<p>Roading, Water, Wastewater</p>	<p>Roading, Water, Wastewater, Stormwater</p>	<p>Roading, Water, Wastewater, Stormwater</p>	<p>Roading, Water, Wastewater, Stormwater</p>
Options	<p>Continue to manage infrastructure without undertaking these actions. The implication is that infrastructure could fail unexpectedly affecting level of service and budgets. Financial impact is variable.</p>	<p>Not participate in engagement with the Community and stakeholders. The implication is that standards are not able to be met with the expected timeframes. Financial impact has not been assessed.</p>	<p>Maintain level of funding instead of investing more into Council roads. The implication is that levels of service would deteriorate, and the ratepayers remain unsatisfied with Council roads. Financial impact, \$1m each year (including NZTA)</p>	<p>Continue to use existing demographic figures. The implication is that Council may invest in the wrong infrastructure. Financial impact is unknown but could be high.</p>	<p>Continue to use existing tourism statistics. The implication is that part of Council's infrastructure is overwhelmed, and reactive decision making is required, and customer satisfaction is decreased. Financial impact is unknown but could be high.</p>	<p>Retain community infrastructure at current levels. The implication is that customers become increasingly dissatisfied with the infrastructure provided. Financial impact is unknown.</p>	<p>Not invest in new technologies. The implications are that new efficiencies are not able to be utilised. Financial impact is unknown but likely to be cumulative.</p>	<p>Lower levels of service to decrease maintenance response times. The implications are that customers become dissatisfied with the level of service offered. Financial impact is unassessed.</p>

## STRATEGY SCOPE

### Section 101B of the LGA 2002 notes:

(1) A local authority must prepare and adopt, as part of its LTP, an infrastructure strategy for a period of at least 30 consecutive financial years; and

- (6) Infrastructure assets include:
- 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 the local authority, in its discretion, wishes to include in the strategy.

Parks and Recreation, Community buildings and other Property assets are outside the scope of the Strategy. It is recognised that these are assets owned by Council, however the focus of these activities has been on the service delivery aspect. Ideally their contribution to the asset portfolio would be recognised by the strategy, however due to the resourcing availability constraints it has not been possible to include them. It is also recognised that the NZTA managed State Highway and Rail Networks, as well as Utilities such as power and communication are all important aspects of Waitaki's infrastructure. It is intended to include these groups in future Strategies.

## STRATEGIC STATEMENTS

Under the LGA, Section 10, Council is 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.

In this Act, good-quality means infrastructure, services, and performance that are: efficient, effective, and appropriate to present and anticipated future circumstances.

Four Strategic Statements have been developed to sit underneath the purpose of the LGA and to guide the 30 Year Infrastructure Strategy.

We earlier outlined the strategic issues on the Strategy Overview Table (P.12), these strategic statements underpin the existing business as usual practices, which inform the Infrastructure Asset Management Plans.

### **We will supply infrastructure that satisfies the needs of the community**

- Fit for purpose infrastructure services that are affordable, and meet the requirements of relevant New Zealand legislation, best practice and statutory requirements.
- We will measure using Residents' surveys, annual customer requests

### **We will identify our different communities and consider their needs and impacts on our infrastructure services**

- 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 measure using Residents' surveys, annual customer requests and benchmarking

### **We will consider risk in the context of affordability, practicality and legality**

- 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 Lifelines processes
- We will measure using Industry benchmarks

### **We will respond to demand changes**

- 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 maximize infrastructure and investment
- Monitor and analyse demand over time to identify trends and ensure environmental and statutory compliance
- Collaborate with stakeholders to target appropriate levels of response
- We will measure using Residents' surveys

## **ASSET MANAGEMENT STRATEGY**

Council's management strategy is to provide safe, affordable, sustainable core infrastructural systems to resident and visitors 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 thirty-year infrastructure strategy, Council demonstrates a long term strategic view and can make prudent decisions regarding the funding of any further development of networks, and maintenance and renewal of the existing assets.

Council has a governance role in the management of asset infrastructure services, and as such, may need to alter an existing asset expenditure programme to meet changing community expectations outside the agreed Asset Management Plan. We recognise the need for this flexibility in our plans and programmes.

### **Cost Effective Delivery of Services**

To demonstrate that the delivery of services is efficient, effective and appropriate, Council has developed a suite of Activity Management Plans (AMP) for its Core Infrastructure Services as part of the 2018-28 Long Term Plan. The AMPs assist Council to meet its obligations under Section 10 of the LGA and 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. In the case of roading, their AMP's are subject to regular audit by NZTA and contain performance measures that determine overall effectiveness and efficiency of delivery.

## 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.

To address resilience, Council's approach will be to:

- Develop and maintain Business Continuity Plans Current State: Project created to develop BCP's as per Strategy Overview (P.12)
- Investigate options for alternative service provision and system redundancy. Current State: These are considered when any upgrades are completed.
- Identify critical assets and ensure mitigation methods are developed. Current State: Critical assets have been identified, this ensures they have a higher focus from the team, with robust maintenance interventions, however more work is required to more formally document renewal strategies.
- Obtain insurance where this is deemed to be the most cost-effective approach Current State: Insurance is reviewed annually.

## Evidence Base

Council acknowledges there may be limitations with its data that affect decision-making. One of the action items is to improve data collection and analysis.

Current State: Both Waters and Rooding have been assessed as having Level B Asset Data, which is reliable. More information is available in the Asset Management Plans for the respective activities. This gives Council confidence that its budgets are appropriate to maintain and renew its assets. However, there is the opportunity to reassess the overall budgets on an annual basis should it be shown that the asset data is not as reliable as forecast.

It is intended to complete an asset audit under the International Infrastructure Management Manual guidelines before reviewing Council's Asset Management Strategy (which says the level of asset management for each activity) to review and confirm what level of data collection is appropriate for Council. The Infrastructure Strategy will then be updated accordingly. It is intended to do this work over the twelve to twenty four months. The AMP's contain more detail on the current approach to data collection and management which relates to information contained in this version of the Infrastructure Strategy.

This is in addition, for roading, to separate and independent audit by NZTA.

## MOST LIKELY SCENARIO

Taking a long-term view to the management of infrastructural Assets, Waitaki District Council needs to deliver a work programme in a timely manner.

The tables below show the most likely scenario for delivery of this programme. The majority of this work is required to meet legislative requirements; therefore, they are not decisions to be made as such, but are key deliverables that address Community needs and priorities.

These tables show two types of projects. The first is a physical project and is shown by a dollar figure and is explained in Section 6 – Financial Estimates. However, there are also a number of other deliverables which are bodies of work that then assist decision making. These require time allocation from staff, who are funded from existing budgets - the indicative timeframe is the more important piece of information.

## Water Key Deliverables

Key Deliverable	Indicative Cost/ Funding	Indicative Timeframe
WTP Upgrades: Upgrade water treatment plants at Awamoko, Kauru Hill, Bushy Creek, Stoneburn, Tokarahi and Windsor. Undertake improvements at Lower Waitaki to supply water which meets the Health (Drinking Water) Amendment Act 2007.	\$7,400,000	2018– 2021
Other options: Council is required to upgrade water supplies to meet drinking water standards and does not believe there are other options available to it. There are options on how each upgrade is carried out. These are discussed in the section looking at other scenarios considered.		
Oamaru Water Renewals (per annum). This is an ongoing programme to replace water assets in Oamaru, in line with the Asset Management Plan.	\$1,000,000 \$500,000 Annum	2018 – 2024 2024 – 2048
Other options: Council continues to provide water services; other options have not been considered.		
Improve asset information quality to ensure effective and efficient maintenance and development to meet future demand	Existing Budget	2018 – 2024
Other options: Reduce input into asset management and focus staff resources on maintaining the physical asset. It is likely asset knowledge and efficiencies with better data, would be lost over time.		
Develop an improved renewal plan to better consolidate the asset set. Take all practicable steps to comply with NZ legislation and standards.	Existing Budget	2020 – 2026
Other options: Renew the asset on a failure only basis. This would lead to a more reactive maintenance approach and would greatly increase the risk of unexpected failure and therefore inhibit the ability to meet the levels of service required.		
Develop and document risk management/BCP procedures	Existing Budget	2018 - 2021
Other options: Keep resources doing other work, the implication is that there is a greater risk of unexpected failure and therefore inhibit the ability to meet the levels of service required.		

## Stormwater Key Deliverables

Key Deliverable	Indicative Cost/ Funding	Indicative Timeframe
Capacity reinstatement within the Oamaru Stormwater network to remove gravel build up, totalling \$2.0M over the next ten years	\$200,000 Annum	2018 - 2028
Other options: Reduce scope of work - likely to increase surface flooding over time due to rain events.		
Develop and implement a Stormwater Management Plan for reticulated systems within Canterbury. This will also be required in the future in Otago.	\$20,000	2018
Other options: Not considered, this work is required.		
Plan for climate change and investigate system adaption. This will help to consider the impacts of more frequent heavier rainstorms on public and private property in urban areas.	Existing Budget	2021
Other options: Not complete the work and free up resourcing for other priorities. The implication is that Stormwater issues are not able to be identified and addressed.		
Develop an improved renewal plan to better consolidate the asset set. Take all practicable steps to comply with NZ legislation and standards.	Existing Budget	2021
Other options: Renew the asset on a failure only basis. This would lead to a more reactive maintenance approach and would greatly increase the risk of unexpected failure and therefore inhibit the ability to meet the levels of service required.		
Continue to gather information on the state of the network, as there is some uncertainty regarding the expected life of the pipes	Existing Budget	2018 – 2028
Other options: Reduce input into asset management and focus staff resources on maintaining the physical asset. It is likely asset knowledge and efficiencies with better data, would be lost over time.		

## Wastewater Key Deliverables

Key Deliverable	Indicative Cost/ Funding	Indicative Timeframe
Identify and implement methods to make wastewater collection and treatment services more efficient and sustainable	Existing Budget	2018 - 2019
Other options: Retain existing operating practices and divert more resourcing to other activities. The implication is that improvements with cumulative effects would be reduced.		
Investigate overflow mitigation and overall network capacity (particularly during storm events) and implement appropriate measures. Continue works and maintenance to improve the capacity and operation of the wastewater systems (Omarama treatment plant capacity upgrade and Oamaru treatment plant capacity upgrade).	\$1,000,000	2018 - 2022
Other options: Not invest in this work. The implications are that discharges do not meet required standards and that some Economic Growth is stalled due to insufficient treatment capacity.		
Upgrade treatment facilities to comply with resource consent conditions	\$1,000,000	2018 - 2026
Other options: Not considered, this work is required.		
Review implications of Council taking ownership of sewer laterals to improve control over works in the road corridor (currently owned by private individual properties). It is anticipated that it would cost an additional \$200k per annum should Council agree to take ownership. It is not yet known when a decision would be implemented should Council agree to proceed.	Existing Budget	2018 – 2019
Other options: Council does not take ownership of sewer laterals, the implication is that \$200k per annum is saved if ownership is agreed by Council, however liability for sewer lateral repair remains with the individual property.		
Develop an improved renewal plan to better consolidate the asset set. Take all practicable steps to comply with NZ legislation and standards.	Existing Budget	2021 - 2027
Other options: Renew assets on a failure only basis, leading to a more reactive maintenance approach, greatly increasing the risk of unexpected failure and inhibiting the ability to meet the levels of service required.		
Plan for climate change and investigating system adaption. This is in response to more frequent and heavier rain events.	Existing Budget	2021
Other options: Not complete the work and free up resourcing for other priorities. Implication is that wastewater overflow issues are more frequent and that discharge standards are not able to be met.		

## Roads and Footpaths Key Deliverables

Key Deliverable	Indicative Cost/ Funding	Indicative Timeframe
Pavement Rehabilitation & Seal Replacement	\$3,575,000 Annum	2018 - 2048
Other options: Not considered as this work is required to meet levels of service set by Council.		
Kakanui Point Bridge Replacement	\$7,000,000	2020 – 2021
Other options: Replace the bridge with a two-lane bridge. This would increase the cost to around \$14m and it is likely that NZTA co-investment would not be available for the increased level of service. Council could choose not to replace the bridge meaning it would be left with weight restrictions and will eventually effectively separate the Kakanui community.		
Widening of high risk sealed roads, more metal on high priority rural roads, smoothing of rural and urban roads. Improve response levels, undertake improvements to safety, resilience, efficiency, accessibility, amenity and travel time.	\$2,900,000 Over 3 years	2018 – 2021
Other options: Fund a lesser amount or do not fund this level of service increase. Increased expenditure is in response to Community dissatisfaction with Council roads. Reducing or removing the project will save Council' share of the cost (45%) but is unlikely to improve dissatisfaction levels.		
Maintenance, operations and renewals: Council's roading maintenance contract reflecting the current market value.	\$4,135,777 Annum	2018 – 2048
Other options: Increase or reduce the levels of service provided for the in the Contract. A reduced level of service is likely to increase community dissatisfaction with Council roads.		
Road Safety programme: Programmes to reverse the increasing trend of fatalities on all roads.	\$170,200 Annum	2018 – 2048
Other options: Reduce expenditure - This is likely to impact on road safety in Waitaki.		
Walking and cycling projects: Enable cyclists to safely commute from the Penguin Colony in Oamaru to the north end of Oamaru	\$550,000 Over 3 years	2018 – 2021
Other options: Not fund the cycleway projects, saving Council's share of the cost of the work (45%) however this would reduce the effectiveness of Council's cycle network and require the return of investment to NZTA for the Oamaru Creek bridge.		
LED Street Lights - Reduction in costs due to efficiencies of LED, allowing for renewals of infrastructure e.g. poles and brackets.	\$300,000 Over 3 years	2018 – 2021
Other options: Not considered, this renewal work is needed to maintain levels of service and provide significant maintenance and electricity savings.		

## Other Options Discussion

This Infrastructure Strategy shows that the Waitaki District is well provisioned with core infrastructure and there are few genuine options for discussion. Many of the decisions are due to legislative requirements and the decisions around how projects are delivered are assessed at the time the project is delivered. The HamNak water upgrade is a good example of this. The original LTP proposal showed individual water treatment plants as the preferred option. However, once the detailed options analysis and community consultation were completed, it was clear that amalgamating with Oamaru was the best option. In the same way, this Strategy shows where work is required, but the detailed options work has not yet been completed for every project.

However, there are some genuine options for discussion:

**Resourcing:** Council could provide more resourcing than is currently allowed for in the Strategy. This would enable work to progress faster as well as allow better communication with the Community and stakeholders. It is estimated that an additional \$200,000 per annum over and above existing budgets would make a significant improvement in progress.

**Havelock North:** The impacts of Havelock North on Council's drinking water supplies have not been integrated into this strategy. Work could be fast tracked to complete the final drinking water upgrades sooner than forecast. It is estimated that an additional \$250,000 per annum for two years would fast track this work.

## Roading:

Options are summarised in the key deliverables table above. The main choice is around investing a further \$2.9m in road improvements and \$550,000 in cycleway projects. These both attract co-investment by NZTA to a level of 55%. It is expected that the \$2.9m investment will improve Council roads and increase community satisfaction towards an acceptable level. The amount of investment could be reduced, or the projects removed which would reduce the equivalent rate requirement for those years.

## Other Scenarios Considered

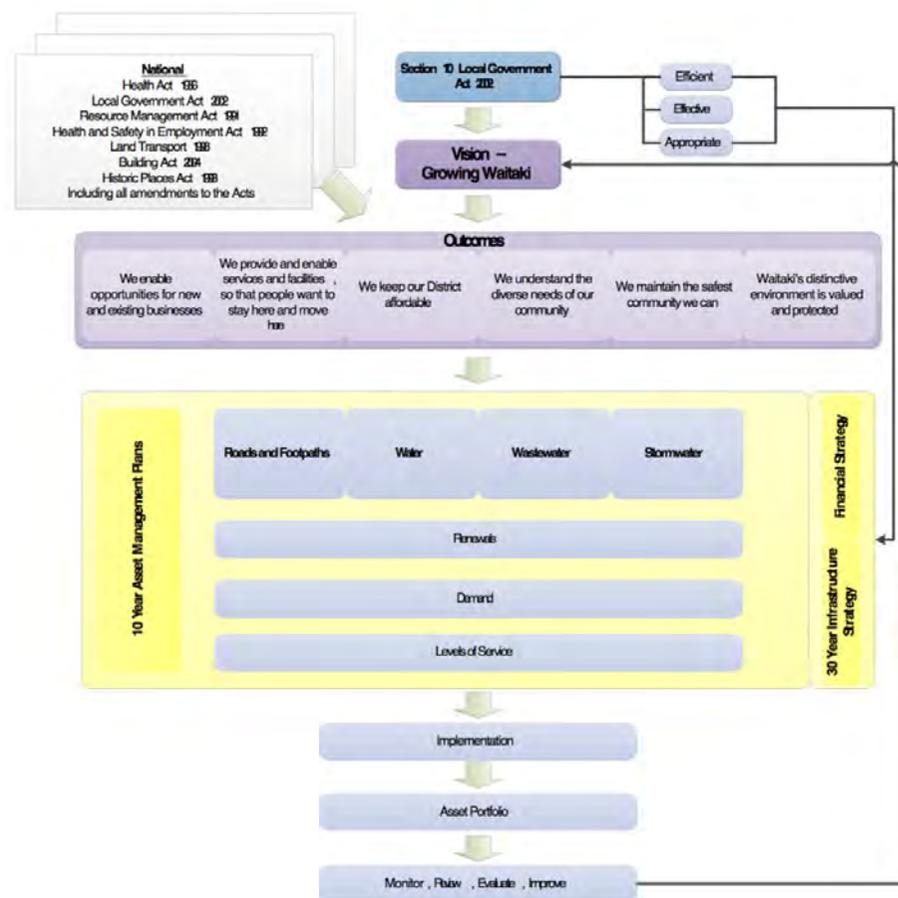
These alternative scenarios have also been considered as part of the Infrastructure Strategy. These scenarios are considered when developing the projects on a case by case basis, for example when looking at options for a treatment plant upgrade for a water supply, both amalgamation and standalone solutions are assessed at the time of treatment plant design and budget confirmation. These are then discussed with the Community (refer the recent Hampden / Moeraki and Herbert / Wainakarua water supply consultation). The actual solution chosen is reflected in the most likely scenario. The renewal programme is based on overall condition data on asset life of that type of asset. This is reconfirmed on a case by case basis when the actual pipe renewal project is due for construction.

- **Water:** Standalone WTP upgrades or amalgamation of water supplies  
Condition assessments prior to renewal
- **Wastewater:** Standalone WWTP 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 by using tools such as ONRC and Roding Network Plan

## Strategy Links

To deliver the Council's vision, 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 by setting out the asset management strategy in support of our asset management policy.

Figure 3.1 Infrastructure Strategy- Linkages with other Documents



# CORE INFRASTRUCTURE

## CORE INFRASTRUCTURE ASSETS

The core Waitaki District Council Infrastructure Assets are tabled below with 2015 replacement values for water, sewerage and stormwater assets. A current revaluation is underway, but there have been no significant changes since 2015. Roads and footpath assets were revalued in 2017.

Table 4.1 Waitaki District Infrastructure Assets

Asset	Description	Replacement Value	% of total
Water (2015)	Water extraction, treatment and distribution	\$100.8M	11%
Sewerage (2015)	Wastewater collection, treatment and discharge	\$74.5M	8%
Stormwater (2015)	Stormwater collection and discharge	\$26.3M	3%
Roads and footpaths (2017)	Roads (arterial, collectors, local; curbs and gutters), bridges, footpaths	\$710.7M	78%
<b>TOTAL</b>		<b>\$912.3M</b>	<b>100%</b>

## CORE ASSETS DESCRIPTION

In general, the condition and performance of Council's 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 it is considered that the performance of the core infrastructure is sound there are several issues that need to be considered:

- Council expects ongoing increases in the cost of roading. Increased truck movements – particularly from dairy conversions and future forestry harvesting - will 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 Council and water consumers over the next few years.
- Compliance with existing and new regional waste water and stormwater rules and standards that place greater emphasis on protecting the environment.

## WATER

### Water 30 Year Goals

Protect public health and property by providing a reliable, sustainable and cost-effective supply of water to meet the needs of the consumer.

### Water Assets

Council supplies water to over 95% of the district's population through 17 water intakes, 41 Storage facilities and 34 Pump Stations. Total length of reticulation is 1,641km varying from 15mm to 900mm in diameter. Total operating costs are estimated to be \$6.2M, gradually increasing to \$7.6M in 2028. Replacement value of treatment plants, pump stations and reticulation is approximately \$100.8M as at July 2015, and has not changed significantly.

\$6.2M  
Operating  
Costs

1641km  
Reticulation

41 Storage  
Facilities  
34 Pump  
Stations

Type of Supply:  
U = Urban (on demand),  
R = Restricted.

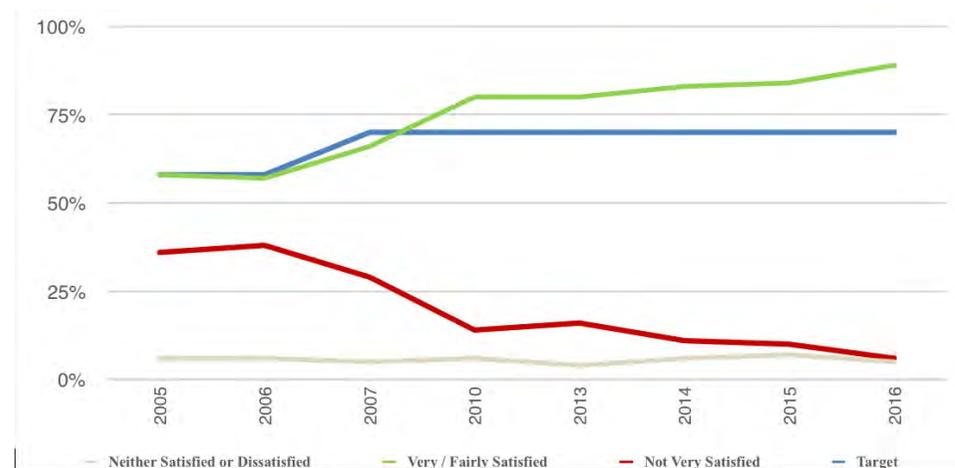
Source:  
B = Bore.  
C = Creek.  
G = Gallery.  
R = River.  
WR = Water Race.

Treatment:  
Cl2 = Chlorine.  
F = Filtration.  
N = No treatment/disinfection.  
O3 = Ozone.  
UV = Ultra Violet Irradiation

Table 4.2 Water Supplies Summary	Pop. (WINZ)	Type of Supply	Source	Storage (m3)	Pump Stations	Retic. (km)	Valves	Hydrants	Replace. Value
Oamaru	14,390	U & R	WR	F, Cl2, O3	11,738	7	466	1,036	\$65,012,054
Waihemo	1,357	U & R	B	F, Cl2, UV	1,750	2	208	201	\$8,193,528
Kurow	330	U	B	UV	360	1	15	54	\$2,332,134
Lake Ohau	36	U	G	N	180	-	4	8	\$719,967
Omarama	270	U	G	Cl2	940	1	14	81	\$2,827,954
Otematata	195	U	G	N 20,000(u)		1	14	112	\$3,859,733
Awahokomo	21	R	G	N	97	-	9	-	\$218,152
Awamoko	399	R	WR	F, Cl2	97	4	70	8	\$1,572,570
Duntroon	81	R	B	N	90	1	7	8	\$375,313
Hampden/Moeraki	501	R	C	Cl2	270	5	62	51	\$2,165,705
Herbert/Wainakarua	670	R	R	Cl2	240	3	165	71	\$2,697,168
Kauru Hill	197	R	G	Cl2	180	1	76	26	\$1,213,433
Lower Waitaki	778	R	B	Cl2, UV	180	2	94	99	\$1,762,308
Bushy Creek	29	R	C	N	13	-	27	6	\$317,430
Stoneburn	86	R	G	F	180	2	87	26	\$1,675,011
Tokarahi	573	R	G	Cl2	430	3	272	182	\$4,860,589
Windsor	137	R	R	Cl2	180	1	51	21	\$993,958
<b>Water Total</b>	20,050				36,925	34	1,641	1,990	\$100,797,007

Section 6, Schedule 10 of the LGA requires Council to identify any variations between the Water and Sanitary Assessments (WSSA) and the Long Term Plan 2015-25, thus requiring a review of the WSSA aligned with the three yearly Community Plan frequency. Within the services supplied by Council there have been significant changes and improvements to the infrastructure and consequently a reduction in risks for the community.

**Figure 4.1 Waitaki Resident Satisfaction with the District Water Supply**



From the Water Satisfaction Survey, it is clear there is a significant increase in satisfaction from 2005, with this high level of satisfaction being maintained. It also shows how Council is continually raising the bar with respect to targets and maintaining high satisfaction levels.

## WATER KEY ISSUES

- Compliance with the Health Act and DWSNZ - Water Treatment Plant Upgrades
- Treatment Plant Upgrades totalling \$3.2M over the next three years
- Increased operation and maintenance costs associated with new Treatment Plants
- Increased maintenance & monitoring due to the Havelock North Inquiry
- Extending the Oamaru Water Supply to provide a least cost/risk option to meet compliance
- Capital and renewal works totalling \$17.8M over the next ten years
- Developing an improved renewal plan to better consolidate the asset set
- Investigating and implementing improved efficiencies
- Developing and documenting risk management procedures
- Ongoing affordability of the water supply.

## WATER KEY ASSUMPTIONS

	Climate Changes	Water Quality	Roading Resilience	Demographic Changes
Key Assumption	<p><b>Sustainability Agenda:</b></p> <p>Central government will continue its increased focus on water quantity and the sustainable management of these resources, and there will be an increased environmental awareness around the importance and value of our waterways.</p>	<p><b>Climate Change:</b></p> <p>That more extreme weather patterns will impact on the District in ways similar to that noted in the Ministry for the Environment guidance.</p>	<p><b>Asset Information:</b></p> <p>That our asset information is reliable and sufficient.</p>	<p><b>Skills:</b></p> <p>That there will be a shortage of technically skilled people to design, construct and manage water assets.</p>
Uncertainty	LOW	MED	LOW	HIGH
Impact	<p>These increases in focus means that achieving more with less resource consumption will become more important as well as protecting water sources from contamination.</p>	<p>There is uncertainty around the rate of climate change and the impact it will have on our water supplies.</p>	<p>Poor asset information quality may impede effective and efficient maintenance, renewals and future development of the water network e.g. projections currently age based not on condition or performance.</p>	<p>With less technically skilled resources available, projects and maintenance may not be able to be appropriate planned and managed.</p>
Our Response / Options	<p>Be responsive to changing community and central and regional government expectations around environmental standards and awareness.</p> <p>Council may need to consider adding for resources to meet increasing expectations.</p>	<p>Consider the impact that climate change may have on the security of supplies when additional information is available and there is greater certainty on the impact this may have locally.</p> <p>Council may need to invest sooner in gathering more information around what effect climate change may have on water supplies</p>	<p>Asset information has been assessed as reliable.</p> <p>Council could increase asset information resourcing.</p>	<p>Council is considering the impact of this issue when planning.</p> <p>Council could intervene sooner and divert resourcing to planning for a skill shortage.</p>

	Tourism Growth	Community Growth	New Technologies	Affordability
Key Assumption	<p><b>Meeting legislative requirements:</b></p> <p>That council continues to meet requirements for drinking water quality under the Health (Drinking Water) Amendment Act 2007 and NZDWS 20058. The Havelock North Water Inquiry recommendations will mean significant legislative changes relating to potable water.</p>	<p><b>Affordability:</b></p> <p>That there will be increased expectations around affordable services i.e. realistic funding now and in the future.</p>	<p><b>Health and safety:</b></p> <p>That there will be ongoing changes to health and safety requirements that Council is required to meet.</p>	<p><b>Managing growth and increased demand:</b></p> <p>That growth and changes in demographic composition will occur faster or slower than expected.</p>
Uncertainty	MED	MED	LOW	MED
Impact	<p>The impacts from the Havelock North Water Inquiry are potentially significant and wide ranging, including the way the water service is delivered, managed, operated, maintained, monitored and reported on.</p>	<p>Council may deem water supplies to be unaffordable.</p>	<p>Increasing health and safety requirements will put more pressure on existing resources.</p>	<p>More demand for water connections in Oamaru and smaller community water supplies may result in development being hindered by maintenance and upgrade work. Significant changes in service levels could result in significant rates increases.</p> <p>Reduction in population and household size could put pressure on the collection of the funding required for the activity.</p>
Our Response / Options	<p>Plan to meet higher water quality standards as legislated, but not quantified at present.</p>	<p>Better understand our assets so that renewal and maintenance costs can be well planned and communicated with the Community to control expectations.</p> <p>Remain prudent when considering rises in fees and charge</p>	<p>Maintain sustainable workloads for current staff and be responsive to increased work demands.</p> <p>Any increase in health and safety requirements would be incorporated into ongoing budgets.</p>	<p>Ensure that we have infrastructure with growth forecast able to adapt to positive population changes.</p> <p>Continue to monitor demographic changes.</p>

## STORMWATER



### Stormwater 30 Year Goals

- Provide for collection and disposal of stormwater to acceptable environmental standards.

### Stormwater Assets

Reticulation varies from 100mm to 1,350mm in diameter.

Total operating costs are estimated to be \$0.6m gradually increasing to \$0.7m in 2028. Replacement value of treatment plants, pump stations and reticulation is approximately \$26.3M as at July 2015, and has not changed significantly

It is estimated that 65% of the District's population have access to a public reticulated stormwater system with the remainder being served by individual soak pits and associated disposal systems.

In accordance with Section 6, Schedule 10 of the LGA, Council is currently reviewing the Water and Sanitary Services Assessment aligned with the three yearly Community Plan frequency.

Supply	Population	Length of Reticulation (m)	Manholes	Replacement Value
Oamaru	11,421	47,610	783	\$22,629,875
Kurow	312	144	1	\$37,690
Lake Ohau	20	55	2	\$23,610
Moeraki	117	23	1	\$11,028
Omarama	267	78	9	\$58,400
Otematata	186	5,094	94	\$1,797,764
Palmerston	795	967	22	\$713,318
Weston	807	2,342	38	\$1,051,837
<b>Water Total</b>	<b>13,925</b>	<b>55,839</b>	<b>932</b>	<b>\$26,323,522</b>

### Stormwater Key Issues

- Compliance with existing and increased resource consent requirements
- Health and environmental compliance
- Development of an improved renewal plan to better consolidate the asset set
- Maintaining a weather eye on the effects of climate change
- Capacity reinstatement within the Oamaru Stormwater network to remove gravel build up, totalling \$2.0M over the next ten years

## STORMWATER KEY ASSUMPTIONS

	Climate Changes	Water Quality	Roading Resilience	Demographic Changes
Key Assumption	<p><b>Regional council obligations:</b></p> <p>Council will continue to comply with resource consent requirements, including The Canterbury Land and Water Regional Plan requiring development of Stormwater Management Plans and resource consent for discharge.</p>	<p><b>Climate change:</b></p> <p>That there will be an increase in frequency of extreme rainfall events in the future.</p>	<p><b>Skills:</b></p> <p>That there will be a shortage of technically skilled people to design, construct and manage stormwater assets.</p>	<p><b>Affordability</b></p> <p>That there are increased expectations around affordable services i.e. realistic funding now and in the future.</p>
Uncertainty	LOW	MED	HIGH	LOW
Impact	<p>Changes to regional rules and standards will increase emphasis on protecting the environment including the requirement for stormwater to be treated.</p> <p>Capital works may be required which would impose significant additional costs.</p>	<p>Increased frequency and severity of flooding and inundation.</p>	<p>With less technically skilled resources available, projects and maintenance may not be able to be appropriately planned and managed.</p>	<p>Service levels are perceived as unaffordable for the Community and service level changes are driven by affordability and/or expectation.</p>
Our Response / Options	<p>Retain some flexibility to respond to regional council requirements.</p> <p>Stormwater treatment allowed for in LTP budgets.</p> <p>Ongoing monitoring of resource consent conditions.</p>	<p>Monitor the impact of climate change and be responsive to the implications this may have locally.</p>	<p>Council is considering the impact of this issue when planning.</p> <p>Council could intervene sooner and divert resourcing to planning for a skill shortage.</p>	<p>Remain prudent when considering rises in fees and charge.</p>

## WASTEWATER



### Wastewater 30 Year Goals

- Ensure the health of the community where urban housing exists, by eliminating the need for individuals to provide their own wastewater system (much higher health risks)
- Provide cost-effective trade waste disposal systems for commercial and some industrial users, eliminating the need for individually provided wastewater systems
- Provide acceptable collection, treatment and disposal systems for community use.

### Wastewater Asset Summary

Reticulation varies from 100mm to 600mm in diameter. Total operating costs are estimated to be \$2.9m, gradually increasing to \$3.7m in 2028. Replacement value of treatment plants, pump stations and reticulation is approximately \$74.5M as at June 2015, and has not changed significantly.

Approximately 80% of the District's population have access to a reticulated wastewater system with the remainder served by individual septic tanks and associated disposal systems. In accordance with Section 6, Schedule 10 of the LGA, Council reviews the Water and Sanitary Services Assessment in alignment with the three yearly Community Plan frequency.

**Table 4.4 Waitaki Public Wastewater Systems Summary**

Supply	Population	Length of Reticulation (m)	Manholes	Pump Stations	Replacement Value
Oamaru: Aeration lagoon. Multiple oxidation ponds. Land disposal	12,228	140,352	1,519	17	\$55,837,326
Otematata: Primary & Secondary Treatment	186	10,528	166	-	\$4,431,059
Palmerston: Oxidation pond	795	15,980	163	2	\$5,319,469
Omarama: Oxidation pond. Wetlands	267	7,308	90	2	\$2,767,395
Kurow: Oxidation pond	312	8,083	42	-	\$2,589,514
Moeraki: Oxidation pond. Wetlands	117	9,987	47	8	\$2,475,273
Lake Ohau: Oxidation pond	20	2,865	35	-	\$1,022,573
Duntroon: Septic tank	90	338	7	-	\$117,313
<b>Wastewater Total</b>	<b>14,015</b>	<b>195,441</b>	<b>2,069</b>	<b>29</b>	<b>\$74,559,922</b>

**Wastewater Key Issues:**

- Compliance with existing and increased resource consent requirements
- Capital and renewal works requiring \$8.3M over the next ten years
- Ongoing affordability of the wastewater services
- Development of an improved renewal plan to better consolidate the asset set
- Staying alert to the effects of climate change on wastewater systems

## WASTEWATER KEY ASSUMPTIONS

<b>Key Assumption</b>	<b>Managing environmental effects and nuisance:</b>  That council appropriately manages odour and sludge disposal from treatment plants, and network overflows and spills.	<b>Regional council obligations:</b>  Council will continue to comply with resource consent conditions and meeting new requirements of regional rules and standards that place greater emphasis on protecting the environment.	<b>Asset Information:</b>  That our asset information is reliable and sufficient.
<b>Uncertainty</b>	LOW	LOW	LOW
<b>Impact</b>	Odour and sludge disposal from treatment plants, and overflows and spills from the network.	Changes to regional rules and standards will increase emphasis on protecting the environment.  Capital works may be required which would impose significant additional costs.	Poor asset information quality may impede effective and efficient maintenance, renewals and future development of the water network
<b>Our Response / Options</b>	Sludge disposal options to be investigated for treatment plant sludge.	Identifying and implementing methods of making wastewater collection and treatment services more efficient and sustainable.  Continue to monitor resource consent conditions	Asset information has been assessed as reliable.  Council could increase asset information resourcing.

<b>Key Assumption</b>	<b>Climate Change</b> That our district will be exposed to more frequent extreme rainfall events in the future.	<b>Affordability</b> That there are increased expectations in the Community around affordable services i.e. realistic funding now and in the future.	<b>Skills</b> That there will be a shortage of technically skilled people to design, construct and manage wastewater assets.
<b>Uncertainty</b>	<b>LOW</b>	<b>MED</b>	<b>HIGH</b>
<b>Impact</b>	Increased rainfall events will overwhelm and inundate the wastewater network, resulting in overflows	Service levels are perceived as unaffordable, and changes are driven by affordability and/or expectation.	Projects and maintenance may not be able to be appropriately planned and managed.
<b>Our Response / Options</b>	Monitor the impact of climate change and be responsive to changes required to assets (including mitigation & adaptation)	Remain prudent when considering rises in fees and charge.	Consider the impact of this issue when planning.  Intervene sooner and divert resourcing to planning for a skill shortage.

## ROADS & FOOTPATHS



### Roads & Footpaths 30 Year Goals

- To provide a safe, effective, efficient and affordable service to customers which is fit for purpose.

### Roads & Footpaths Assets

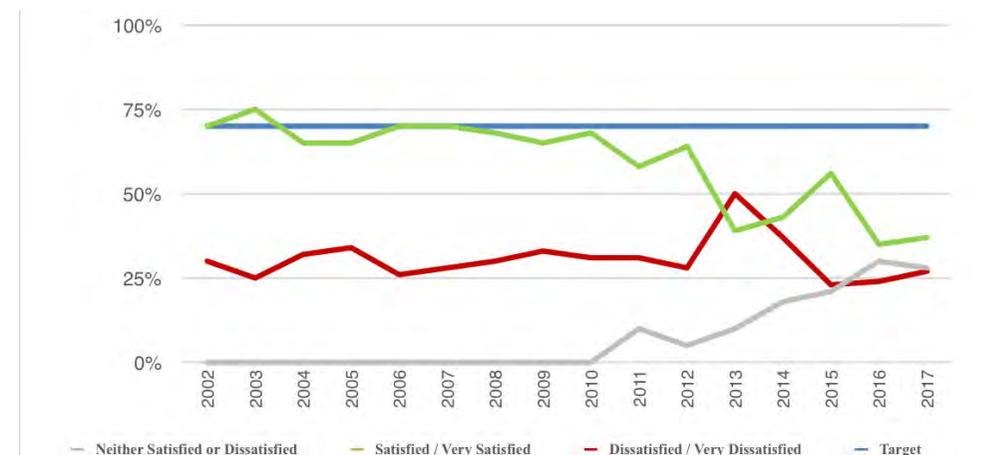
The Waitaki District covers 7,152 km<sup>2</sup> with a network characterised as a rural, low volume network comprised predominantly of unsealed roads that provide effective access to properties and people. 90% of roads are rural (i.e. have a speed limit of more than 70 km/h). 59% of roads are unsealed. 94% of roads have traffic volumes of less than 500 vehicles per day. Over 85% of the roads within the District are owned and operated by Council, with the NZTA operating the remaining 15% on state highways. Walking and cycling are comparatively low but are increasingly important parts of the urban transport network, especially as our population ages.

The level of investment in our Roding assets is over \$710.7m (Gross Replacement Cost of July 2017 valuation). The annual economic activity benefits generated by these physical assets, is more than 1 billion dollars per annum, while the social benefit is immense and immeasurable. These assets require ongoing annual maintenance and in some cases replacement, to sustain the benefits generated.

Table 4.5 Waitaki Roding Assets

Length of local roads managed and maintained by WDC (km)	1,812
Length of state highway managed and maintained by NZ Transport Agency (km)	306
Length of footpath (km)	164
Kerb and Channel (km)	185
Retaining Structures (km)	13
Bridges and major culverts (number)	160
Street lights (total number including State Highways)	2,505
Car parking areas (number)	11
Signs (number)	5045
Walking & Cycling Assets (number)	22

Figure 4.2 Waitaki Resident Satisfaction with the Standard of Local Roads in Waitaki District



Annual customer satisfaction surveys for Roothing show satisfaction has been low for the past 7 years following significant flooding events from 2010 to 2013 with a sharp decline and no significant improvement since. Council has since invested a significant amount of additional funding in roading to address some of the key issues as highlighted below and increase customer satisfaction. The results of this survey have helped solidify why roading resilience is a key issue for Council. It is intended that this work will re-establish an upward trend in satisfaction.

### **ROADING AND FOOTPATH KEY ISSUES:**

- Transport network exposed to regular and increasingly severe weather events.
- Coastal erosion affecting parts of the district through the loss of roads.
- Commercial land use change altering the rural traffic composition, with heavier and wider vehicles, greater wear and tear on existing assets and road user safety concerns.
- Tourism within New Zealand has increased exponentially, including the Waitaki region.
- Forestry and logging activities are impacting the roading network.
- An ageing population greater than the national average has different needs including good footpaths, cycleways and car parking in urban and peri-urban areas.
- Mining activities in the Waihemo ward will continue for 10 plus years. Withdrawal from the district will significantly impact Council's rates component revenue.
- Meridian Energy, as a result of roads inundated by man-made lakes within the Waitaki River catchment, also contributes significantly to Council's rates component revenue; but offset by the vestment of 14km of sealed road.
- 50% of 2015/16 Survey respondents stated that WDC roads are not safe to travel on.
- Customers are at higher risk due to changing demand on the network.
- The trend of several communities-at-risk categories, such as rural roads and intersections are worsening
- Emergency reinstatement works are moving from 1-in-10-year events to 1-in-40-year events or greater. Investment requirements are that the reinstated works be more than \$100,000 per event for financial assistance or greater than 10% of the annual programme for escalated financial assistance rate.
- Examining network demands to provide a flexible environment to address change using the Roothing Network Plan.
- Low customer satisfaction and raised expectations of stakeholders and customers.

## ROADING AND FOOTPATH KEY ASSUMPTIONS

<b>Key Assumption</b>	<b>Climate Change:</b> That the resilience of our transport network will be exposed to regular and increasingly severe weather events; that the effects of coastal erosion that are being seen in parts of the district through the loss of roads, will continue to worsen.	<b>Demographic Changes:</b> That the district will experience a change in land use - larger rural vehicles; larger tourist vehicles with drivers unused to the conditions; an ageing population greater than the national average requiring good quality footpaths for pedestrians and mobility scooters, walking and cycling tracks, footpaths and improved accessibility for the elderly, car parking in our town centres.	<b>Asset Information:</b> That our asset information is reliable and sufficient.	<b>Under-investment in roads –</b> investments in local roading infrastructure compared to other peer councils is low (the focus of roading spend has been in the rural areas for a number of years - this is unsustainable).	<b>Skills:</b> That there will be a shortage of technically skilled people to design, construct and manage roading and footpath assets.
<b>Uncertainty</b>	<b>MED</b>	<b>LOW</b>	<b>LOW</b>	<b>LOW</b>	<b>HIGH</b>
<b>Impact</b>	That these effects may reduce resilience and accessibility of the network and an increase in travel time resulting in lost economic productivity and growth in the district.	That these factors will test the resilience of our roading network, and lead to deterioration of the district's roads.	Poor asset information quality may impede effective and efficient maintenance, renewals and future development of the water network e.g. projections currently age based not on condition or performance.	Roads cannot be maintained to the agreed Level of Service stated.	With less technically skilled resources available, projects and maintenance may not be able to be appropriate planned and managed.
<b>Our Response / Options</b>	<p>Monitor the impact of climate change and be responsive to changes by building resilience required to Council's assets (including mitigation and adaptation).</p> <p>NIWA are currently mapping the 100-year coast line. Council can then make more informed decisions regarding coastal erosion and investment, and the Council's Coastal Erosion Strategy will be consistent with this new information.</p>	<p>Maintain a resilient roading network, including funding drainage maintenance, renewals and improvements, and responding to coastal erosion threats.</p> <p>Ongoing monitoring around signs of deterioration of the district's roads.</p> <p>Regular reviews of levels of service to ensure they are appropriate and achievable.</p>	<p>Asset information has been assessed as reliable.</p> <p>Council could increase asset information resourcing.</p>	<p>Plan for changing demands.</p> <p>Continue to monitor road condition</p>	<p>Council is considering the impact of this issue when planning.</p> <p>Council could intervene sooner and divert resourcing to planning for a skill shortage.</p>

## FURTHER ASSUMPTION AND RISK INFORMATION

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: Such as material supply failures or power supply failures
- Physical failures: Condition or performance of the asset leads to failure
- Operational risks: management or operational activities impact adversely on assets

This Strategy has identified the following risks that could impact on the performance of our infrastructure and services, these 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
- Floods and severe storms
- Climate change impacts such as coastal erosion and intensification of localised rainfall
- Pandemic
- Contamination
- Unexpected increase in energy costs
- Unplanned growth
- Dam failure, Asset failure (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)

With the increase of the value of built assets and levels of service (LOS) expectations, and cultural and environmental impact thresholds tighten, more formal risk management practices are required to be implemented. Mitigation strategies need to be applied and reviewed continuously to achieve improvement to levels of service.

If legislative compliance is achieved, in tandem with levels of service, plus prudent investment and good financial management, then minimisation of exposure to public and general liability and risks derived from operation of assets, should happen.

Risks could also arise from infrastructure service management, from the use of physical assets (e.g. pump or pipe failure) and management of the services provided (e.g. failure to formalise procedures and reporting of incidents). It is important to note that risk management is not just the downside of events such as financial loss or legal proceedings. It also refers to the upside and opportunities that exist for the Council to do things more innovatively, sustainably, and effectively.

NZTA reviewed its financial assistance rate four years ago which resulted in a 1% reduction in NZTA funding. The shortfall was made up through additional rates. This Strategy is based around the existing 55% FAR being retained.

# EMERGING ISSUES

Council faces many issues and challenges (as well as opportunities) over the next 30 years in achieving its vision of Growing Waitaki and making it the best place to live, work and play. Council has recognised emerging issues in the development of the Strategy Overview (refer Strategy Overview, P.12), however the following sections covers all the identified emerging issues that could be included in a more exhaustive work programme should Council choose to make the resources available.

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. We have identified and summarised the following issues which could 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 & Regional Government)
- Infrastructure resilience
- Aging 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 NOIC. This development has resulted in significant benefits to the local and national economy through the creation of more jobs, 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.

The increasing demand on the network and the introduction of “just in time” delivery practices requires a higher level of network reliability and safety. 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 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. Council will consider this issue and work with Otago Regional Council and Environment Canterbury. The Havelock North enquiry signals potential change in this area.

**RESPONSE:** More funding included for Roothing and Urban Stormwater improvements. No allowance has been made for changes to drinking water delivery as a result of Havelock North.

### Business

Council faces several 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 may decrease in the early years of this strategy. Both sectors are major contributors to the general rates which in turn help fund infrastructure across the District.

**RESPONSE:** Council is currently reviewing the District Plan and is considering changes to the rating policy to minimise any impact from the decrease in mining activity.

## 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 expect a level of service for roads and water equal to urban standards in a rural environment.

**RESPONSE:** Council is investing more money in roading and continues to upgrade water supplies.

## CLIMATE CHANGES

### Water Quality

Changes in climate and rainfall patterns may result in water becoming scarcer in quantity and quality, with 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, with increased overflows and contamination of the natural environment.

**RESPONSE:** This is identified as a key strategic issue. Council has included improvements to mitigate this risk as part of the work programme. (Refer Strategy Overview P. 12)

### Roading Resilience

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.

**RESPONSE:** This is identified as a key strategic issue. Council has taken a Business as Usual approach and continues to improve resilience to flooding and coastal erosion within existing budgets. (Refer Strategy Overview P. 12)

## DEMOGRAPHIC CHANGES

### Population

Waitaki has a growing elderly population with 22% of the population aged over 65 - higher than the national average of 14% - and this trend is projected to continue to over 35% by 2030. People are generally healthier, active and more likely to travel than 40 years ago, which 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. Much 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.

**RESPONSE:** This is identified as a key strategic issue, and an action plan is to be developed. (Refer Strategy Overview P. 12)

### Tourism Growth

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 underutilisation in other parts of the District.

**RESPONSE:** This is identified as a key strategic issue, and an action plan is to be developed. (Refer Strategy Overview P. 12)

### Community Growth

With the changes in demographics, we also expect increased expectations around economic and development and community goals, and need to ensure our infrastructure retains and attracts residents. The community is a lot more involved in wanting to understand and participate in the delivery of services. We anticipate that the community's expectations for communication on infrastructure issues will increase over the life of the strategy, requiring Council to engage more often with the community on complex issues, choices and proposed solutions.

**RESPONSE:** This is identified as a key strategic issue, and an action plan is to be developed. Property and Parks & Reserves will be added into this strategy so these issues can be given more visibility. (Refer Strategy Overview P. 12)

## AFFORDABILITY

Waitaki District must carefully manage its investment in infrastructure to ensure it gets value for every dollar and provide infrastructure in a lawful, functional and affordable manner. Council must also balance maximising alternative funding sources, while ensuring that services and service levels match the community's ability to pay.

**RESPONSE:** This is identified as a key strategic issue, and an action plan is to be developed. (Refer Strategy Overview P. 12)

## 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.

**RESPONSE:** This is identified as a key strategic issue, and an action plan is to be developed. (Refer Strategy Overview)

## GOVERNMENT PRIORITIES AND LEGISLATIVE 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.

The government's objective is that, by 2045, New Zealand's infrastructure should be resilient and coordinated and contribute to growth and increased quality of life. This will be achieved through better use of existing assets and better allocation of new investment, as set out in the New Zealand Infrastructure Plan 2015 (NIP 2015). The NIP provides a Vision for New Zealand's Infrastructure that: "By 2045 New Zealand's infrastructure is resilient and coordinated and contributes to a strong economy and high living standards."

**RESPONSE:** Council will continue to monitor and assess impacts on operation.

## 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 must consider managing and mitigating the risks to, and the resilience of, our infrastructure assets from natural disasters.

Adverse events and the related impacts cannot be avoided, and Council must factor this into long term planning and civil defence planning, as well as determining the infrastructure requirements to ensure community's expectations are met regarding safe and reliable services and general wellbeing. The importance of resilience in the transportation sector forms an important part to the Government Policy Statement on Land Transport (2015-25 and draft Government Policy Statement - GPS 2018-2028) 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.

**RESPONSE:** Council will continue to include resilience as a key factor in its decision-making process.

## AGING INFRASTRUCTURE

Council is 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 i.e. 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 Council with more certainty over its replacement programme over the life of the strategy.

**RESPONSE:** Council will continue to monitor and assess impacts on operation.

## RESOURCING

Currently Council is focusing on maintaining agreed service levels due to resourcing constraints. This means providing the core services of Water, Waste Water and Stormwater, and Roothing and Footpaths.

The decision will need to be made whether this approach is acceptable, or whether more resources should be obtained to help council complete additional projects as requested by the community. This decision will also be influenced by other emerging issues such as changing demographics, e.g. if the predicted population growth or tourism number rises occur, then so too will the pressure on Council increase to deliver increased expectations of levels of service.

**RESPONSE:** Continue to monitor and review resourcing levels.

# FINANCIAL ESTIMATES

## FINANCIAL IMPACTS

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—

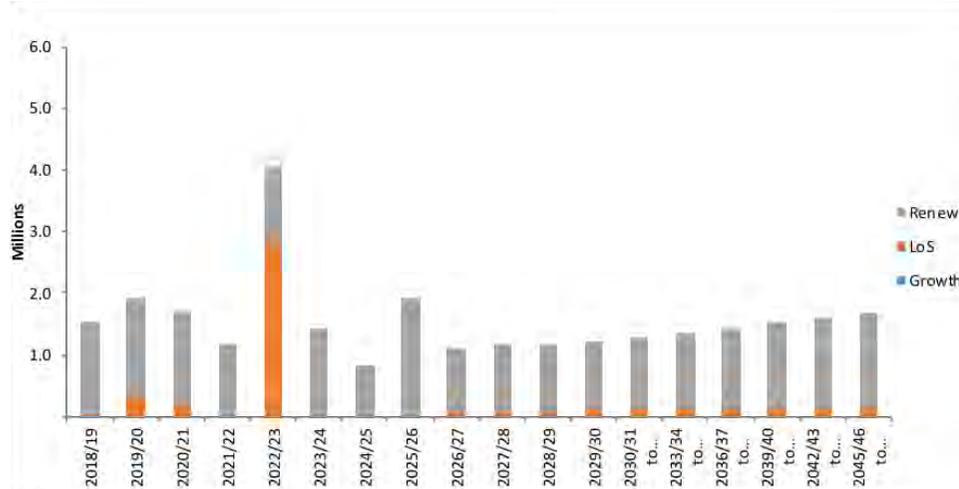
“(a) show indicative estimates of the projected capital and operating expenditure associated with the management of those assets—

“(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

### Water

Figure 6.1 Projected Forecast – Water (Inflated)



Note: 2018/23 Level of Service (LoS) work includes the remaining drinking water upgrades on Council’s smaller water supplies. It is planned to increase the capacity of the Oamaru water treatment plant in 2022/23 by purchasing additional membrane capacity as part of the renewal of the membranes occurring at this time.

Therefore, it is important to note that each year is shown for the first ten years and then the average for each three-year period within the graphs below.

## PROJECTED CAPITAL EXPENDITURE

The projected capital expenditure associated with the significant infrastructure assets are graphically represented as follows:

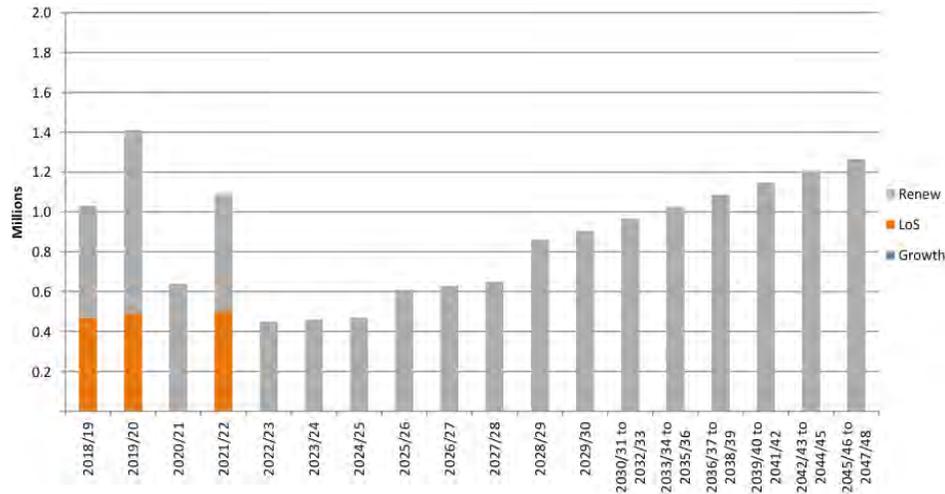
Figure 6.2 Projected Capital Expenditure – Water (Inflated)



This figure (and similar ones for Sewerage and Stormwater) shows the portion of overall capital expenditure on the three areas of growth, level of service and renewals. The bulk of capital expenditure is on renewal work for the assets already in place over the life of the plan with much of the level of service work impacts when treatment plants are being upgraded.

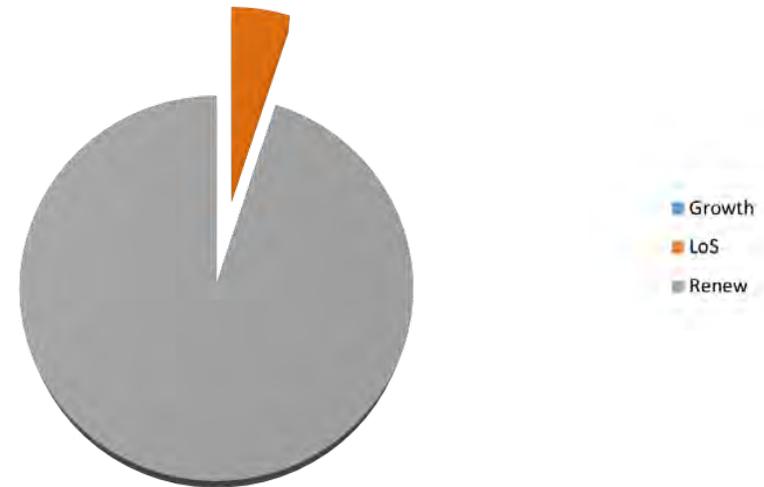
## Sewerage

Figure 6.3 Projected Forecast – Sewerage (Inflated)



Note: 2018/21 Level of Service (LoS) work includes overflow mitigation in Oamaru and converting sewer laterals into public ownership and looking at disposal options in Duntroon as well as increasing the capacity to treat waste at the Oamaru wastewater treatment plant.

Figure 6.4 Projected Capital Expenditure – Sewerage (Inflated)



## Roads and Footpaths

Figure 6.5 Projected Forecast – Roads and Footpaths (Inflated)

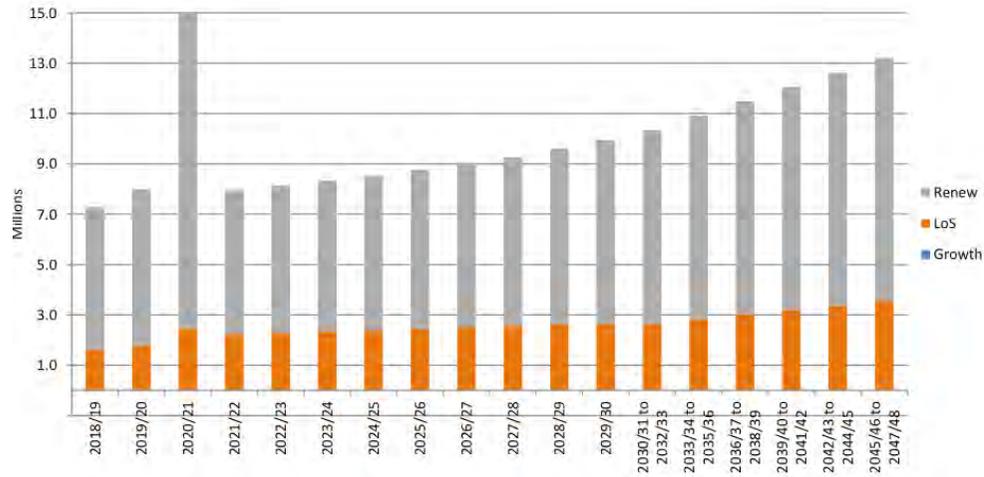


Figure 6.6 Projected Capital Expenditure – Roads and Footpaths (Inflated)



## Combined infrastructure Expenditure

Figure 6.7 Combined Infrastructure Forecast- Capital (Inflated)

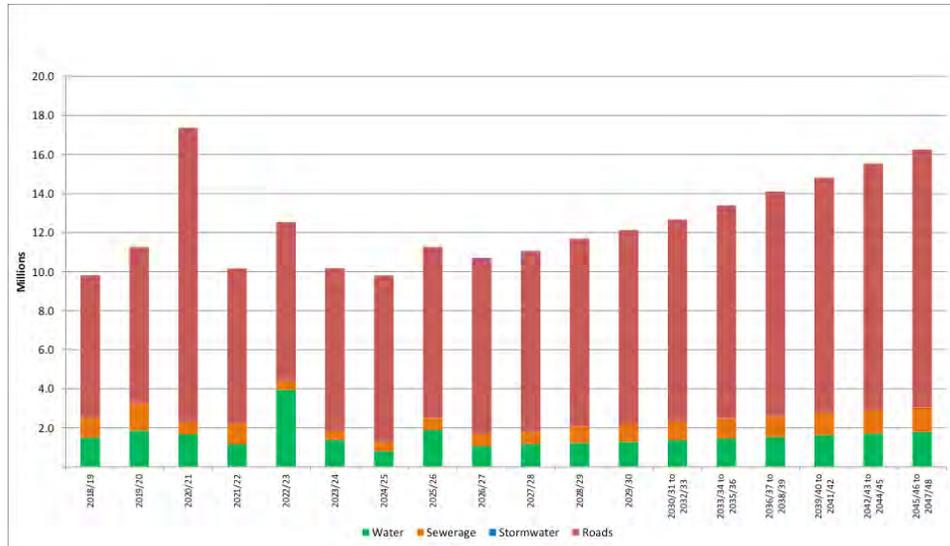
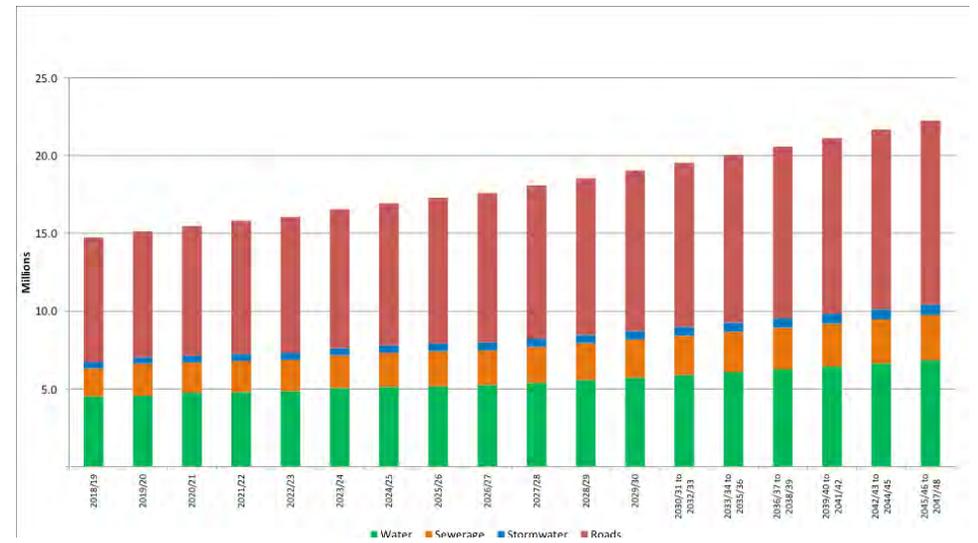


Figure 6.8 Combined Infrastructure Forecast - Operations and Maintenance (Inflated)



## DEPRECIATION

The key way the use of assets is recognised is through depreciation. By recognising depreciation Council acknowledges an asset's use and that funding is needed for its future use. The purpose of depreciation funding is to provide for the maintenance of the level of service, nearly always through the replacement of the asset at the end of its life.

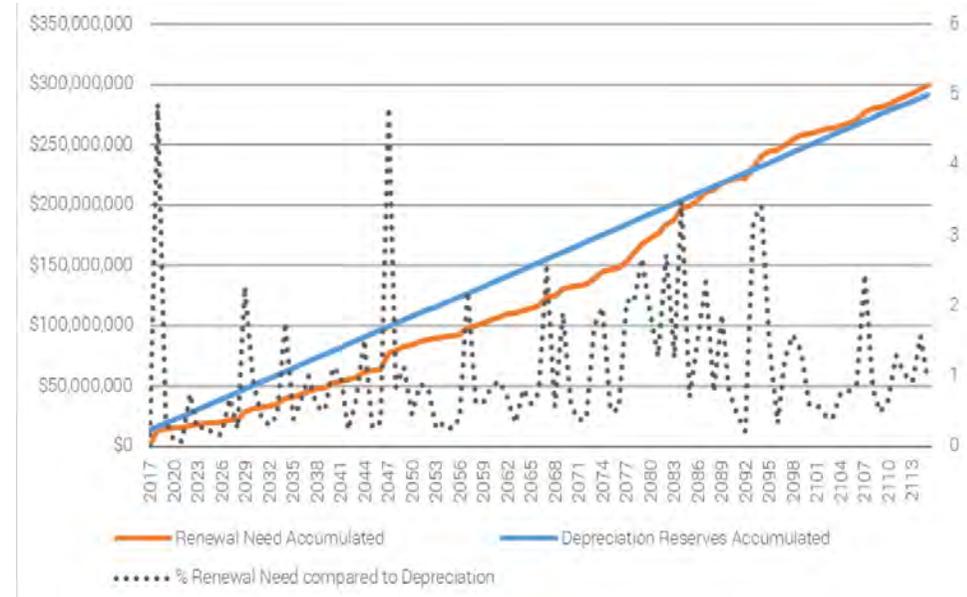
The intention of depreciation is to maintain the infrastructural assets as whole in a serviceable condition for the future and to achieve this, individual components need to be replaced from time to time.

The following graphs shows renewal need accumulated compared to the depreciation reserve accumulated for each of three Waters utilities. These graphs provides a graphical representation of where Council is in the very long life cycles of its infrastructural assets.

Water utilities are show in these graphs due to the very long life of the majority of the assets in these areas. A hundred year graph gives a better representation of what is actually required over the extended life of the asset class.

Similar graphs have not been prepared for the roading activity, primarily due to the much shorter nature of the asset life for the majority of roading asset.

Figure 6.12: Depreciation versus Renewals for Water Activity



The dotted line represents the percentage of forecast annual renewal expenditure related to the annual depreciation. This is measured against the scale on the right side of the graph where 1 represents 100% and 6, 600% of spend vs depreciation collected. The spike in 2018 is due to the water renewal component of drinking water upgrades. The renewal need does not quite utilise all depreciation reserves due to depreciation reserves collected prior to 2017. There are numerous other spikes e.g. in 2048 the forecasted renewal requirement is 445% of the annual depreciation. Annual accumulation of depreciation smooths these spikes to achieve affordable funding over extended periods.

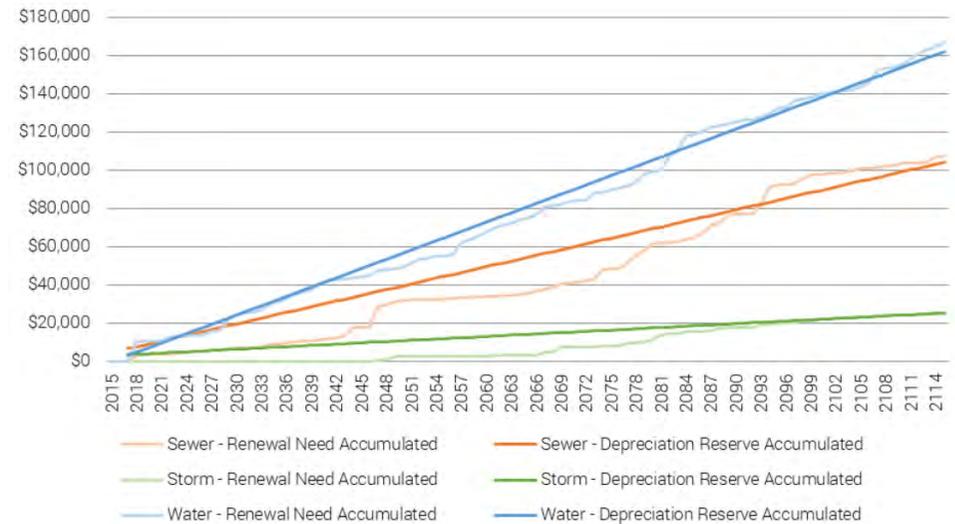
The depreciation reserves accumulated line shows what depreciation would be accumulated if no depreciation money was spent, whereas the Renewal Need Accumulated line shows the total money spent on renewals over the period. The difference between the two lines shows how much money is in depreciation reserves in any one period.

Council will continually review the information that supports this graph through regular asset valuations, auditing of asset registers and prudent asset management.

The graph shows that over the 30 year period of the strategy that the renewal need is able to be met within the depreciation reserves accumulated. Figure 6-8 shows each of the water activities in more detail. The water renewal cycle shows more depreciation being spent than collected over the next 6 years. This is due to drinking water upgrades using a portion of renewal funding. Renewal spend then roughly aligns with collection before the spend reducing near the end of the plan.

Sewerage has relatively few renewals near the start of the plan as many of the renewal work has been completed over the last 10 years. However activity starts to ramp up near the end of the plan due to the treatment plan renewals becoming due. Stormwater has little renewal activity over the life of the plan as it is a relatively new asset when compared to its overall asset life.

**Figure 6.13: Depreciation versus Renewals for each Water Activity**



## INFRASTRUCTURE ACTIONS

In developing this 30 Year Strategy Council identified the anticipated infrastructure actions over the 30 years and considered each action and the benefits of the action. The infrastructure actions faced by the Waitaki District Council 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. These projects give more detail to the projects required to deliver the programme shown in Section 3: Most Likely Scenario, with regard given to Section 5 Emerging Issues.

## Water

Action Benefit	Assumptions	Cost	Timing	Growth	LoS	Renew
<b>WTP Upgrades</b> Reduce the risk of drinking water being contaminated by cryptosporidium, giardia and other bugs.	The upgrades will include an increase in capacity as well as meet DWSN					
Awamoko		\$390,000	2019/20			
Kauru Hill		\$280,000	2019/20			
Stoneburn		\$230,000	2021/21			
Tokarahi		\$270,000	2019/20			
Windsor		\$270,000	2019/20			
Augmentation – Hampden/ Moeraki	This is the final part of the upgrade to connect to the Oamaru Water Supply	\$600,000	2018/19			
Augmentation – Herbert/ Wainakarua		\$600,000	2018/19			
<b>WTP Membrane Filter Replacements</b> Replacement	The membrane filters will not deteriorate within ten years and affect levels of service or compliance standards.	\$2,500,000	2022/23			
<b>Water Treatment Plant – Oamaru – Additional Membrane Filters</b> Growth	That growth will occur requiring this upgrade.	\$610,000	2026 - 28			
<b>Mains Renewals</b> Replacement	The mains renewal programme will be refined based on performance, condition, criticality and levels of service					
Oamaru		\$1,000,000 \$500,000 / annum	2018 - 24 2024 - 48			
Tokarahi		\$310,000	2019/20			

## Wastewater

Action Benefit	Assumptions	Cost	Timing	Growth	LoS	Renew
<b>Overflow Mitigation - Oamaru</b> Improvement (environmental).	The overflow mitigation will be refined and solutions based on risk, criticality and levels of service	\$1,000,000	2018 - 20			
<b>BOD capacity upgrade - Oamaru</b> Growth	The plant will operate satisfactorily, within capacity and environmental standards until 2021	\$500,000	2021/22			
<b>Mains Renewal - Oamaru</b> Replace	The mains renewal programme will be refined based on performance, condition, criticality and levels of service	\$400,000 / Annum	2018 - 25			
		\$500,000 / Annum	2025 - 48			
<b>Equipment renewal (switchboard) - Palmerston</b> Replace	The plant will operate satisfactorily, within capacity and environmental standards until 2019/20	\$200,000	2019/20			
<b>Sludge Disposal - Palmerston</b>	That the pond will continue to operate satisfactorily until this time.	\$200,000	2019/20			
<b>Duntroon Disposal Options</b>	That the existing community septic tank will no longer be able to be consented.	\$400,000	2019 - 21			

## Stormwater

Action Benefit	Assumptions	Cost	Timing	Growth	LoS	Renew
<b>Capacity Reinstatement</b> Renew	The capacity reinstatement programme will be refined based on performance, condition, criticality and levels of service	\$200,000 / Annum	2019 - 28			

## Roading and Footpaths

Action Benefit	Assumptions	Cost	Timing	Growth	LoS	Renew
<b>Pavement Rehabilitation</b> Replace	Will perform satisfactorily until replaced, with increased maintenance as appropriate	\$53,800,000	2018 - 48			
<b>Unsealed Metaling</b> Replace	Will perform satisfactorily until replaced, with increased maintenance as appropriate	\$28,700,000	2018 - 48			
<b>Seal</b> Replace	Will perform satisfactorily until replaced, with increased maintenance as appropriate	\$63,200,000	2018 - 48			
<b>Bridge Culvert Road</b> Replace	Will perform satisfactorily until replaced, with increased maintenance as appropriate	\$21,000,000	2018 - 48			
<b>Drainage</b> Replace	Will perform satisfactorily until replaced, with increased maintenance as appropriate	\$21,000,000	2018 - 48			
<b>Signposts</b> Replace	Will perform satisfactorily until replaced, with increased maintenance as appropriate	\$3,000,000	2018 - 48			
<b>Street lighting</b> Replace	Will perform satisfactorily until replaced, with increased maintenance as appropriate	\$3,900,000	2018 - 48			
<b>Footpath</b> Replace	Will perform satisfactorily until replaced, with increased maintenance as appropriate	\$18,500,000	2018 - 48			
<b>Carpark</b> Replace 14 carparks	Will perform satisfactorily until replaced, with increased maintenance as appropriate	\$1,800,000	2018 - 48			

Action Benefit	Assumptions	Cost	Timing	Growth	LoS	Renew
<b>Seal Widening</b> Increased seal width	The seal width will be satisfactory when aligned with One Network Road Classification and WDC Standards Policy	\$22,100,000	2018 - 48			
<b>Rural Road Improvements</b>	Improvements to network; traction seals, widening, gravel and improved safety.	\$7,800,000	2018 - 48			
<b>River Training</b> Ensure flow paths are kept on-course for Kakanui & Kauru Rivers	The river training will ensure the flow paths stay on course to prevent damage to bridges	\$1,800,000	2018 - 48			
<b>Coastal Erosion</b> Replace	Protection of coastal routes as long as possible before road closures require new coast road network.	\$2,200,000	2018 - 48			



## FINANCIAL STRATEGY

# FINANCIAL STRATEGY

## OVERVIEW

This is the third iteration of the Waitaki District Council Financial Strategy. Having reviewed this strategy, and the success to date with its implementation, Council has decided to continue with this strategic direction.

The Financial Strategy can still be summarised in the phrase “The future we want at the price we can afford”. This underlines the ongoing balancing act Council faces when wanting to do more to improve the district for the community, while also recognising the financial impact rates and other charges have.

Importantly, Council is mindful of changes that have occurred in the broader environment that it works within, and has reflected key changes as refinements to the strategy.

A key refinement relates to the emphasis Council has placed on achieving affordability over the last six years. Success has been achieved with improving affordability and this is covered in more detail below.

The key issue and concern that has emerged is that the level of emphasis currently placed on affordability has impacted negatively on Council's, and the community's, ability to seize opportunities to improve the district.

Based on this concern, the Council is now rebalancing the emphasis placed on affordability. The Financial Strategy reflects this with a very modest shift towards enabling service improvements, but still maintaining a focus on affordability.

This is a key theme that influenced the decisions within this LTP.

## THE STRATEGY – IN A SENTENCE

**To focus on delivering good quality service that meets the changing needs of the community while ensuring rates affordability and financial flexibility by focusing on efficiency and effectiveness, which maximises value and repaying debt.**

This will be achieved by a variety of measures with the heart of the strategy being:

- Deciding on new or increased services in a very selective way. Council will seek change where there is either a strong community demand or a change in circumstances that must be responded to (e.g. a change in law.) The preferred options to fund these changes will be from new sources or transfers from another Council activity. These will be pursued before increases are made to the total rates required.
- Reviewing what is required to deliver existing services with the aim of achieving better value, particularly from the assets involved. Disposing of assets that do not contribute to efficient and effective service delivery is part of this approach. Also ensuring replacement assets represent the most efficient and effective way of meeting community and customer needs.
- Using assets for their maximum possible life but also appreciating that community needs and stakeholder requirements are not compromised.

This strategy continues to focus on maintaining core services and infrastructure. However, there is greater recognition of the need to respond to changes in the environment, and that maintaining what we have may not always be appropriate.

The strategy sets out how it will be applied in response to a changing environment including the options that are available given Council's current position. It outlines how the three factors of service levels, rates and debt would move under the different options available. It will also evaluate the level of risk Council is willing to accept where 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?

The financial strategy is one of the main ways Council can seek answers to fundamental questions such as:

- What services should it provide, who should pay for them, and how should they be paid for?
- What types of assets should it own and how well should it look after them? This will be set in conjunction with the Infrastructure Strategy.
- How much should it be paying for now, and how much debt should it have (to be considered along with the Revenue and Financing Policy, and Borrowing Management Policy)?
- What might change, and how would this change the things Council has decided above?

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 Plan.

### **Where we began**

When the Waitaki District began it had established communities with a large number and range of older assets, reasonable levels of external debt, limited reserves, and few investments or other sources of revenue apart from rates and roading subsidies. In response to this position the various Waitaki Councils have taken generally financially prudent decisions and have changed Council's financial position to where it is now. Although it has slightly higher rates than many similar Councils, especially residential rates, it has no external debt, and has improved assets and facilities and well-funded reserves to allow for asset replacement as required. Over the last three years Council has achieved lower than projected rate increases which has improved rates affordability. This and earlier decisions has put Council in a position where it now has some choice about what financial direction it wants to take.

### **Where are we? – Overall Financial Position**

Overall, Council continues to be in a very sound financial position. This has improved over the last three years as Council has required less rates than projected, lowered internal debt levels and has higher levels of investments. The scale of these positive results and the current position are discussed in the following sections and illustrated in charts later in the strategy.

### **Where are we? – Expenditure and Levels of Service**

Expenditure levels reflect the decisions Council has made about the level and mix of services it needs and wants to provide. Once Council has made these decisions, it funds 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 illustrates the spending pattern that has occurred and is expected to occur. There have been a number of changes in these patterns over the years however the larger changes, especially less than expected rates increases, have been driven by savings through contracting and procurement improvements rather than reductions or changes to levels of service. These levels of service have mostly been maintained or in some cases improved, such as by the rural roading resilience project.

### **Where are we? – Debt**

Council will continue to have no external term debt. However, Council does continue to have a series of internal loans. An internal loan is where Council invests in itself, with one area that has funds in reserve, lending these to another part of Council.

Council will continue use internal debt to fund a limited range of expenditure restricted 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).

Council has had success over the last three years in reducing the level of internal loans, in particular property related loans, which has created capacity to take on new debt to fund approved projects.

### **Where are we? – Investments**

Council has four primary types of investment, all of which are described in the Investment Policy.

The largest of these are the internal loans noted above. The amount invested in internal loans has reduced due to both scheduled repayments and property sales repaying property debt. This reduction has increased the amount available to invest in other investment types.

The next largest investments are two loans to local organisations, the North Otago Irrigation Company Limited (NOIC) and Observatory Village Retirement Trust. These investments provide both a commercial rate of return and wider community benefits. The third class of investment, the investment in Council Controlled Organisations (CCO) also provides both financial and community returns. The level of investment in these two classes has been and is likely to remain stable until the first scheduled repayments occur on the retirement village loan.

The class where the most change has and will continue to occur is the level of “cash” investments. Council has traditionally invested these surplus and reserved amounts with various banks. Council is considering changing its’ approach and adopting a more balanced portfolio. This would mean a wider range of investments would be used and selected on a risk / return basis. As Council is still considering its approach in this area, there are no changes highlighted in the LTP. Council will keep the community informed as it moves through this review process over the next year.

### **Where are we? – External Revenue and Rates**

Although rates are the largest source of income for Council, 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.

The mix of funding sources, including rates, has not changed significantly over time. Council does try to maximise other sources of external funding, however this is challenging given the level of competition for these funds. Even with user charges, there are only a limited number of activities where these can be utilised. This means that Council will continue to rely on rates as a funding source to a similar extent going forward.

Rates are used to fund the difference between the expenditure to meet the required service levels and all other sources of funds. Council’s 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.

There have been a number of initiatives over the last three years to improve the comparability of Council information. Waitaki has participated in several of the initial studies as it believes that these could be useful tools for both residents and Council to understand areas where it performs both better and worse to comparable Councils, why those differences are occurring and what actions or choices may be required to address these differences.

### **Affordability**

Council has been quite open about the fact that rates, particularly residential rates, were relatively high compared to many other districts and cities. Council also identified a number key reasons such as the extent of the roading network compared to the number of properties /residents, and the number and scale of community facilities and activities. This in part drove the focus of the prior strategies.

Council has improved rates affordability over the last three years, particularly in comparison to similar Councils. This was achieved by the combined effect of good savings from some major contracts and other Councils having to address high cost issues, particularly meeting drinking water standards. The impact of being able to deliver reliable, abundant high quality drinking water has been under emphasised by Council. While there was a negative impact on rates affordability and comparability, the much greater community benefits of addressing this critical issue early are highlighted every time another community faces the issues created by unavailable or unsafe drinking water.

To monitor the reliance on rates as a funding source Council 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, WHAT ARE THE KEY ISSUES AND OPTIONS THAT ARE AVAILABLE?**

### **Overview**

Focusing on affordability was not just to try and make financial life a little easier for the Districts ratepayers. As noted in the previous strategy, this goal helps create the capacity to have more choice and the ability to respond to changes going forward including the ability to meet new demands and respond to unexpected events.

Council now faces new demands and opportunities and must decide how to respond to them. The Financial Strategy must therefore evolve to reflect the changes that have occurred, give guidance on the decisions that need to be made and reflect the potential consequences of these decisions.

So what are these new demands and opportunities and the key issues that need to be considered here and throughout the Long Term Plan?

The first group of issues that have a significant financial impact are identified in the Infrastructure Strategy. The Infrastructure Strategy sets out the challenges and opportunities in terms of roading, drinking water, wastewater and stormwater. The issues that are likely to have an impact on the Financial Strategy include:

- Improving the roading network to deal with changing weather patterns, use and demands
- Meeting any changes in services levels created by legislation, regulation, resource consents and community expectations
- Finishing the upgrade program to meet drinking water standards
- Improving the resilience and reliability of water and sewer networks through a robust asset renewal program.

The next group of issues are being driven by changes in the District's economy and Council's desire to maximise the positive aspects of these changes while minimising the negative. The largest changes the District is seeing is the increase in agricultural production and the growth of the tourism industry. Council is seeking to invest more to improve its understanding of these changes and the options to respond. Both of these elements go beyond investment in physical assets like the roading network, and involve investment in people, services and internal infrastructure. This is a key issue identified in this LTP. Council's response to these issues is not expected to create a funding issue, but rather, requires a focus on the type of investment required and how it aligns these changes.

Other key matters to consider relate to the broader matters of societal change at both a district, national and global level. There are matters where Council has some control or influence such as through the District Plan, and others where it just has to react to changes as they occur, such as national immigration.

How the people in the District will change over the 10 years and beyond is important. Council expects the population to age like most rural and provincial districts. Importantly the Council seeks to positively influence the growth in the younger demographic through proposals that attract families to the District. These are factors influence affordability which is considered in more detail below.

Change in land use, or the way people use the properties they own is important. Council needs to have an understanding of this because changes in use affect the type and amount of Council services they require. The Council's Development Contributions Policy deals, in part, with this issue.

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, particularly in the Ahuriri Ward, but overall it is not expected to be significant, especially in any one year. This issue is considered in the Infrastructure Strategy and Council considers it still has the capacity and ability to respond to anticipated needs.

The area that will still needs careful consideration is potential changes in farming use and practice as irrigation expands further. In addition to the population changes noted above, Council will monitor and respond to the impact on the roading network due to more intensive and different land use. This work over the last few years has highlighted both expected and unexpected issues and challenges. These are considered and expanded on in the Infrastructure Strategy. The bottom line is that Council believes a greater increase in spending on the roading network is required and this is included in the Plan.

The last major focus of the LTP is how Council can maximise the opportunities and minimise the negative impact of economic opportunities including the growing number of visitors coming to the District. Council is considering not only how to provide and fund services that will be required but also how to take advantage of matters like the recently announced Regional Economic Development Fund. This is a key area where Council believes it should use some of the capacity it has created to address known and emerging issues.

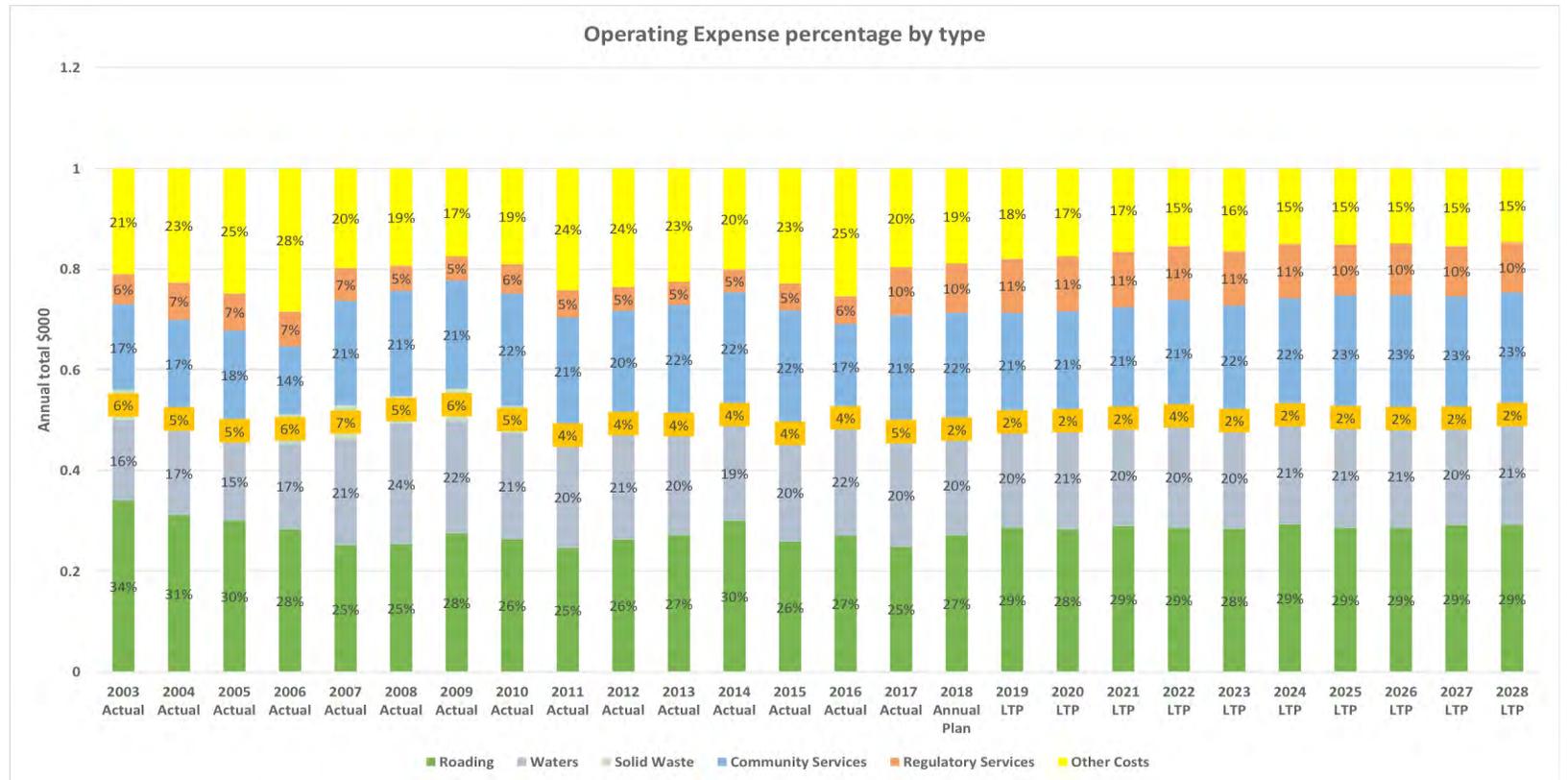
## **Expenditure and Levels of Service**

The previous strategy emphasised that what Council does drives what it spends. This revised Strategy also highlights that how it does something is also a key driver. This is where Council has had good success in improving cost and therefore affordability. This success has created choices beyond just trying to do more or the same for less. In putting the LTP together Council considered if some services needed to be expanded or enhanced while still achieving its affordability goals.

There were a number of proposals in the Consultation Document to increase levels of services. The key changes that are now included are:

- More money to be spent on roads
- Finish improving drinking water quality and availability
- Increasing the capacity to respond and take advantage of economic opportunities
- Improving internal infrastructure to support service delivery especially digital services

How the mix in spending has, and is, expected to change is illustrated below



The above illustrates the re-emphasis on spending on key infrastructure to meet the known and expected changes in demand.

## Spending on 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)

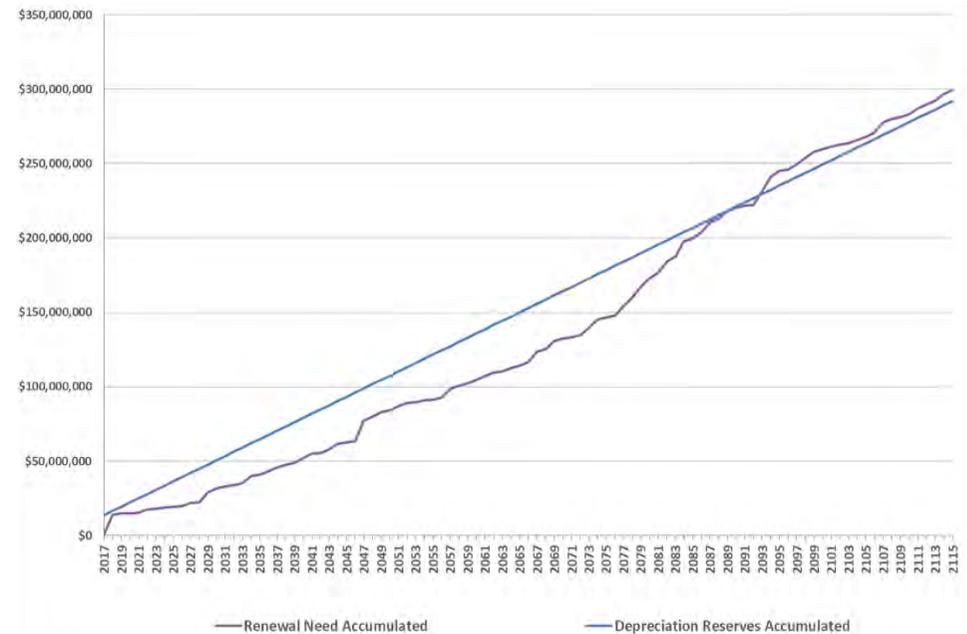
Ratepayers are rated annually to fund depreciation, which builds up in a reserve account for the future replacement of assets. This must be modified if there is debt outstanding, otherwise today's ratepayers would be paying twice for the asset, once through debt repayment and interest, and again through 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 earlier in the Financial Strategy, Council has selected option 2 as the basic policy with options 1 and 3 used on a "by exception only" basis. Further detail on the exceptions appears in the Balanced Budget section of the Strategy. Council made this decision when it had no reserves for asset renewals and was encountering difficulties funding asset replacement. Adopting option 2 as its' basic policy is one of the key decisions that has improved Council's financial position.

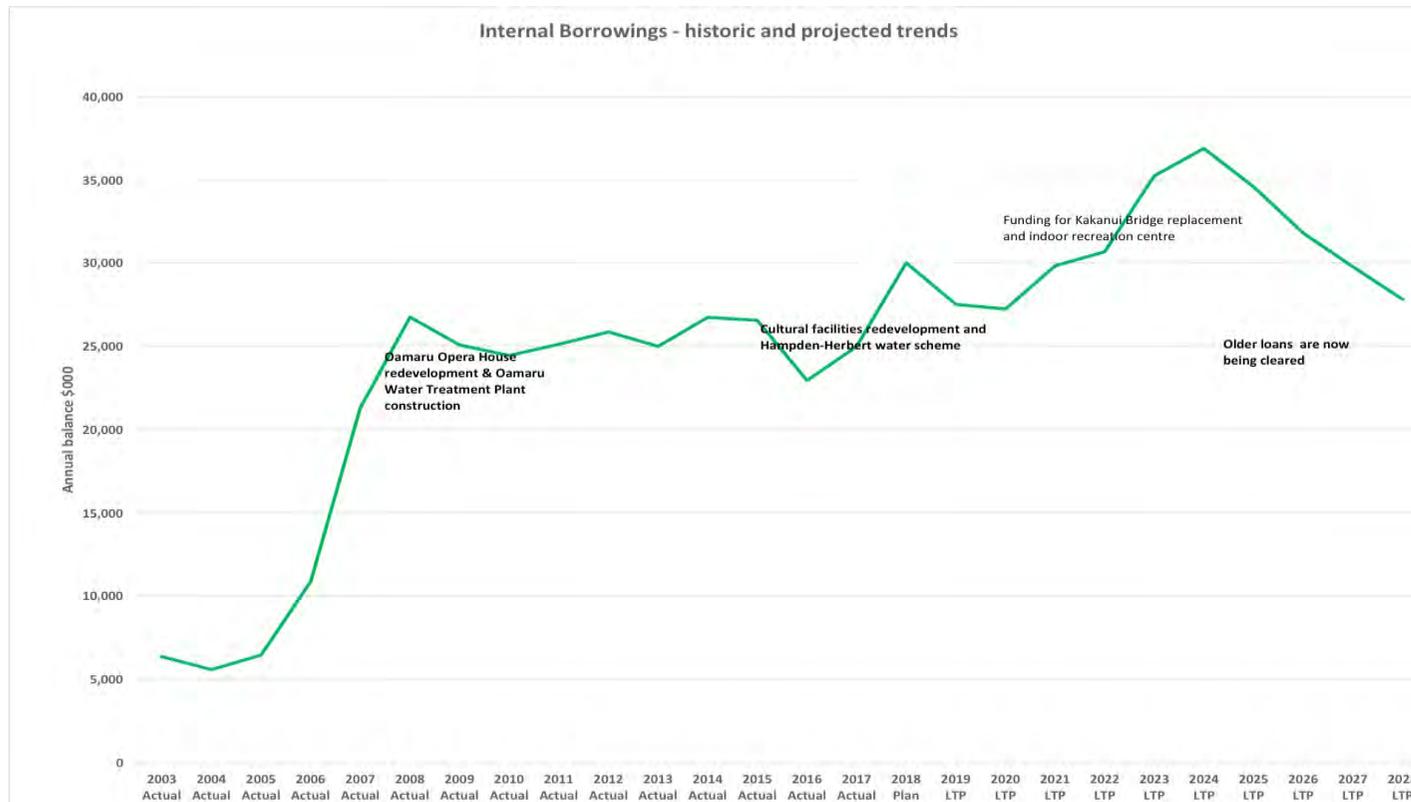
Why Council can consider this option is illustrated by the following chart taken from the Infrastructure Strategy showing the Three Waters projected renewals compared to funded depreciation balances over the next 100 years.



As Council has collected more information it has become more certain that this is the correct approach for the District. Council will still look to optimise the life and service potential of all key assets and so will continually monitor the desirability and impact of this funding approach.

## Debt and Other Funding, including reserves and other sources of income

Council is very clear about what debt should be used for, namely the creation or 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, rather than some relatively artificial measures such as debt per household. Council does not expect to need any external debt over the life of the long term plan. However Council will continue to invest in itself and as a result, new internal loans will be required.



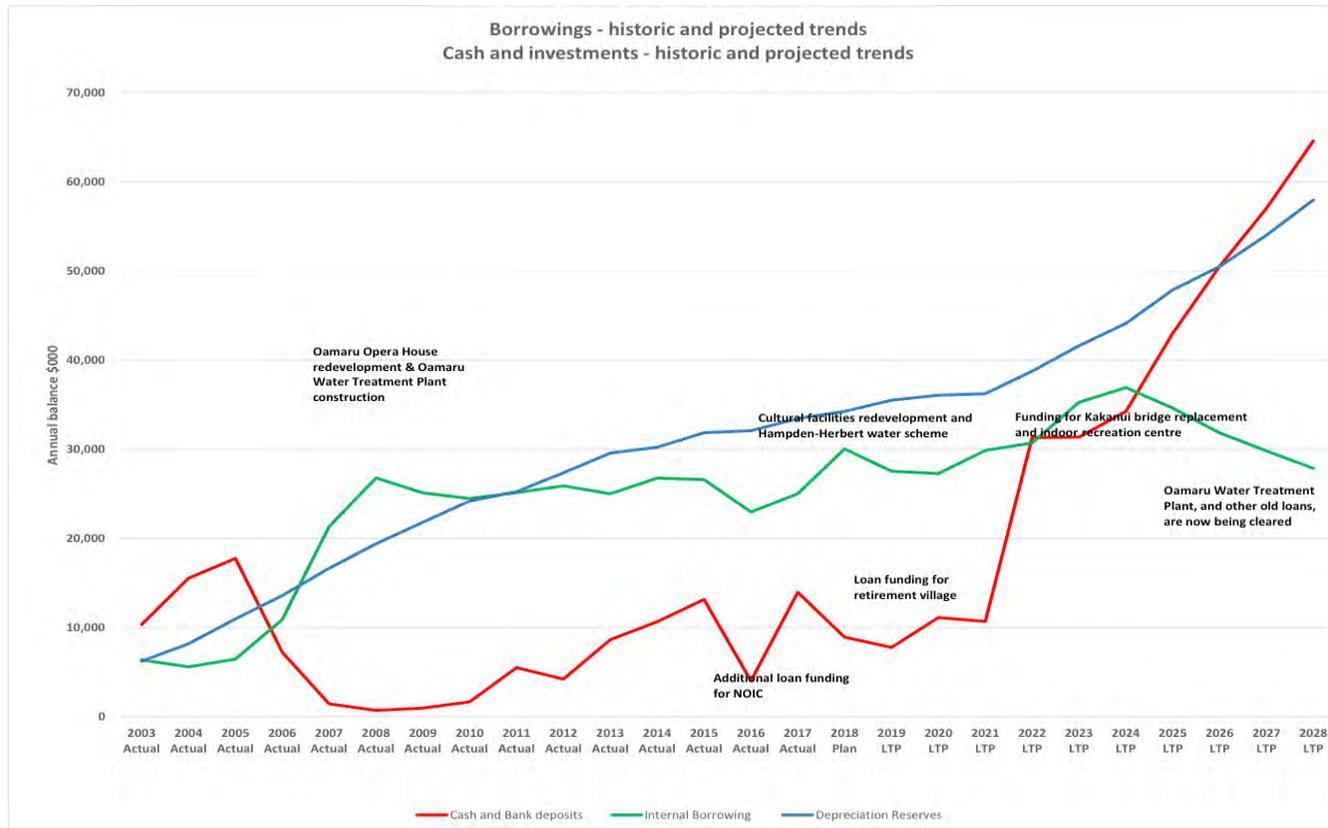
Given Council's strong balance sheet it could borrow a lot more money. However, the real issue constraining external borrowing is the on-going servicing cost. Council already considers its fixed commitments to be high; taking on further commitments will only be done for a very good reason as such long term financial commitments limit the choices available. Each additional \$1.0m in debt will add approximately 0.1% to the rates for the each of the next 20 years.

Council has had good success rationalising the land it holds and has used sale proceeds to reduce property related loans. Council will look to continue this process, only taking action to dispose of properties when the right price can be achieved. However, given the way the property market has behaved, potential sales proceeds have not been included in the LTP. This is the prudent approach, but does mean Council's debt position may be overstated. However, Council does not believe that there will be any issues with the understanding of the plan.

## 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 Council’s investment levels against debt.



Council recognises the significance of the size of the funds it will have to invest, especially once the repayments from NOICL and OVL start. It has therefore made the decision to review and potentially expand the range of approved investments. This will have the benefit of developing a more diversified portfolio of investments that limit exposure to any one sector and increase the return and risk options. However, given the source and nature of the funds it holds, Council will always act as a prudent, conservative and risk averse investor.

## Rate levels and Affordability

Prior to discussing rates, non-rates revenue needs to be considered. Council continues to have issues with NZTA funding decisions and the government's decreasing support for rural roading networks. Council will continue to try to maximise other revenue where it can, and when it meets the wider objectives of Council.

Council has reviewed its approach to funding and rating and is still happy with the overall approach developed in 2002/03. There were no proposals to significantly increase any group of user charges or make any major changes to the rates/user charge ratio. Council did make some amendments in this area, particularly in relation to the Roding and Waitaki Lakes Camping rates.

Council decided to continue with a separate roading rate but is considering varying and adding to the differentials that apply to the rate. Council decided lowering the mineral extract differential, increasing the power generation differential and introduce a forestry differential. It also decided to delay any change to the mineral extraction differential until further information was received and considered.

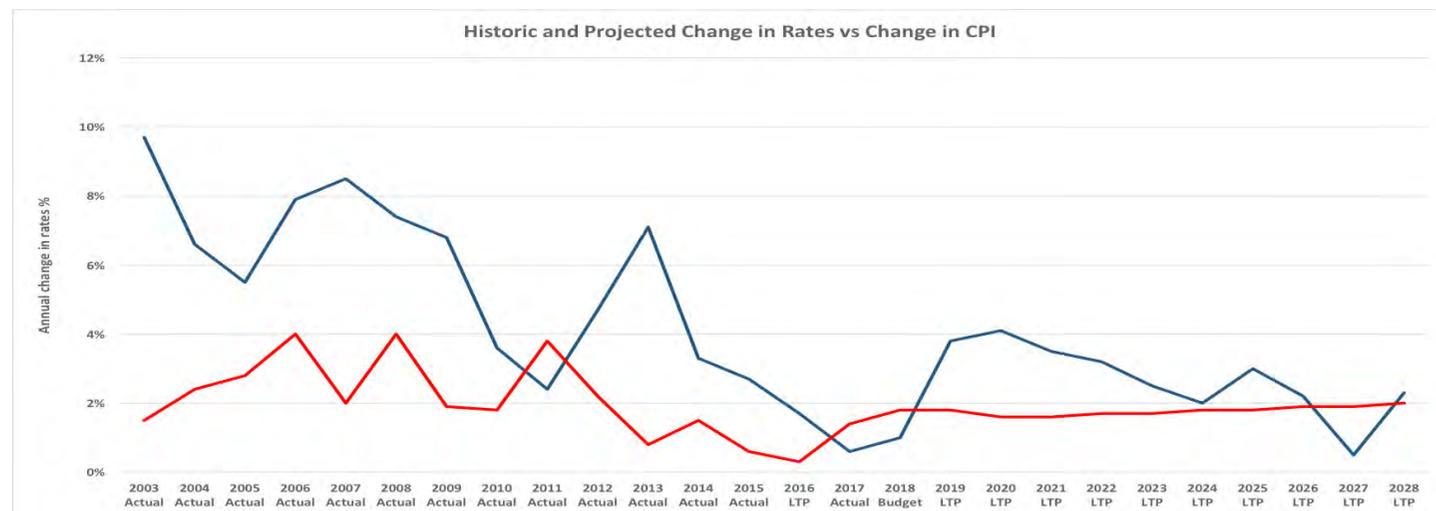
The other changes Council made were driven by a change in the nature of the activity or a changed understanding of who uses or is affected by the service delivered. The changes made were:

- Ceasing to use a separate Waitaki Lakes Camping rate and fund the rates contribution on the same basis as District parks.

- Removing Civil Defence from the Roding and Civil Defence Rate and changing Councils reduced contribution from the UAGC. This change follows the change to a regional service delivery system.
- Removing the funding towards public toilets from the Oamaru Business Area rate. This reflects the changes in number and service levels across the District which means the basis of the additional contribution from The Oamaru Business Rate has disappeared.
- Changing the funding mix for the district libraries to align it with other similar services
- Changing the funding policy for Waste Management to reflect the likely level of user charges now that the Oamaru Landfill has closed.

These changes will only have a minor impact of the incidence of rates i.e. who pays. The focus of the changes was to try and make the system clearer and easier to understand. Only one of these proposed changes, the forestry differential, had an impact on the total rates collected

As highlighted in the opening comments, Council believes that there is a need to expand and alter the levels of service in some key activities. Although Council has and will try to identify alternate sources of funds, the reality of the proposed changes is that they will require an increase in rates funding and therefore total rates required. However, the level of change will be managed across the different years and will stay with both the old and new measures of affordability. The long term trend plus expected position is reflected below.



## 10 YEAR PLAN DISCLOSURE STATEMENT FOR THE PERIOD COMMENCING 1 JULY 2018

### What is the purpose of this statement?

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings. The Council is required to include this statement in its long term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

### Limits on rates, rates increases and debt

For the ten years of this Plan, Council must monitor its 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 Plan information about Council's financial position, and to guide short and long term decision-making over the next ten years. They will be reviewed every three years, or sooner if necessary.

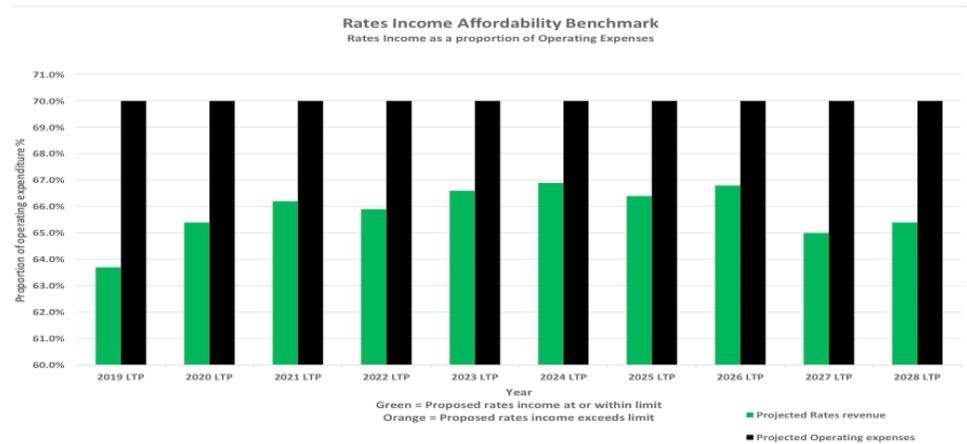
### Rates Affordability Benchmark

Council meets the Rates Affordability Benchmark if

- Actual rates income equals or is less than each quantified limit on rates, and
- Actual rates increases equal or are less than each quantified limit on rates increases

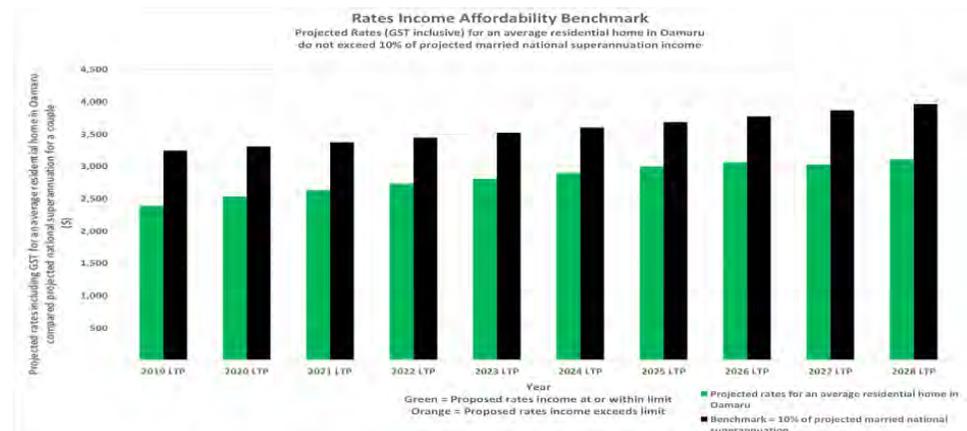
### Rates Income Affordability – rates income measured against total operating expenditure

The next graph compares Council's actual projected rates income with a quantified limit on rates contained in the financial strategy included in the Long Term Plan. The quantified limit is that Rates will fund no more than 70% of operating costs.



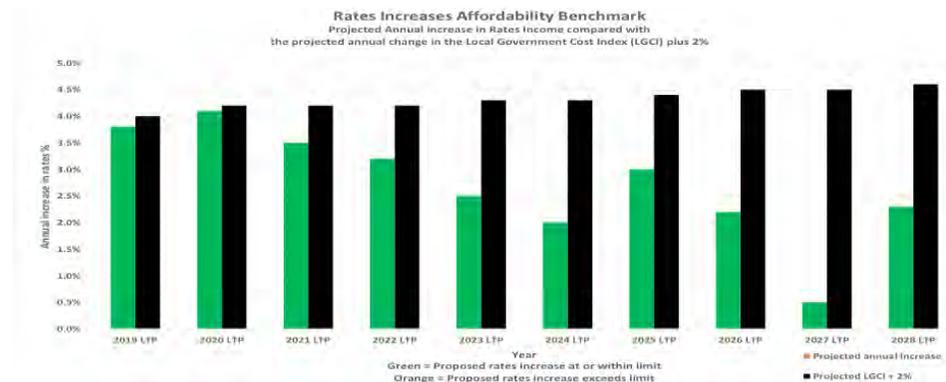
### Rates Income Affordability – Residential rates compared with married superannuation

Council tracks the projected Council rates (excluding any effect arising from remissions, penalties and water by meter) on a median value property in Oamaru against the projected level of married national superannuation. Council considers this to be an appropriate measure for both household and small businesses, and achieves this benchmark when the rates charged on a typical property are equal to or below 10% of the projected superannuation income for a married couple. Affordability for large commercial and residential ratepayers will be considered more by reference to the rates increase measure.



## Rates Increase Affordability – the level of rates increase compared with projected changes in the Local Government Cost Index (LGCI)

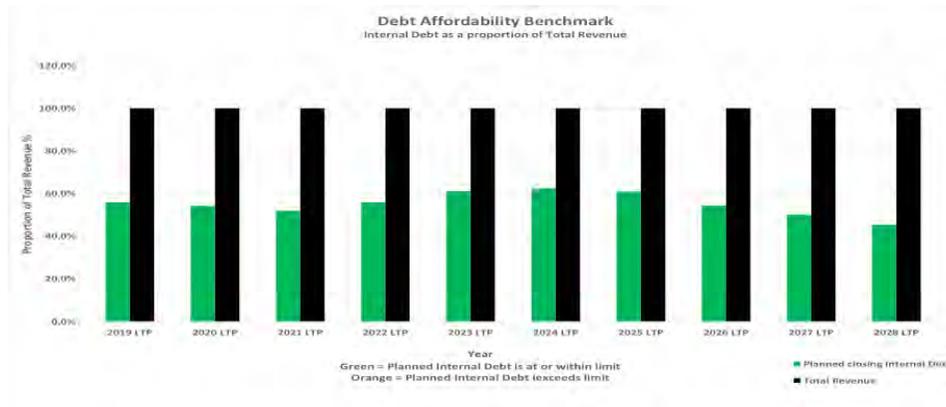
Council measures the annual increase in rates against projected changes in the LGCI, and achieves the benchmark when projected rate increases are equal to or below projected increases in the LGCI.



## Debt Affordability Benchmark

Council meets the debt affordability benchmark if actual borrowing is within each quantified limit on borrowing. The quantified limit is that debt will not exceed 100% of revenue.

As Council expects 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 limits on rates and debt, Council 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 its rating projections, Council has also projected the likely growth in the number of properties on which rates will be assessed. The Waitaki District is experiencing slower than average growth, and Council is projecting only minimal levels of growth over the life of this Long Term Plan.

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>Projected number of properties in the rate base</b>	13,659	13,693	13,727	13,761	13,795	13,829	13,864	13,900	13,934	13,969

## Forecast rates increases

Council set the limit on planned rates increases because it wants to still stress affordability issues and still respond to changes that have occurred in the environment. Council considers it prudent to maintain a degree of 'headroom' between the maximum rates increase limit we set and the planned rates increases reflecting the planned levels of service to be delivered.

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>Planned increase in total rates</b>	3.8%	4.1%	3.5%	3.2%	2.5%	2.0%	3.0%	2.2%	0.5%	2.3%
<b>LGCI + 2%</b>	4.0%	4.2%	4.2%	4.2%	4.3%	4.3%	4.4%	4.5%	4.5%	4.6%

Each year Council must show the proposed changes to the rates for a range of typical property types in the District, for example 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.

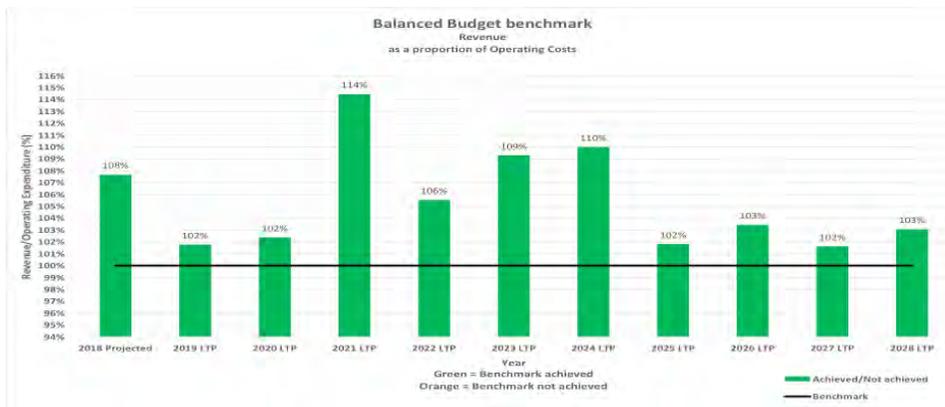
## OTHER MATTERS – THINGS THAT NEED TO BE IN THE STRATEGY

Council must also monitor and report its projected performance against a number of other mandatory benchmarks:

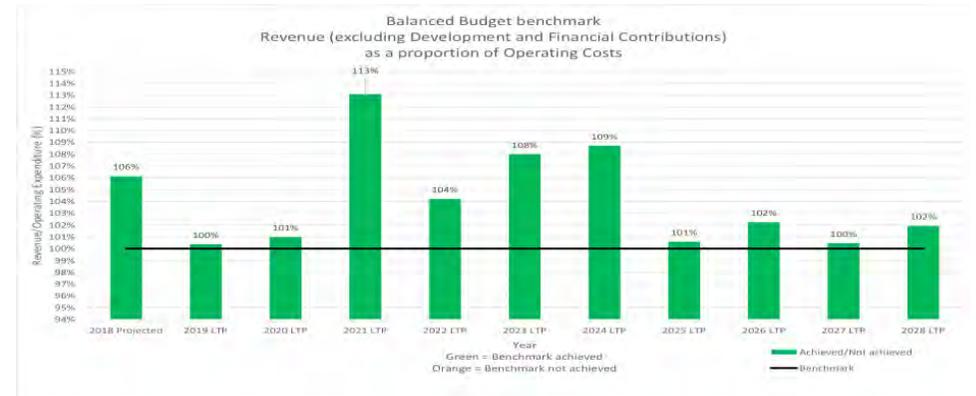
### Balanced Budget Benchmark

Council must consider two balanced budget measures. The first is set by section 100 of the LGA, and is a test of the Income Statement. The second is a requirement of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations).

This graph displays Council's revenue as a proportion of operating costs, and is the test required under section 100 of the LGA. Council meets this benchmark when its revenue equals or is greater than its operating costs.



The following graph displays Council's revenue, excluding development and financial contributions, vested assets, gains on derivative financial instruments and revaluations, as a proportion of operating costs, excluding losses on derivative instruments and revaluations, and is the test required by the Regulations. Council meets this benchmark when its adjusted revenue equals or is greater than adjusted operating costs.

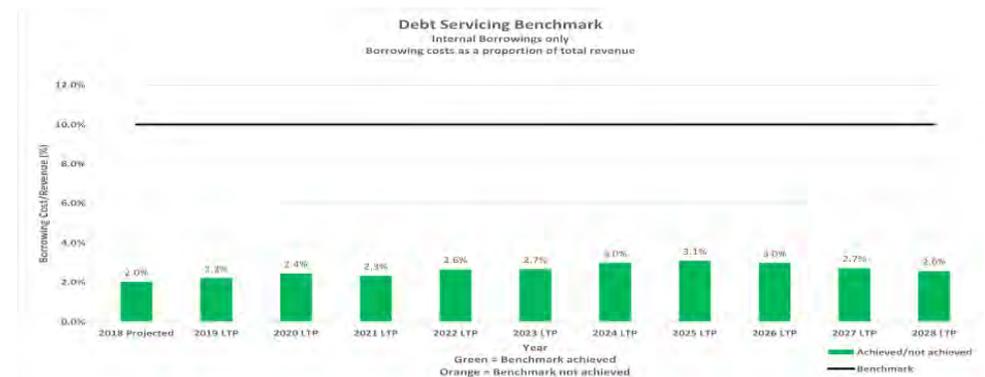


Balanced budget provisions of the Local Government Act 2002 (s100) mean a council need not fully fund all expenditure (including depreciation) if it can demonstrate that it is financially prudent to do so. This is described in more detail later in the strategy.

### Debt Servicing Benchmark

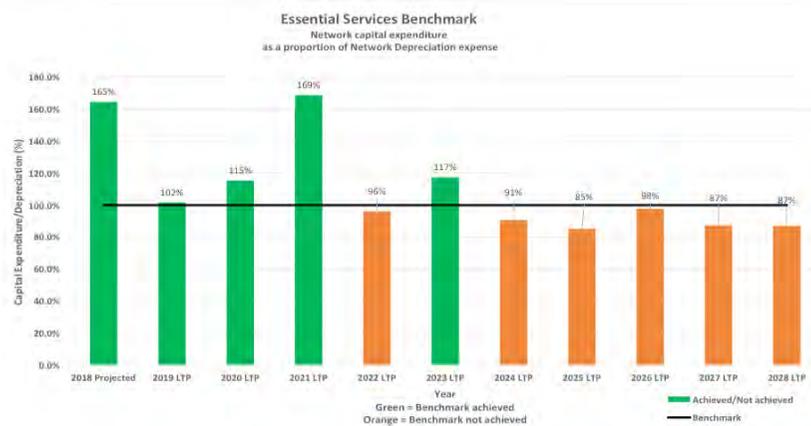
This graph displays borrowing costs as a proportion of revenue, excluding revenue, excluding development and financial contributions, vested assets, gains on derivative financial instruments and revaluations.

Because the population of the Waitaki district is not projected to grow as fast as the projected growth in the national population, it is not classified as a high growth area, and Council meets the debt servicing benchmark when actual borrowing costs equal or are less than 10% of adjusted revenue.



## Essential Services Benchmark

The graph below displays Council's projected capital expenditure on new or replacement network assets (being roading, water, waste water and stormwater infrastructural assets) as a proportion of depreciation charged on network services. Council meets this benchmark when capital expenditure equals or exceeds depreciation on those assets.



Council believes this mandatory measure is flawed for a Council with mature but well maintained assets that experience limited increases in demand. This view is based on the fact that many of its 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. Council is therefore not concerned about not achieving this measure.

**Important Note – These measures relating to Asset Management were developed prior to the requirement to have an Infrastructure Strategy. The Infrastructure Strategy addresses many of these issues in more detail.**

### Council's ongoing ability to deliver services

Council's core role is to maintain and develop high quality, reliable infrastructure such as roading, water supply, 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 earlier in the strategy, Council is considering increasing the level of service and investment in some key areas to meet expected needs and demands.

## Capital expenditure required to maintain existing network infrastructure services

Council's 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 the quality of waste disposal and drinking water.

Shown below is the total expenditure projected on network infrastructure to maintain existing services, together with the total amount of capital expenditure included in this Plan.

Network infrastructure groups	Expenditure identified in Asset Management Plans to maintain existing assets in LTP 2018-28 \$000	Asset renewal capital planned in LTP 2018-28 \$000
Roading	81,066	90,327
Stormwater	4,625	-
Water Supply	49,639	17,307
Wastewater	20,947	7,449
<b>Total</b>	<b>156,277</b>	<b>115,083</b>

We use a range of tools to fund 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, Council has considered how it 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.

Council has put in place four different sources of funds to assist with any situation like this: the LAPP, the Disaster Fund, funded depreciation reserves and stand-by borrowing facilities. Council's approach would be:

- Utilise funded depreciation reserves where available and appropriate
- Seek Central Government assistance
- Utilise the \$3.5 million self-funding Disaster Contingency Fund
- Use debt or sell assets not essential to operations and are the easiest to sell

### Setting project priorities

When setting funding priorities in this 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 Council's vision and desired outcomes?

Council's 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

Council's Asset Management Plans allow for the maintenance and replacement of infrastructure assets, both for renewal and for improvement of the levels of services provided. Although increases in capacity are always a consideration, given the continued low projections of population growth over the term of the LTP, no projects have been included that are specifically related to growth in demand for services.

Network infrastructure groups	Capital identified to provide for growth \$000
Roading	0
Stormwater	0
Water Supply	0
Wastewater	0
<b>Total</b>	<b>0</b>

### Providing higher levels of service

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
- Drinking Water Standards
- Improved internal infrastructure to support service delivery and improve decision making.

### Notes on financial policies and investment holdings

Council must include in its Financial Strategy information about its objectives for holding financial investments and equity securities and provide quantified targets for returns on those investments. Council must also include its policy on the giving of securities for borrowing.

### Equity securities

Council does 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 Plan however the Investment Policy is currently under review and small level of investment may occur in the future. This is the list of the companies in which Council currently holds 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 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
Waitaki Development Board Limited	<ul style="list-style-type: none"> <li>■ Facilitate the growth of tourism</li> <li>■ Promote the district effectively</li> </ul>	N/A
Omarama Airfield Limited	<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 has been update to clarify Council's expectations regarding the actual level of return and distribution from this investment.

### **Financial instruments**

Council holds financial investments, for example 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.

Council also seeks to:

- maximise return on its 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.

Council has made, and continues to consider, investments with other entities in the District when it believes the investment will strongly contribute to the wider Council outcomes while still providing an acceptable level of return.

Council is going to review its use of financial instruments and other investment options to determine if it wants to alter its approach to risk and return on some investments it makes.

### **Security for Council borrowing**

Council must disclose its policy on giving securities for its borrowing. Council may borrow on an unsecured basis or, if it decides to offer security for borrowing and other financial obligations, then it 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 Council does not expect to borrow money over the life of the Plan, existing borrowing and security arrangements will be reviewed during the first three years of the Plan to ensure they still meet Council's requirements.

Council provides limited securities and guarantees to other parties for economic or community development or works under the Local Government Act. Requests are considered on a case by case basis by Council or the appropriate Council committee. More detail is included 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) if it can demonstrate that it is financially prudent to do so. Council has previously decided not to fully cash fund the depreciation charge of various assets

Council has resolved that it will not cash-fund depreciation on certain assets for a variety of reasons, the most significant being where Council believes it will receive money from third parties to help fund asset replacement. The most important of these sources is the New Zealand Transport Agency which co-invests in the roading network. This has also been assumed with some community assets where third party funding was received to help build or develop the facility. This group of assets includes the Aquatic Centre, Oamaru Opera House and some community centres.

The other major reason depreciation is not funded is if Council does not expect to renew or replace an asset at the end of its useful life. Council has also decided not to fully fund depreciation on assets where loans were raised to fund construction, and the loan is still being repaid, or when annual maintenance expenditure is sufficient to maintain the asset in perpetuity. A full schedule of assets whose depreciation is not fully funded and the underlying reason is shown at the end of the Strategy. This schedule will be subject to further review over the next two months to ensure the items in the schedule will still meet the criteria for inclusion over the life of the LTP.

Over the life of the Plan a total amount of \$52.1 million will not be directly funded by Council. However, Council believes that in most instances where an asset needs to be replaced there will be sufficient funds available to do this. It believes this approach is prudent, especially given the level of funds accumulated as discussed earlier in the Strategy. If there is any shortfall in a year then Council 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 (as required under s111 of the Act) forecasting the ten-year financial performance of the Council, including prospective statements of comprehensive revenue and expense, changes in equity financial position and cash flow.

- **Statement of accounting policies**

This is a statement of GAAP accounting policies applied in the preparation of the Plan.

- **Funding impact statement**

These show what rates Council will charge, the basis of each rate, the activities the rate funds and the amount of the rate. It discloses financial information in a format required by the financial reporting regulations set under the Local Government Act.

- **Rates, fees and charges**

Identifies the basis on which rates are set, and the fees and charges 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.

ASSET NAME	REASON FOR UNFUNDING DEPRECIATION	DATE THAT UNFUNDING STOPS
Roading	Council 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
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. Council does 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 Council 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		
Oamaru Gardens House	To recognise that Council will not replace these residential dwellings or improvements at the end of their economic lives	No end date
Harbour House (2 Test Street)		
Oamaru Sewerage Plant Dwelling		
Oamaru Airport houses		
Enfield Recreation Reserve Sports Pavilion	To recognise that Council will not replace these recreational facilities at the end of their economic lives	No end date
Awamoia Park Pavilion		
Stock Pavilion, Gilligan Street, Palmerston		
Macraes Domain sports grounds and pavilion		
Kurow sports ground		

ASSET NAME	REASON FOR UNFUNDING DEPRECIATION	DATE THAT UNFUNDING STOPS
Parks Assets – Local (Ward) Assets	Many of these assets will not be replaced at the end of their lives, or 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.
Duntroon Sewerage Scheme	To recognise that Council will not replace this scheme at the end of its economic life.	No end date.
Cemeteries	To recognise that many cemetery assets will not be replaced at the end of their lives.	No end date.
Public Toilets – Severn Street and Last Post	Unfunded because Council has 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 Council's 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

A photograph of a park at night. Several black street lamps with white lantern-style tops are illuminated, casting a warm glow on the surrounding greenery. The scene is filled with dense trees and bushes, some of which are in bloom. The sky is a deep blue with some light clouds. The overall atmosphere is serene and well-maintained.

## DEVELOPMENT & FINANCIAL CONTRIBUTIONS POLICY

# DEVELOPMENT & FINANCIAL CONTRIBUTIONS POLICY

## 1. INTRODUCTION

### Overview

The Waitaki district continues to experience modest growth in the population (permanent and visitor) and economic activity. This growth is provided for by development and subdivision activity which places an increased demand on council infrastructure and reserves network.

Council believes development and financial contributions are the most appropriate funding tools to fund the additional costs they incur to provide for this growth. This policy seeks to balance fairness, with administrative efficiency, and with legal requirements.

This policy includes provisions for both development and financial contributions.

- Financial contributions - The Financial Contributions rules, policies and objectives under the provisions of Part 14 of the Waitaki District Plan are operative. These will be used for open space and recreation (reserves) and services, where appropriate development contributions are not available.
- Development contributions are a funding mechanism available to councils. The purpose of Development Contributions is to enable Council to recover from those persons undertaking development, a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term. Council uses development contributions to fund a portion of the water supply, wastewater and roading activities.

### Transition between policies

This Policy on Development Contributions and Financial Contributions replaces the 2015 Policy. These changes will apply to applications for resource consent, building consent, certificate of acceptance or service connection as follows:

- For any application submitted, accompanied by all required information, before 1 July 2015, Council will apply the 2012 Policy.
- For any application submitted, accompanied by all required information, before 1 July 2018, Council will apply the 2015 Policy.

- For any application submitted, accompanied by all required information, after 1 July 2018, Council will apply the 2018 Policy.

Where applications are submitted without all required information, Council will apply the policy in force at the time all required information is provided.

### Updating the policy

It is anticipated that this policy will be reviewed, and if necessary amended, at least every three years as part of the LTP process. For the financial years in between LTPs, the contributions may be inflated based on the rate of increase (if any) in the Producers Price Index Outputs for Construction provided by Statistics New Zealand since the contribution were last set. Any increase will only apply to the proportion of the development contribution that does not relate to the interest component.

Before any increase takes effect, Council will make publicly available information setting out the amount of the newly adjusted development contribution and show how any increase was calculated.

### Key changes

This policy is an update of the 2015 Policy. Key changes made to the policy are described below.

- The structure of the policy has been modified to provide a more customer centric policy.
- The standard updates have been made to the policy including application of actual capital expenditure over the past three years and inclusion of the latest LTP capital budgets. In most areas these updates have resulted in increases in the development contribution. Most noticeably in water and wastewater due to the higher costs budgeted for treatment upgrades.
- The timing of payment has been simplified to provide greater administrative efficiency and provide certainty for developers.
- The roading development contributions for non-residential developments have been altered to provide a more appropriate allocation of the growth costs.
- Additional land use categories for campgrounds and retirement villages have been added the policy to provide simpler administration of the policy.
- The remission for additional residential dwellings on dairy farm developments has been removed. The development contribution for a dairy farm includes just the additional demand created by the change in land use and excludes any additional residential activity.

## Future policy work

- Financial contributions must be phased out by April 2022. These will be removed, and may be replaced with additional development contributions for community infrastructure and reserve land in the next update of this policy.

## Policy guideline

From the reader's point of view, the policy is structured as follows:

Section 2 - Purpose and objectives – why WDC has a development and financial contributions policy. This is the why – why do I have to pay contributions?

Section 3 and 4 - how much will I have to pay for my development, and when will I have to pay it. What other unique considerations will be taken into account?

Section 5 and 6 - what are my options if I wish to proceed outside the provisions of the policy, or if I want to challenge the outcome of an assessment?

Section 7 – An overview of the calculation approach.

Section 8 – Appendix of detailed aspects of the policy mechanisms, calculations and structure.

## 2. PURPOSE AND OBJECTIVES

### Purpose

Section 197AA of the LGA states that the purpose of development contributions is:

“...to enable territorial authorities to recover from those persons undertaking development a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.”

Council intends to fund the portion of capital costs that are attributable to growth by development and/or financial contributions wherever it is legally, fairly, reasonably and practically possible to do so.

Council considers that development and financial contributions are the best mechanisms available to ensure the cost of growth sits with those who have created the need for that cost. Council considers it inappropriate to burden the community as a whole, by way of rating or other payment means, to meet the cost of providing for new growth.

## Objectives

In developing this policy, the above purpose, and the principles in section 197AB of the LGA have also been taken into account. Accordingly, the objectives of this policy are:

- (i) Fairness: ensure that those who create a need for new or additional assets, or assets of increased capacity fund their fair share of the cost. The proportional cost allocation takes into account those who benefit from the assets as well as those who create a need for the greater use of the assets.
- (ii) Simplicity: ensure that the policy is easy to understand and administratively simple to apply.
- (iii) Certainty and transparency: provide developers with a clear understanding of what will be funded from development contributions, what they will have to pay towards those costs, and when.
- (iv) Consistency: ensure that like developments are treated in a like manner.
- (v) Contribution to Waitaki's goals: support and facilitate the wider outcomes sought by WDC.

## 3. APPLICATION OF THE POLICY

### Who is assessed?

Any development that creates additional demand or adverse environmental effects will be assessed for contributions. Any application for a resource consent, building consent, service connection or certificate for acceptance may be assessed.

### What contributions are payable

The contributions payable include:

- Development contributions for network infrastructure - water supply, wastewater and roading.
- Financial contributions for open spaces and recreation, and where applicable other activities.

The Council will not require a development contribution for an asset or activity if it has required a financial contribution in relation to the same development for the same purpose.

## How much is payable?

The development contributions and financial contributions payable within each area are shown in the following table.

The water supply development contributions for rural restricted schemes are shown per cubic meter (m<sup>3</sup> or 1,000L) of water. The actual contribution payable will be based on the quantity of a point for each scheme, typically 1,800L/day. All other development contributions are shown per household equivalent unit (HEU). One new residential lot or new residential dwelling is assessed as one HEU.

Where water and wastewater schemes have been merged, the contributions are standardised across the entire scheme. This includes:

- Oamaru water supply – all properties that connect to the Oamaru scheme including Oamaru, Western, Enfield, Kakanui, Herbert, Waianakarua, Moeraki and Hampden.
- Oamaru wastewater – all properties that connect to the Oamaru scheme including Oamaru, Western, Enfield and Kakanui.
- Waihemo water supply - all properties that connect to the Oamaru scheme including Palmerston, Dunback and Goodwood.

Table 1: Standard Development and Financial Contributions Required (excluding GST)

Water Supply	Wastewater	Roading	Stormwater	Open Space and Recreation	Other Services/ Miscellaneous
<b>DEVELOPMENT CONTRIBUTIONS</b>	<b>DEVELOPMENT CONTRIBUTIONS</b>	<b>DEVELOPMENT CONTRIBUTIONS</b>	<b>DEVELOPMENT CONTRIBUTIONS</b>	<b>DEVELOPMENT CONTRIBUTIONS</b>	<b>DEVELOPMENT CONTRIBUTIONS</b>
<p><b>On-demand Supplies</b>      <b>per HEU</b></p> <p>Kurow                            \$1,970</p> <p>Oamaru                         \$5,600</p> <p>Omarama                      \$4,450</p> <p>Otematata                     \$4,710</p> <p>Waihemo                      \$4,520</p> <p><b>Restricted Supplies</b>      <b>per 1m<sup>3</sup> of Water</b></p> <p>Awamoko                      \$1,450</p> <p>Dunback                        \$2,510</p> <p>Duntroon                      \$360</p> <p>Goodwood                     \$2,510</p> <p>Hampden                      \$3,110</p> <p>Herbert/Waianakarua      \$3,110</p> <p>Kakanui                        \$3,110</p> <p>Kauru                            \$1,550</p> <p>Lake Ohau                     \$10,260</p> <p>Lower Waitaki                \$980</p> <p>Moeraki                        \$3,110</p> <p>Oamaru                        \$3,110</p> <p>Bushy Creek                 \$110</p> <p>Palmerston                    \$2,510</p> <p>Stoneburn                     \$1,050</p> <p>Tokarahi                      \$1,380</p> <p>Windsor                        \$820</p> <p><b>FINANCIAL CONTRIBUTIONS</b> where appropriate. Environmental Effects – Chapter 14 District Plan. Environmental Considerations</p>	<p>per HEU</p> <p>Kurow                            \$530</p> <p>Oamaru                         \$3,300</p> <p>Omarama                      \$1,370</p> <p>Otematata                     \$1,890</p> <p>Palmerston                    \$2,130</p> <p>Kakanui                        \$3,300</p> <p>Lake Ohau                     \$10</p> <p>Moeraki                        \$4,750</p> <p>Oamaru                        \$3,300</p> <p>Palmerston                    \$2,130</p> <p><b>FINANCIAL CONTRIBUTIONS</b> where appropriate. Environmental Effects – Chapter 14 District Plan. Environmental Considerations</p>	<p>District Wide – all areas \$1,180 per HEU</p> <p><b>FINANCIAL CONTRIBUTIONS</b> where appropriate. Environmental Effects – Chapter 14 District Plan. Environmental Considerations</p>	<p>Not applicable</p> <p><b>FINANCIAL CONTRIBUTIONS</b> District Wide – all areas</p> <p><u>Subdivision:</u> 1) Residential and Township Zones - 7.5% of land value - Land, money, works or combination of all 2) Business Zones - 10% of land value - Land, money, works or combination of all</p> <p><u>Developments</u> 1) Residential (In all zones) 7.5% of land value</p> <p><u>Other Developments</u> 0.5% of value of development exceeding \$200,000.</p> <p><b>FINANCIAL CONTRIBUTIONS</b> where appropriate. Environmental Effects – Chapter 14 District Plan. Environmental Considerations</p>	<p>Not applicable</p> <p><b>FINANCIAL CONTRIBUTIONS</b> District Wide – all areas where appropriate. Environmental Effects – Chapter 14 District Plan. Environmental considerations.</p> <ul style="list-style-type: none"> <li>o Trade waste collection and disposal system,</li> <li>o Energy supply system,</li> <li>o Telecommunications system,</li> <li>o Works to avoid, remedy or mediate natural hazards,</li> <li>o Landscaping, including planting of vegetation,</li> <li>o Provision of access to land in the subdivision (including roads, cycleways, accessways, service ways, private access, street lighting and associated works).</li> <li>o Esplanade Strips</li> </ul>	

## Land use differentials

The following table summarises the differentials for each activity. These can be used to calculate the number of HEU's for residential and non-residential developments based on a standard measure of size.

Table 2: Land Use Differentials

Land Use Category	Household Equivalent Units per Measure of Size Shown		
	Water Supply <sup>(i)</sup>	Wastewater <sup>(ii)</sup>	Roading
Residential	1 HEU / dwelling or lot	1 HEU / dwelling or lot	0.50 HEU / dwelling or lot <sup>(iv)</sup>
Rural Residential	1 HEU / dwelling or lot	1 HEU / dwelling or lot	0.6 HEU / dwelling or lot <sup>(iv)</sup>
Commercial	0.17 HEU / 100m <sup>2</sup> + 1.17 HEU /property	0.43 HEU / 100m <sup>2</sup>	2.54 HEU / 100m <sup>2</sup> GFA
Industrial	0.14 HEU / 100m <sup>2</sup> + 1.17 HEU /property	0.34 HEU / 100m <sup>2</sup>	1.77 HEU / 100m <sup>2</sup> GFA
Accommodation	0.29 HEU / 100m <sup>2</sup> + 1.30 HEU /property	0.49 HEU / 100m <sup>2</sup>	0.34 HEU / accomm unit <sup>(iv)</sup>
Primary Industry - Dairy	N/A - Assumed to be rural schemes only.		5.39 HEU / 100 Ha <sup>(iii)</sup>
Family flat where GFA is less than 60m <sup>2</sup>	0.50 HEU / family flat	0.50 HEU / family flat	0.50 HEU / family flat
Family flat where GFA is equal or greater than 60m <sup>2</sup>	1 HEU / family flat	1.0 HEU / family flat	0.5 HEU / family flat
Retirement Villages			
Care bed	0.28 / bed + 1.30 HEU / property	0.30 HEU / bed	0.25 HEU / bed <sup>(iv)</sup>
1 bed villa/house	0.50 / villa/house + 1.30 HEU / property	0.50 HEU / villa/house	0.17 HEU / villa/house <sup>(iv)</sup>
2 bed+ villa/house	0.66 / villa/house + 1.30 HEU / property	0.67 HEU / villa/house	0.25 HEU / villa/house <sup>(iv)</sup>
Campgrounds			
Tent sites	0.03 HEU / tent site +1.30 HEU / property	0.06 HEU / tent site	0.34 HEU / tent site <sup>(iv)</sup>
Caravan sites/cabins	0.06 HEU / site/cabin+1.30 HEU/property	0.10 HEU / site/cabin	0.34 HEU / site/cabin <sup>(iv)</sup>

<sup>(i)</sup> These water supply differentials are only used to assess urban unrestricted schemes. Rural restricted water supply schemes are based on a development contribution per cubic meter of water (as shown in Table 1).

<sup>(ii)</sup> These differentials are to be used to assess the demand on wastewater infrastructure for wastewater that does not fall within the definition of trade waste contained in the operative Waitaki District Trade Waste Bylaw applying at the time consent is granted. Development contributions payable for discharge of trade wastes will be the subject of an individual assessment.

<sup>(iii)</sup> The roading differential for Primary Industry – Dairy has already accounted for the existing pastoral use of a dairy conversion. The above differential also excludes any additional residential dwelling that may be developed as part of the dairy farm development. The dwelling shall be assessed separately as a standard residential dwelling.

<sup>(iv)</sup> The roading differentials for each new residential, rural-residential or accommodation development includes the 50% remission.

Other – residential garages and farm implement sheds will not be assessed for development contributions if they are not being used for commercial purposes.

## 4. ASSESSMENT PROCESS

Development contributions will be assessed and may be required when an application for one of the following is made:

- Resource consent – subdivision or land use consent,
- Building consent, or when granting a certificate of acceptance under section 98 of the Building Act 2004 if a development contribution would have been required had a building consent been granted for the building work in respect of which the certificate is granted.
- Service connection.
- Certificate of acceptance.

If financial contributions are required as a condition of resource consent, these must be paid before the resource consent is uplifted.

### Timing of assessment

The sequence of development is not always the same. However, Council shall aim to notify applicants of development contributions at the first available opportunity.

### Timing of payment

Payment will be required for all development contributions (water supply, wastewater and roading) as follows. For the purpose of this section, the following definitions apply:

- Residential development includes the following land uses; residential, rural residential, family flat.
- Non-residential development includes the following land uses; accommodation, retirement village, campground, primary industry-dairy, commercial and industrial.

### Residential development

- Resource consent (subdivision) at the time of applying for a s224(c) certificate.
- Where the full development contribution has not been paid at resource consent stage, then development contributions will be payable at building consent or service connection.

For subdivision consents the development contributions invoice will be sent at the time the certificate under s224(c) is applied for. For building consents or service connection, the development contribution invoice will be sent when these consents are granted.

### Non-Residential development

- Where a building consent will be required for a development, no contribution will be sought at any initial resource consent stage. The full development contribution (water supply, wastewater and roading) will be required at building consent.
- Where a building consent will not be required (e.g. land use consent), then a development contribution will be assessed at resource consent stage.

For subdivision consents the development contributions invoice will be sent at the time the certificate under s224(c) is applied for. For land-use consent, building consents or service connection, the development contribution invoice will be sent when these are consents granted.

This approach is considered more efficient to administer as a single contribution is levied at a single stage. In the case of non-residential development, the information at building consent stage provides more certainty about the nature and size of the development. This provides developers and applicants with greater certainty.

### Enforcement of payment

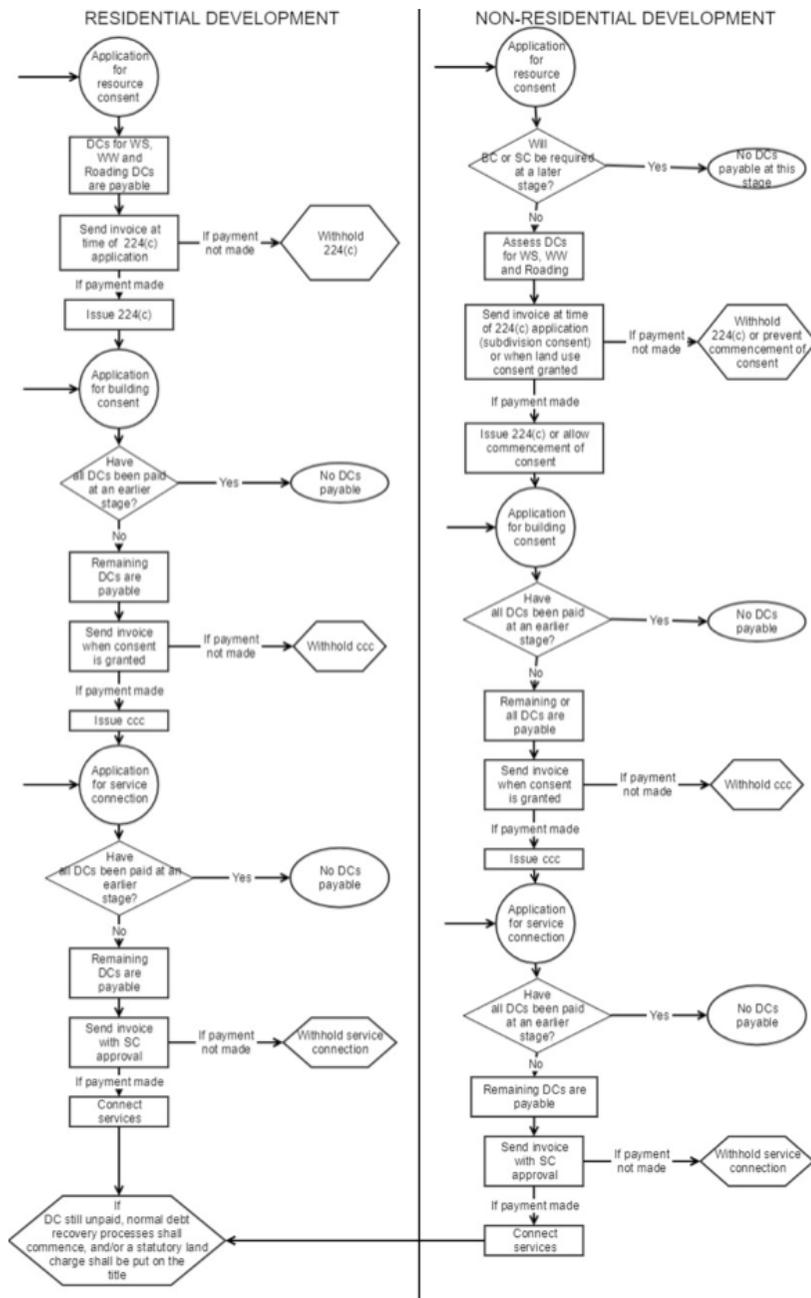
If payment of development contributions is not received the Council may (under section 208 of the LGA):

- Withhold s224c Certificate on a subdivision;
- Prevent the commencement of a resource consent for a development;
- Withhold a code of compliance certificate under the Building Act;
- Withhold a service connection to a development;
- register the Development Contribution under the Statutory Land Charges Registration Act 1928 as a charge on the title of the land for which the contribution was required.

In addition to the above enforcement mechanisms, where invoices remain unpaid under Council's payment terms the 20th day of the month following issue of invoice, normal debt collection practices to recover outstanding debts may be invoked.

A flow chart of the development contributions assessment, invoicing and payment process is shown in Figure 1.

Figure 1: DCs – assessment, invoicing and payment process



## Remissions

Council will provide the following remissions:

- A 50% remission for the roading contribution will be provided for each new residential, rural-residential or accommodation development.
- A 50% remission on Ohau water supply development contributions will be provided for any Ohau properties paying a water half-charge.
- A 50% remission on Moeraki wastewater development contributions will be provided for any Moeraki properties paying a wastewater half-charge.
- Council will also consider requests for remissions on a case-by-case basis where it is satisfied that such a remission will promote the economic, environmental, social or cultural wellbeing of the district. These remissions may be on the basis of activity, land use or location.

## Refund policy

Where Council required and received a development/financial contribution for a development and where the documentation (resource consent, building consent, certificate of acceptance or connection authorisation) permitting that subdivision or development has lapsed, Council will refund the contribution. This does not prevent Council from requiring development/financial contributions in the future. Council may retain a portion of the contribution of a value equivalent to the costs incurred by the Council in processing/assessing the contribution required by the subdivision or development.

All applications for Refunds must be made in writing to the Chief Executive Officer of the Council.

## Unusual developments

Council reserves the right to individually assess contributions on any development or activity that it deems to create a significantly different demand on infrastructure than could usually be expected under their relevant land use category (an unusual development).

Wherever the total of development contributions assessed for a development is likely to generate an appeal or objection, the Chief Executive Officer or a nominee of, will proactively seek a special assessment of those contributions in order to enable the prompt resolution of any request for reconsideration or objection.

## Deferral of Payment

Council will consider requests for deferral of contribution payments on a case-by-case basis.

When considering deferred payment arrangements, Council will have regard to tools including, but not limited to, bank guaranteed bonds, bonds as first charge, statutory land charges, and use of the normal debtor recoveries systems. A targeted rate for payment of development contributions may be considered.

When considering deferred payment arrangements, Council will also have regard to matters including, but not limited to, application of interest on deferred revenue, cost recovery via administrative charges, and maximum periods of deferral. Council reserves the discretion to waive or reduce charges and/or extend a deferral period where it is satisfied that the exercise of such discretion promotes the economic, environmental, social or cultural wellbeing of the district.

Council may enter into a preferential mortgage arrangement by agreement with the developer to enable payment of development contributions for multi-lot subdivisions to be made as each section sells.

## Credits

There are two types of credits anticipated:

1. Actual credits will apply to those subdivisions or developments where contributions have been paid under this, or a previous policy.
2. Existing activities will be given credit based on the HEU's assessed in terms of the relevant unit (i.e. GFA, dwelling, accommodation units) prior to redevelopment. A development contribution will only be levied if the redevelopment creates additional demand.

Where the Chief Executive Officer or a nominee of the Chief Executive Officer considers there is a special case to be considered for granting of a credit, this matter will be referred to Council's Development Contributions Committee for decision.

## Credits for relocation of activities or dwellings

Where a business activity or dwelling relocates from one site in the district to another site in the district, credits are not transferable to the new site. Any credit will remain with the original site until such time as service connections are removed.

## Delegations

Council will determine where a development or financial contribution will be sought in accordance with this policy. Council has the authority to set the quantum of those contributions. If Council so wishes, it may delegate this authority, wholly or in part to a Development Contributions Committee, by resolution of Council. The Chief Executive Officer will ensure the policy is implemented.

The Development Contribution Committee may consider a request for remission or deferral of payment on the grounds of hardship under their delegated authority.

## 5. RECONSIDERATIONS AND OBJECTIONS

### Reconsideration

An applicant may request Council to reconsider the requirement if the applicant has grounds to believe that:

- the development contribution was incorrectly calculated or assessed under the Council's Development Contributions Policy; or
- Council incorrectly applied its Development Contributions Policy; or
- the information used to assess the person's development against the Development Contributions Policy, or the way Council has recorded or used it when requiring a development contribution, was incomplete or contained errors.

A request for reconsideration must be made in writing stating clearly which of the above grounds the applicant believes the Council has erred. The request for reconsideration must be made within ten working days after the date on which the person lodging the request receives notice from Council of the level of development contribution that Council requires. This request should be addressed to:

- Corporate Development Officer
- Waitaki District Council, Private Bag 50058, Oamaru 9444
- [service@waitaki.govt.nz](mailto:service@waitaki.govt.nz)

The steps that Council will apply when reconsidering the requirement to make a development contribution are:

- The appropriate Council officer shall review the reconsideration request.
- The Council officer may request further relevant information from the applicant.

- The Council officer will make a recommendation in a report for consideration to the delegated authority.
- Council will, within 15 working days after the date on which it receives all required relevant information relating to a request, give written notice of the outcome of its reconsideration to the person who made the request.

A reconsideration cannot be requested if the applicant has already lodged an objection.

### Objection

If the applicant is not satisfied with the outcome of the reconsideration, they may lodge an objection as specified in the Local Government Act 2002, s199C to s199N. The right to object does not apply to challenges to the content of the policy, and can only be made on the ground that Council has:

- (a) failed to properly take into account features of the objector's development that, on their own or cumulatively with those of other developments, would substantially reduce the impact of the development on requirements for community facilities; or
- (b) required a development contribution for community facilities not required by, or related to, the objector's development, whether on its own or cumulatively with other developments; or
- (c) required a development contribution in breach of section 200; or
- (d) incorrectly applied its development contributions policy to the objector's development.

Any objection must be lodged with the Council within 15 working days of receiving notice to pay a development contribution, or within 15 working days of receiving the outcome of any request for reconsideration.

Council may appoint up to three commissioners to hear the objection. Objectors are liable for the following costs:

- (a) the selection, engagement, and employment of the development contributions commissioners; and
- (b) the secretarial and administrative support of the objection process; and
- (c) preparing for, organising, and holding the hearing.

When considering a development contribution objection and any evidence provided in relation to that objection, development contributions commissioners must give due consideration to the following:

- (a) the grounds on which the development contribution objection was made;
- (b) the purpose and principles of development contributions under sections 197AA and 197AB;
- (c) the provisions of the development contributions policy under which the development contribution that is the subject of the objection was, or is, required;
- (d) the cumulative effects of the objector's development in combination with the other developments in a district or parts of a district, on the requirement to provide the community facilities that the development contribution is to be used for or toward;
- (e) any other relevant factor associated with the relationship between the objector's development and the development contribution to which the objection relates.

## 6. DEVELOPMENT AGREEMENTS

Sections 207A to 207F of the Act provides for the Council and a developer to enter into specific arrangements for the provision of particular infrastructure to meet the special needs of a development.

A development agreement may be entered into after being requested in writing by either the developer, or the Council. Regardless of which party requests the Agreement, the request may be accepted in whole or in part, subject to any amendments agreed by the Council and the developer, or may be declined by the Council. Council will provide the developer who made the request with a written notice of its decision and the reasons for its decision.

A development agreement is a legally enforceable contract, and comes into force when all parties that will be bound by the agreement have signed it.

A development agreement does not oblige Council to grant a resource consent, building consent, service authorisation, or to issue certification. Council may not refuse to grant or issue a consent, certificate, or authorisation on the basis that a development agreement has not been entered into.

## 7. CALCULATION METHODOLOGY

A brief introduction to the development contributions calculation method is presented. A full disclosure of the methodology and calculations is in the detailed supporting document and is available from Council for public inspection at:

- Waitaki District Council, Thames Street, Oamaru.
- Palmerston Service Centre.
- Website - <http://www.waitaki.govt.nz>

### Overview of calculation methodology

The key concept of the approach is to define the total growth related capital expenditure (CAPEX) consumed by the growth population over a period of time. The consumption of the growth costs is then apportioned among the increased number of household equivalent units over the same time period. This defines the long run average cost of growth per a common unit of demand, defined as the standard contribution (\$/HEU).

The development contributions are based on the long-term average cost of growth across each contributing area and reflect the average cost of infrastructure required to service new development for each activity. This includes those growth-related projects planned for in the 2018-2028 LTP and also those growth-related projects that have already been completed.

The calculation method uses the capacity life of each asset to fairly apportion the growth costs across the capacity life of the asset created. This ensures that all developments that benefit from the growth-related capital expenditure contribute an equitable portion. This also ensures that the rate at which the capacity is consumed is considered in the calculation so that early and late developers do not pay an unfairly high proportion of the growth costs. This also means that not all growth costs incurred in the LTP period will be funded over that period.

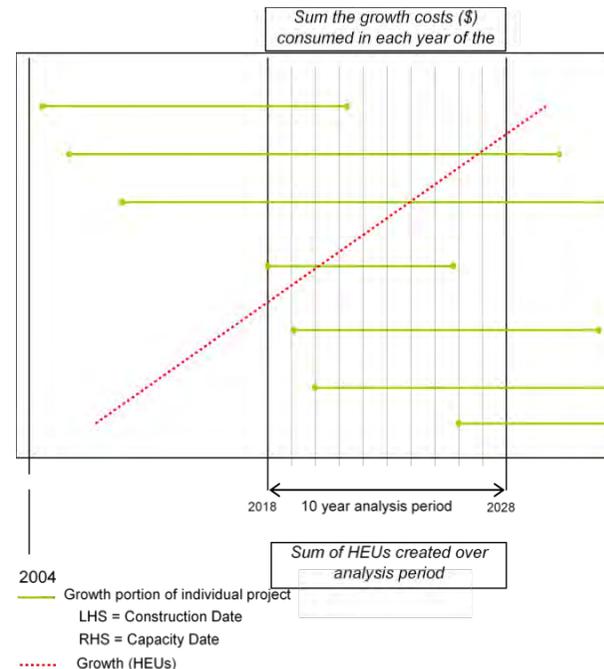
This can be represented by the following formula.

$$\text{Standard Development Contribution} = \frac{\text{Sum of growth costs consumed in analysis period}}{\text{Sum of new HEUs in analysis period}}$$

The calculation method uses the 10 year LTP timeframe as the analysis period and can be summarised by the following steps:

- Step 1: Assess capital expenditure for growth on an asset by asset basis using financial reports (past expenditure) and projected expenditure LTP budgets.
- Step 2: Apportion capital expenditure for growth by the growth population (HEU) over the design life of the asset.
- Step 3: For each year in the analysis period determine the total consumption of asset capacity for each asset identified, namely – \$/HEU x the number of new HEUs.
- Step 4: Sum for all assets in each year in the analysis period, namely total capacity consumed in that year, measured in dollars (\$).
- Step 5: Sum each year in the ten year analysis period divided by the growth in population (new household equivalent units) projected over the analysis period to determine the standard contribution (\$/HEU).

This assessment method is also summarised in the following diagram.



## Growth costs

Capital expenditure may be attributable to one or more factors: growth, changes to levels of service, statutory requirements, or asset renewal. Under this policy all projects have been assessed to calculate a fair, equitable and proportionate portion of council's infrastructure costs that can be attributed to growth. The growth costs reflect the cost that council has or will incur because of growth. The growth-related costs are solely those required to meet the additional demand created by the effects (including cumulative effects) of all development.

This includes capacity in all up and downstream areas of the network, and not just the capacity in the locality of a given development. For example, the growth costs include the capacity in the headwork's assets such as treatment plants and storage assets.

Projects that were/are completed solely to address the demands of, and the benefits to development, are considered to be 100% growth. Projects that were/are solely to replace existing assets or change levels of service are considered to be 0% growth. Projects that benefit both the existing community and the future community are apportioned using the following formula:

***Growth % = (Demand at capacity - Demand at construction) / Demand at capacity***

This approach can be used on projects where growth is not the main driver. For example, an upgrade to a wastewater treatment plant may be a combination of both level of service change for the existing community and provision of capacity for the future community.

## Significant assumptions

Financial Considerations

The following are key financial considerations applied in the model:

- All figures are in current New Zealand dollars – effective 1 July 2018.
- Inflation is applied to past capital projects only.
- Interest costs are included in development contributions. These have been assessed based on the weighted average cost of capital (WACC) over the first 10 year period from 1 July 2018. The cumulative net deficit between the contributions anticipated to be collected and the growth costs over the 10 year period are used to determine the proportion of the growth cost that will be funded by debt. An average interest rate of 4.5% has been applied.

## Growth Projections

Council's latest growth projections forecast that the district is projected to increase by around 300 people over the next 10 years, with an increase in residential dwellings of around 500 dwellings over the same period. A portion of this increase in residential dwellings is due to the trend for smaller household sizes. Continued growth in business related, accommodation and dairy farm properties is also forecast.

## Risks

The risks relating to the policy are listed below. The steps required to mitigate these risks are also shown. This ensures that the correct contributions are collected by Council.

**Subsidies:** The future portion of the development contributions are based on Council's 10 year Long Term Plan capital budget. There are a number of projects in the budget that may be fully or partial subsidised by non-council entities. e.g. NZTA.

Any change to budgeted third party funding may affect the development contributions in the future.

**Legislative Improvements:** The policy and calculation model needs to be updated to incorporate any legislation changes.

**Growth lower or higher than anticipated:** If the growth in the district is more or less than projected, Council risk under or over collecting contributions. The growth projections need to be reviewed regularly to ensure they are as accurate as possible.

**Growth Apportionment:** Any changes in the growth rates may affect the apportionment of some capital projects and hence the growth costs to be recovered via contributions.

**Inflation:** If actual inflation is significantly different to the figures used in the calculation model.

The above variables can be reviewed every year via the annual plan update process or via the three yearly Long Term Plan review process. This ensures that the contributions are based on the most up to date information possible.

## 8. APPENDIX

### Definitions

**Accommodation units** - defined in the LGA as: "...units, apartments, rooms in 1 or more buildings, or cabins or sites in camping grounds and holiday parks, for the purpose of providing overnight, temporary, or rental accommodation."

**Activity Management Plans (AMP)** - A plan for the management of one or more asset types that combines multidisciplinary management techniques (including technical and financial) over the lifecycle of the asset in the most cost-effective manner to provide a specified level of service.

**Applicant** - The person(s) applying for a resource consent, building consent, certificate of acceptance or service connection.

**Capital Expenditure** - Expenditure used to create new assets or to increase the capacity of existing assets beyond their original design capacity or service potential.

**Community facilities** – is defined in the LGA as

*Reserves, network infrastructure, or community infrastructure for which development contributions may be required.*

**Community infrastructure** - Defined in the LGA as the following assets when owned, operated, or controlled by a territorial authority:

- (a) community centres or halls for the use of a local community or neighbourhood, and the land on which they are or will be situated;*
- (b) play equipment that is located on a neighbourhood reserve;*
- (c) toilets for use by the public.*

**Contributing Area** - A defined geographic area where development contributions are to be calculated by the method described and delivering a standard development contribution in terms of \$/Household Equivalent Unit. Contributing areas take an integrated approach to the effects of land subdivision/development and associated physical resources and assesses the overall requirements of an identified geographic area. Contributing areas enable standard development contributions to be determined efficiently and equitably.

**Development** - Defined in the LGA as:

- (a) any subdivision, building (as defined in section 8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but
- (b) does not include the pipes or lines of a network utility operator.

**Development Contributions** - Defined in the LGA as a contribution that is:

- a) provided for in a Development Contributions Policy included in the Council's Long Term Plan; and*
- b) calculated in accordance with the methodology; and*
- c) comprising (i) money; or (ii) land, including a reserve or esplanade reserve other than in relation to a subdivision consent, but excluding Maori land within the meaning of Te Ture Whenua Maori Act 1993, unless that Act provides otherwise; or (iii) both.*

**District** - The district of a territorial authority, in this case, the Waitaki district.

**Effective Date** - Date at which the development contributions are assessed.

**Financial Contribution** - Defined by Section 108 of the Resource Management Act 1991 and collected using the provisions of the District Plan. Financial Contributions are assessed based on the environmental effects of growth.

**Gross Floor Area (GFA)** - The sum of the gross area of all floors and all buildings on a site, measured from the exterior faces of the exterior walls, or from the centre lines of walls separating two buildings. For the purpose of this policy this definition of GFA, excluding car parking areas, will be used.

**Household Equivalent Unit (HEU)** – This is the demand created by a typical residential dwelling for each activity. This common unit of demand enables non-residential activities to be converted into household equivalent units using land use differentials.

In simple terms one HEU equates to:

- Water supply 1,800 L per day, with suitable fire fighting
- Wastewater 1,200 L per day
- Roading 6 vehicle trips per day, with 1% being heavy vehicle movements

**Land Use Categories** - The land use activities are defined below.

**Residential** – means the use of land and buildings by people for the purpose of permanent living accommodation, including all associated accessory buildings, recreational activities and the keeping of domestic livestock. For the purposes of this definition, residential activity shall include emergency and refuge accommodation but excludes visitor accommodation and the non-commercial use of holiday homes.

**Rural Residential** - The Rural Residential Zone covers areas adjoining the towns of Oamaru, Weston, Otematata, Omarama and Kurow. The zone provides for very low density residential opportunities in association with these towns as an alternative to the suburban living areas typical of the District. The zones are concentrated in close proximity to the towns in order to encourage energy conservation and to enable convenient access to the employment, services and facilities in those towns. The purpose of the zone is to maintain very low density residential areas with ample open space, tree and garden plantings and with minimal adverse environmental effects experienced by residents. However, farming is likely to remain a widespread use of land in the zone and an integral part of the rural residential environment.

**Accommodation** – means the use of land and/or buildings for short-term, fee paying, living accommodation where the length of stay for any one visitor is not greater than 3 months at any one time, provided that this definition does not exclude the letting of individually-owned residential units. Visitor accommodation may include some centralised services or facilities, such as food preparation, dining and sanitary facilities, conference, bar and recreation facilities. Visitor accommodation includes such accommodation as hotels, motels, boarding houses, guesthouses, backpackers accommodation, bunkhouses, tourist houses and lodges.

**Family Flat** - A family flat or ‘granny flat’ means self-contained living accommodation, whether contained within a residential unit or located separately to a residential unit on the same site, which is occupied by a family member who is dependent in some way on the household living in the residence.

Self-contained living accommodation means having its own kitchen and bathroom facilities, including an oven or stove and a toilet and a bath or shower.

**Retirement village** - means a commercial entity that provides a range of long-term

accommodation options for elderly residents. This may include smaller residential dwellings or villas, apartments and aged care beds.

**Campground** - means any over-night accommodation facility that provides for tents, caravans and/or cabins.

**Primary Industry** – means any activity within the Rural general or Rural Scenic Zone as per the district plan that involves Arable Farming, Forestry, market Gardens/Orchards, Mineral Extraction, Specialist Livestock, Stock Fattening, Store Sheep or a multiple use of any of the above.

**Primary Industry Dairy** – means any activity within the Rural General or Rural Scenic Zone that involves Dairying, Grazing of Dairy Livestock, Milking Sheds for Town or Factory Supply or a multiple use of any of the above.

**Commercial** - means the use of land and buildings for the display, offering, provision, sale or hire of goods, equipment, or services, and includes shops, markets, showrooms, restaurants, takeaway food bars, professional, commercial and administrative offices, postal services, service stations, motor vehicle sales, the sale of liquor and associated parking areas; but excludes recreational, community and service activities, home occupations or visitor accommodation.

**Industrial** - means the use of land and buildings for the primary purpose of manufacturing, fabricating, processing, packing, or associated storage of goods.

**Land Use Differentials** - Factors which are used to convert non-residential developments into household equivalent units. Impact on, benefit from and demand created by different land uses can be converted into and described as household equivalent units.

**LGA** - The Local Government Act 2002 and amendments.

**Network Infrastructure** - Defined in the LGA as:

*The provision of roads and other transport, water supply, wastewater, and stormwater collection and management.*

**RMA** - The Resource Management Act 1991.

**Service Connection** - A physical connection to a service provided by, or on behalf of, Waitaki District Council.

**Standard Contribution** - The amount of a development contribution payable for the addition of one household equivalent unit (\$/HEU).

**Trip rate** - the number of daily vehicle movements to or from a property. The trips are broken down into light (car) and heavy (>3.5Tonne) vehicle movements.

### **Consideration of activity funding**

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

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

*a) in relation to each activity to be funded, -*

- (i) the community outcomes to which the activity primarily contributes; and*
- (ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and*
- (iii) the period in or over which those benefits are expected to occur; and*
- (iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and*
- (v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and*

*b) the overall impact of any allocation of liability for revenue needs on the community.*

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

### **Community outcomes**

This policy contributes to the following outcomes:

- Our infrastructure enables and responds to economic growth.
- We have affordable, reliable and accessible transport services that meet the needs of the community.
- Our local and central governments demonstrate efficient and effective use of resources.

### **Distribution of benefits**

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

### **Period over which the benefits are expected to occur**

Once a Development or Financial contribution has been paid in relation to a subdivision or development, the benefits of the asset, service, or environmental enhancement shall occur indefinitely (at a set level of service for that asset, service, or environmental enhancement as defined at any one time).

### **Action or inaction that contributes to the need for this activity**

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

### **Costs and benefits of funding this activity (Development and Financial Contributions)**

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

### **Allocation of liability for revenue needs**

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

## Disclosure tables

The following tables show a summary of each contributing area. The tables demonstrate the nature and level of expected capital expenditure required by Council and the portion that is attributable to growth. The tables included in the following section are summarised. The full tables can be found in the appendices of the detailed supporting document.

## Water Supply

Table 3: Restricted Supplies - Water Supply Capital Expenditure for Development Contributions (Excluding GST)

Water Supply Contributing Area	Historical (2018/19 \$)		2018 - 2028 LTP (2018/19 \$)			TOTAL Growth Cost (Capacity) Consumed 2018-2028	Weighted Average No. of Cubic Meters of Water Apportioning Growth Cost 2018-2028	Development Contribution Per Cubic Meter of Water (\$)
	Total Capital Expenditure	Growth Related Capital Expenditure	Total Capital Expenditure	Growth Related Capital Expenditure	Capital Expenditure Funded by Other Sources			
Awamoko	273,327	51,506	390,000	117,000	273,000	59,834	41	\$ 1,454
Duntroun	115,675	33,243	0	0	0	26,657	75	\$ 357
Kauru	258,053	61,605	280,000	84,000	196,000	48,498	31	\$ 1,546
Lower Waitaki	1,117,366	134,281	150,000	150,000	0	80,272	82	\$ 982
Ohau	426,586	282,034	0	0	0	76,414	7	\$ 10,261
Bushy Creek	29,097	4,693	0	0	0	1,500	13	\$ 115
Stoneburn	195,842	37,788	230,000	92,000	138,000	26,512	25	\$ 1,047
Tokarahi	875,564	254,164	700,000	156,000	544,000	131,509	95	\$ 1,383
Windsor	35,730	5,992	270,000	67,500	202,500	32,837	40	\$ 823
<b>TOTAL</b>	<b>3,327,240</b>	<b>865,307</b>	<b>2,020,000</b>	<b>666,500</b>	<b>1,353,500</b>	<b>484,032</b>	<b>410</b>	

Table 4: On-demand Supplies - Water Supply Capital Expenditure for Development Contributions (Excluding GST)

Water Supply Contributing Area	Historical (2018/19 \$)		2018 - 2028 LTP (2018/19 \$)			TOTAL Growth Cost (Capacity) Consumed 2018-2028	Weighted Average No. of HEUs Apportioning Growth Cost 2018-2028	Development Contribution Per Household Equivalent Unit (\$)
	Total Capital Expenditure	Growth Related Capital Expenditure	Total Capital Expenditure	Growth Related Capital Expenditure	Capital Expenditure Funded by Other Sources			
Kurow	798,830	103,194	0	0	0	42,621	22	\$ 1,966
Omarama	1,789,525	534,525	0	0	0	117,227	26	\$ 4,446
Otematata	2,182,159	638,939	250,000	68,511	181,489	142,614	30	\$ 4,710
<b>TOTAL</b>	<b>4,770,514</b>	<b>1,276,659</b>	<b>250,000</b>	<b>68,511</b>	<b>181,489</b>	<b>302,461</b>	<b>78</b>	

Table 5: Amalgamated Schemes - Water Supply Capital Expenditure for Development Contributions (Excluding GST)

Water Supply Contributing Area	Historical (2018/19 \$)		2018 - 2028 LTP (2018/19 \$)			TOTAL Growth Cost (Capacity) Consumed 2018-2028	Weighted Average No. of HEUs Apportioning Growth Cost 2018-2028	Development Contribution Per Household Equivalent Unit/ Point (\$)
	Total Capital Expenditure	Growth Related Capital Expenditure	Total Capital Expenditure	Growth Related Capital Expenditure	Capital Expenditure Funded by Other Sources			
Oamaru	47,373,090	9,003,342	13,537,000	3,490,000	10,047,000	2,952,369	527	\$ 5,600
Waihemo	4,315,531	982,674	500,000	150,000	350,000	257,197	57	\$ 4,523
<b>TOTAL</b>	<b>51,688,621</b>	<b>9,986,016</b>	<b>14,037,000</b>	<b>3,640,000</b>	<b>10,397,000</b>	<b>3,209,566</b>	<b>584</b>	
<b>DISTRICT TOTAL</b>	<b>59,786,375</b>	<b>12,127,981</b>	<b>16,307,000</b>	<b>4,375,011</b>	<b>11,931,989</b>	<b>3,996,059</b>		

## Wastewater

Table 6: Wastewater Capital Expenditure for Development Contributions (Excluding GST)

Wastewater Contributing Area	Historical (2018/19 \$s)		2018 - 2028 LTP (2018/19 \$)			TOTAL Growth Cost (Capacity) Consumed 2018-2028	Weighted Average No of HEUs Apportioning Growth Cost 2018-2028	Development Contribution Per Household Equivalent (\$)
	Total Capital Expenditure	Growth Related Capital Expenditure	Total Capital Expenditure	Growth Related Capital Expenditure	Capital Expenditure Funded by Other Sources			
Greater Oamaru	19,590,581	2,355,038	6,830,000	571,615	6,258,385	652,261	198	\$ 3,300
Kurow	137,077	19,895	90,000	0	90,000	9,003	17	\$ 526
Moeraki	3,470,201	968,034	170,000	9,083	160,917	68,628	14	\$ 4,745
Ohau	3,950	2,174	0	0	0	121	13	\$ 10
Omarama	306,570	39,907	250,000	17,313	232,687	18,358	13	\$ 1,366
Otematata	1,019,089	193,077	0	0	0	25,607	14	\$ 1,887
Palmerston	1,152,609	134,844	500,000	7,379	492,621	42,515	20	\$ 2,131
<b>DISTRICT TOTAL</b>	<b>25,680,077</b>	<b>3,712,970</b>	<b>7,840,000</b>	<b>605,390</b>	<b>7,234,610</b>	<b>816,494</b>	<b>289</b>	

## Roading

Table 7: Roothing - Capital Expenditure for Development Contributions (Excluding GST)

Wastewater Contributing Area	Historical (2018/19 \$s)		2018 - 2028 LTP (2018/19 \$)			TOTAL Growth Cost (Capacity) Consumed 2018-2028	Weighted Average No of HEUs Apportioning Growth Cost 2018-2028	Development Contribution Per Household Equivalent (\$)
	Total Capital Expenditure	Growth Related Capital Expenditure	Total Capital Expenditure	Growth Related Capital Expenditure	Capital Expenditure Funded by Other Sources			
District Wide	57,891,583	2,900,116	41,268,663	2,487,405	38,781,258	1,622,777	1,377	\$ 1,178

## Schedule of assets

Table 8 : Water Supply – Schedule of Assets

Contributing Area	Project Name	Capital Expenditure (nominal \$s)	Proportion of Capital Cost proposed to be recovered through DCs	Proportion of Capital Cost proposed to be recovered through other sources
<b>Waihemo</b>	Waihemo Drinking Standard Upgrade/Compliance	1,919,735	25%	75%
	Waihemo (Goodwood, Palmerston Dunback) Mains	1,611,994	26%	74%
	TP Upgrade	119,115	19%	81%
	District hydraulic Analysis	4,256	100%	0%
	Waihemo Consents	24,887	14%	86%
	Palmerston Chlorinator	10,798	11%	89%
	Dunback - Pump	4,679	20%	80%
	Waitaki Coastal Township Water Scheme	766	100%	0%
	Palmerston Turbidity Meter	5,415	12%	88%
	Palmerston Telemetry	27,422	1%	99%
	Dunback - Replace Pipe	5,918	18%	82%
	Waitaki Coastal Headworks Zone	1,092	13%	87%
<b>Waihemo Total</b>		<b>3,736,077</b>	<b>25%</b>	<b>75%</b>
<b>Greater Oamaru</b>	Greater Oamaru Treatment Plant	13,938,928	26%	74%
	Additional reservoir	2,750,000	100%	0%
	Augmentation	4,600,000	30%	70%
	Greater Oamaru Drinking Standard Compliance	1,791,975	23%	77%
	Oamaru DWS Pipeline to Hampden/Herbert - New	1,256,890	30%	70%
	Moeraki connecting pipe renew/upgrade	776,000	30%	70%
	OA to WE/EN Pipe	263,758	28%	72%
	Weston Upgrade	193,403	26%	74%
	Greater Oamaru Mains	1,257,787	16%	84%
	Pipeline renewals	225,310	30%	70%
	Additional membrane filters	737,000	100%	0%
	Oamaru Tunnel Pipe	244,795	11%	89%

Contributing Area	Project Name	Capital Expenditure (nominal \$s)	Proportion of Capital Cost proposed to be recovered through DCs	Proportion of Capital Cost proposed to be recovered through other sources
	Greater Oamaru Pump Stations	250,511	13%	87%
	Greater Oamaru Treated Reticulation	306,507	29%	71%
	Additional sump	100,000	50%	50%
	Herbert/Waianakarua renewals	152,516	11%	89%
	OWTP Ozone generation and Air compressor - New	120,850	30%	70%
	Oamaru Chlorine System	114,733	9%	91%
	Oamaru Intake	111,464	12%	88%
	Oamaru Water Supply Planned Capacity Improvements	18,352	100%	0%
	Weston Renewal Works 2010/2011	33,143	26%	74%
	Oamaru Other	45,821	10%	90%
	Enfield Renewal	21,452	23%	77%
	Greater Oamaru Pumps	67,758	13%	87%
	Moeraki Chlorination	6,874	44%	56%
	Weston Telemetry	11,664	26%	74%
	Oamaru Reservoir Bypass Line	22,000	8%	92%
	Waitaki Coastal Headworks Zone	10,846	12%	88%
	Herbert/Waianakarua	21,319	12%	88%
	Enfield Renewal 2010/2011	4,515	30%	70%
	Hampden Water New Capital	8,142	30%	70%
	Herbert/Waianak Reservoirs	3,031	20%	80%
	Oamaru - Brinkburn Street	22,049	7%	93%
	Renewals - Herbert / Waianakarua	4,342	13%	87%
<b>Greater Oamaru Total</b>		<b>29,493,733</b>	<b>35%</b>	<b>65%</b>
<b>Awamoko</b>	TP Upgrade (DWSNZ)	400,530	30%	70%
	Awamoko - replace sand	4,282	26%	74%

Contributing Area	Project Name	Capital Expenditure (nominal \$s)	Proportion of Capital Cost proposed to be recovered through DCs	Proportion of Capital Cost proposed to be recovered through other sources
	Awamoko - value	245	18%	82%
	Awamoko Pump Station (SH 83)	70,386	19%	81%
	Awamoko Renewals	34,507	18%	82%
	Awamoko Warning System	2,182	18%	82%
	Renewals - Awamoko	3,021	17%	83%
	Waitaki Coastal Headworks Zone	342	19%	81%
	Pipeline renewals	22,137	30%	70%
	Awamoko Drinking Standard Compliance	1,711	25%	75%
	Awamoko Treated Reticulation	5,812	30%	70%
	Awamoko Water New Capital	6,342	25%	75%
<b>Awamoko Total</b>		<b>551,496</b>	<b>28%</b>	<b>72%</b>
<b>Bushy Creek</b>	Pipeline renewals	4,718	30%	70%
	TP Upgrade	540	20%	80%
	Bushy Creek Consent	6,491	19%	81%
<b>Bushy Creek Total</b>		<b>11,749</b>	<b>23%</b>	<b>77%</b>
<b>Duntroon</b>	Pipeline renewals	603	30%	70%
	Duntroon - pump renewal	2,753	40%	60%
	Duntroon - water main	21	38%	62%
	Duntroon Treatment Plant/Intake	3,093	30%	70%
	Duntroon Drinking Standard Compliance	11,785	30%	70%
	Duntroon Treatment Reticulation	204	30%	70%
	Duntroon Water Treatment DWS Upgrade	71,591	30%	70%
	Duntroon Water New Capital	5,433	3%	97%
<b>Duntroon Total</b>		<b>95,484</b>	<b>29%</b>	<b>71%</b>
<b>Kauru</b>	District hydraulic Analysis	1,018	100%	0%

Contributing Area	Project Name	Capital Expenditure (nominal \$s)	Proportion of Capital Cost proposed to be recovered through DCs	Proportion of Capital Cost proposed to be recovered through other sources
	TP Upgrade (DWSNZ)	287,560	30%	70%
	Waitaki Coastal Headworks Zone	261	24%	76%
	Waitaki Coastal Township Water Scheme	183	100%	0%
	Pipeline renewals	8,012	30%	70%
	Kauru - Intake & Pump	5,865	21%	79%
	Kauru - Main	22,389	24%	76%
	Kauru - Pressure Vessel	4,367	21%	79%
	Kauru - reservoir roof	386	22%	78%
	Intake upgrade	115,750	24%	76%
	Kauru Drinking Standard Compliance	9,520	30%	70%
	Kauru Hill Treated Reticulation	3,781	30%	70%
	Kauru Water Treatment DWS Upgrade	1,832	30%	70%
	Kauru Water New Capital	1,809	30%	70%
<b>Kauru Total</b>		<b>462,734</b>	<b>28%</b>	<b>72%</b>
<b>Kurow</b>	District hydraulic Analysis	1,342	100%	0%
	TP Upgrade - Consultant	42,583	15%	85%
	Pipeline renewals	55,737	30%	70%
	Kurow Main	63,441	10%	90%
	Kurow Other Renewals	11,780	10%	90%
	Kurow Pump	7,958	10%	90%
	Kurow Drinking Standard Compliance	126,112	16%	84%
	Kurow Treated Reticulation	84,294	13%	87%
	Kurow Treatment Plant/Intake	76,492	16%	84%
	Kurow Water New Capital	15,702	30%	70%
<b>Kurow Total</b>		<b>485,443</b>	<b>16%</b>	<b>84%</b>

Contributing Area	Project Name	Capital Expenditure (nominal \$s)	Proportion of Capital Cost proposed to be recovered through DCs	Proportion of Capital Cost proposed to be recovered through other sources
<b>Ohau</b>	District hydraulic Analysis	78	100%	0%
	TP Upgrade (DWSNZ)	380,000	67%	33%
	Ohau - Consent	2,735	44%	56%
	Ohau Intake	1,772	38%	62%
	Lake Ohau Drinking Standard Compliance	13,199	67%	33%
	Lake Ohau Treated Reticulation	888	67%	33%
	Ohau Water Treatment DWS Upgrade	5,045	67%	33%
	Ohau Water New Capital	4,359	67%	33%
<b>Ohau Total</b>		<b>408,076</b>	<b>66%</b>	<b>34%</b>
<b>Lower Waitaki</b>	Waitaki Coastal Headworks Zone	606	12%	88%
	Pipeline renewals	11,638	30%	70%
	Treatment Plant	415,120	10%	90%
	Lower Waitaki - Other Imp	3,346	13%	87%
	Lower Waitaki - Sand Filter	8,761	26%	74%
	L-Waitaki - replace sand	10,347	28%	72%
	Lower Waitaki Drinking Standard Compliance	345,240	10%	90%
	Lower Waitaki Treated Reticulation	40,601	30%	70%
	Lower Waitaki Water New Capital	4,066	30%	70%
	augment/additional bore	168,600	100%	0%
<b>Lower Waitaki Total</b>		<b>1,008,325</b>	<b>26%</b>	<b>74%</b>
<b>Omarama</b>	Omarama Main	110,810	30%	70%
	Omarama Retic Upgrade	13,603	30%	70%
	Omarama Telemetry Alarm	11,704	30%	70%
	Omarama Upgrade	64,607	30%	70%
	District hydraulic Analysis	1,187	30%	70%

Contributing Area	Project Name	Capital Expenditure (nominal \$s)	Proportion of Capital Cost proposed to be recovered through DCs	Proportion of Capital Cost proposed to be recovered through other sources
	Omarama Upgrade	117,380	30%	70%
	TP Upgrade - Consultant	20,053	30%	70%
	Omarama Drinking Standard Compliance	94,587	30%	70%
	Omarama Treated Reticulation	12,733	30%	70%
	Omarama Main Extension to Prohibition Road	16,507	30%	70%
	Omarama Water Treatment DWS Upgrade	444,764	30%	70%
	Omarama Water New Capital	10,918	30%	70%
	Omarama Water Treated Reticulation - Renewals	10,406	10%	90%
	TP Upgrade (DWSNZ)	500,000	30%	70%
<b>Omarama Total</b>		<b>1,429,259</b>	<b>30%</b>	<b>70%</b>
<b>Otematata</b>	District hydraulic Analysis	2,254	100%	0%
	TP Upgrade	24,307	38%	62%
	Otematata Consents	6,733	8%	92%
	Otematata - Gallery Intake	18,040	9%	91%
	Otematata Drinking Standard Compliance	1,059,578	37%	63%
	Otematata Renewals	48,409	30%	70%
	Otematata Treated Reticulation	24,884	30%	70%
	Otematata Water Treatment DWS Upgrade	471,771	18%	82%
	Otematata Water New Capital	6,586	18%	82%
	Additional filters	250,000	27%	73%
<b>Otematata Total</b>		<b>1,912,562</b>	<b>31%</b>	<b>69%</b>
<b>Stoneburn</b>	TP Upgrade (DWSNZ)	241,960	40%	60%
	Waitaki Coastal Headworks Zone	236	29%	71%
	Pipeline renewals	1,681	30%	70%
	TP Upgrade	3,263	40%	60%

Contributing Area	Project Name	Capital Expenditure (nominal \$s)	Proportion of Capital Cost proposed to be recovered through DCs	Proportion of Capital Cost proposed to be recovered through other sources
	Stoneburn Main	56,136	29%	71%
	Stoneburn Pump	8,903	29%	71%
	Stoneburn Treated Reticulation	7,825	30%	70%
	Stoneburn Water New Capital	7,896	40%	60%
<b>Stoneburn Total</b>		<b>327,899</b>	<b>38%</b>	<b>62%</b>
<b>Tokarahi</b>	District hydraulic Analysis	3,162	100%	0%
	TP Upgrade (DWSNZ)	278,279	40%	60%
	Waitaki Coastal Headworks Zone	811	33%	67%
	Waitaki Coastal Township Water Scheme	569	100%	0%
	Tokarahi - pipe	410	24%	76%
	Tokarahi - renewals/improvements	62,331	39%	61%
	Tokarahi Header Tank	10,372	34%	66%
	Tokarahi Main	237,518	33%	67%
	Tokarahi Pump	9,213	34%	66%
	Tokarahi Drinking Standard Compliance	481	36%	64%
	Tokarahi Pump Stations	3,902	40%	60%
	Tokarahi Treated Reticulation	152,689	30%	70%
	Tokarahi Treatment Plant/Intake	17,345	30%	70%
	Tokarahi Water Pipeline Upgrade	25,134	40%	60%
	Tokarahi Water New Capital	1,865	24%	76%
	Storage	123,240	40%	60%
<b>Tokarahi Total</b>		<b>927,321</b>	<b>36%</b>	<b>64%</b>
<b>Windsor</b>	TP Upgrade (DWSNZ)	277,290	25%	75%
	Waitaki Coastal Headworks Zone	233	20%	80%
	Pipeline renewals	1,154	30%	70%

Contributing Area	Project Name	Capital Expenditure (nominal \$s)	Proportion of Capital Cost proposed to be recovered through DCs	Proportion of Capital Cost proposed to be recovered through other sources
	Renewals - Windsor	8	18%	82%
	Windsor Pumps	11,855	20%	80%
	Windsor Water New Capital	1,624	25%	75%
<b>Windsor Total</b>		<b>292,164</b>	<b>25%</b>	<b>75%</b>
<b>District</b>		<b>41,142,323</b>	<b>33%</b>	<b>67%</b>

Table 9: Wastewater Supply – Schedule of Assets

Contributing Area	Project Name	Capital Expenditure (nominal \$s)	Proportion of Capital Cost proposed to be recovered through DCs	Proportion of Capital Cost proposed to be recovered through other sources
<b>Greater Oamaru</b>	Oamaru Wastewater Treatment Plant	4,592,139	13%	87%
	Orwell St Wastewater Pump Station	1,341,381	13%	87%
	BOD Capacity Upgrade	609,387	100%	0%
	Disposal options	1,517,625	7%	93%
	Oamaru Main	507,968	10%	90%
	Regina Lane Wastewater Pump Station	441,533	11%	89%
	Beach Road Wastewater Pump Station	392,730	11%	89%
	Humber Street Pump Station	236,362	10%	90%
	Oamaru Sewer Other Renewals 2010/2011	273,854	7%	93%
	Kakanui Pump Station	81,044	24%	76%
	Harbour Sewer Extension	121,628	11%	89%
	Weston Sewer Connection	125,878	11%	89%
	Satellite Wastewater Pump Stations x 4	132,000	11%	89%
	Kakanui - Line Pond	37,826	24%	76%
	Orwell Station Starters	102,973	10%	90%
	Oamaru / Weston Trunk	80,225	11%	89%
	Wansbeck St Retic Extension	17,919	100%	0%
	Oamaru - TY Duncan Bypass	71,465	10%	90%
	Oamaru Sewerage New Capital	17,039	100%	0%
	Oamaru Pump Station Starters	56,728	10%	90%
	Kakanui Treatment Plant	44,620	25%	75%
	Orwell Station Pumps	56,952	10%	90%
	Kakanui Sewer Renewals 2010/2011	38,198	9%	91%
	Oamaru Consent	80,762	8%	92%
	Oamaru Sewer Other Renewals	46,429	7%	93%
	Oamaru Step Screen	32,471	10%	90%
Pipework - Humber Bridge	27,648	11%	89%	

Contributing Area	Project Name	Capital Expenditure (nominal \$s)	Proportion of Capital Cost proposed to be recovered through DCs	Proportion of Capital Cost proposed to be recovered through other sources
	Y2K Scada Upgrade	26,648	11%	89%
	Overflow mitigation	30,000	9%	91%
	Oamaru Septage Pond Capital Upgrades - New Capital	5,800	100%	0%
	Kakanui - Pump #3	7,775	25%	75%
	Oamaru Sewer Outfall	17,886	10%	90%
	Oamaru Gravity Reticulation	23,316	7%	93%
	Kakanui Pump	6,841	24%	76%
	Oamaru Renewals	21,380	8%	92%
	Oamaru Treatment Plant	5,238	10%	90%
	Kakanui Gravity Reticulation	620	9%	91%
<b>Greater Oamaru Total</b>		<b>11,230,287</b>	<b>17%</b>	<b>83%</b>
<b>Kurow</b>				
	Kurow Sewer Consent	92,267	14%	86%
	Kurow Sewerage Ponds	3,398	21%	79%
	Kurow Sewerage New Capital	3,872	26%	74%
<b>Kurow Total</b>		<b>99,537</b>	<b>15%</b>	<b>85%</b>
<b>Moeraki</b>				
	Disposal options	501,762	18%	82%
	Moeraki Consent	119,531	18%	82%
	Moeraki Sewer	199,241	39%	61%
	Moeraki Renewals - Pumps at P.Stns	14,262	15%	85%
	Moeraki Gravity Reticulation	8,337	17%	83%
	Moeraki Renewals 2010/2011	7,127	16%	84%
	Moeraki - Pooles Manhole	8,933	37%	63%
	Moeraki STP Wetlands	3,375	22%	78%
	Moeraki Pump Stations	500	17%	83%
	Moeraki Sewerage New Capital	346	18%	82%
<b>Moeraki Total</b>		<b>863,414</b>	<b>23%</b>	<b>77%</b>
<b>Ohau</b>				
	Ohau Consent	2,000	55%	45%

Contributing Area	Project Name	Capital Expenditure (nominal \$s)	Proportion of Capital Cost proposed to be recovered through DCs	Proportion of Capital Cost proposed to be recovered through other sources
<b>Ohau Total</b>		<b>2,000</b>	<b>55%</b>	<b>45%</b>
<b>Omarama</b>	WWTP Improvement	<b>250,000</b>	<b>7%</b>	<b>93%</b>
	Omarama Consent	<b>118,372</b>	<b>13%</b>	<b>87%</b>
	Omarama Renewals	<b>9,584</b>	<b>24%</b>	<b>76%</b>
	Omarama Gravity Reticulation	<b>15,805</b>	<b>10%</b>	<b>90%</b>
	Omarama Pumps (x2)	<b>5,142</b>	<b>24%</b>	<b>76%</b>
	Omarama Sewerage WWTP upgrade disposal field	<b>8,593</b>	<b>14%</b>	<b>86%</b>
	Omarama Sewerage New Capital	<b>1,778</b>	<b>14%</b>	<b>86%</b>
	Omarama - Magflow	<b>3,300</b>	<b>27%</b>	<b>73%</b>
<b>Omarama Total</b>		<b>412,573</b>	<b>10%</b>	<b>90%</b>
<b>Otematata</b>	Otematata Treatment Upgrade	<b>417,676</b>	<b>23%</b>	<b>77%</b>
	Otematata Consent	<b>224,571</b>	<b>10%</b>	<b>90%</b>
	Otematata Treatment Plant	<b>17,197</b>	<b>10%</b>	<b>90%</b>
<b>Otematata Total</b>		<b>659,444</b>	<b>19%</b>	<b>81%</b>
<b>Palmerston</b>	Palmerston Pump Stations	<b>256,826</b>	<b>17%</b>	<b>83%</b>
	Palmerston Treatment Plant	<b>204,797</b>	<b>14%</b>	<b>86%</b>
	Palmerston Consent	<b>143,739</b>	<b>8%</b>	<b>92%</b>
	Palmerston Aerator	<b>40,881</b>	<b>10%</b>	<b>90%</b>
	Overflow mitigation	<b>111,877</b>	<b>7%</b>	<b>93%</b>
	Palmerston STP	<b>129,547</b>	<b>11%</b>	<b>89%</b>
	Palmerston Pump	<b>19,326</b>	<b>11%</b>	<b>89%</b>
	Palmerston Gravity Reticulation	<b>4,385</b>	<b>7%</b>	<b>93%</b>
	Palmerston Renewals	<b>3,334</b>	<b>8%</b>	<b>92%</b>
	Palmerston Sewerage New Capital	<b>2,283</b>	<b>7%</b>	<b>93%</b>
	Palmerston - Horse Range Pump	<b>900</b>	<b>10%</b>	<b>90%</b>
<b>Palmerston Total</b>		<b>917,897</b>	<b>12%</b>	<b>88%</b>
<b>Grand Total</b>		<b>14,185,153</b>	<b>17%</b>	<b>83%</b>

Table 10 : Roading – Schedule of Assets

RCAM Work Category	Capital Expenditure (nominal \$)	Sum of Proportion of Capital Cost proposed to be recovered through DCs	Sum of Proportion of Capital Cost proposed to be recovered through other sources
Amenity/Safety Maintenance	6,072,165	2.4%	97.6%
Bridge Renewals	14,253,141	11.2%	88.8%
Carriageway Lighting	692,210	5.5%	94.5%
Cycleway Construction	8,972,489	7.7%	92.3%
Maintenance Chip Seals and Thin Asphalt Surfacing	36,487,686	1.5%	98.5%
Major Drainage Control	12,211,291	0.4%	99.6%
Minor Safety Projects	1,608,074	3.5%	96.5%
New Roads and Bridges (roads)	1,479,905	6.5%	93.5%
Pavement Maintenance	13,013,528	0.7%	99.3%
Pavement Smoothing	29,847,000	2.9%	97.1%
Professional Services	411,475	0.8%	99.2%
Road Reconstruction	7,283,360	3.9%	96.1%
Seal Extension	2,667,150	5.2%	94.8%
Strategy Studies	15,509	8.5%	91.5%
Traffic Services	497,361	1.9%	98.1%
<b>Grand Total</b>	<b>135,512,341</b>	<b>3.4%</b>	<b>96.6%</b>





**MĀORI  
CONTRIBUTION TO  
DECISION MAKING**

# MĀORI CONTRIBUTION TO DECISION-MAKING

## 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 Takata Whenua are consulted in regard to decisions made under the Resource Management Act 1991, Local Government Act 2002, and in 2016 received and adopted an updated Memorandum of Understanding with Te Rūnanga o Moeraki to guide the ongoing relationship between Council and the Rūnanga. Council also has a Relationship Agreement with Waitaha Taiwhenua O Waitaki Trust Board.

Council will continue to:

- Encourage Māori contribution to decision-making processes of all our activities, not simply decisions under the Resource Management Act
- Reference to Māori rather than to Takata Whenua, thus including Mana Whenua and Taura Here
- Enable Māori's contribution to the decision-making process and foster Māori capacity to contribute.

We report back annually against the Memorandum of Understanding through our Annual Report.

## STEPS THAT COUNCIL INTENDS TO TAKE

Over the life of this plan, we will work with Te Rūnanga o Moeraki to review the Memorandum of Understanding and with Waitaha Taiwhenua O Waitaki Trust Board through the Relationship Agreement 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 Rūnanga o Moeraki in the first instance and Waitaha Taiwhenua O Moeraki Trust Board thereafter to guide protocol and process.

## 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; and
  - (b) consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority; and
  - (c) provide relevant information to Māori for the purposes of paragraphs (a) and (b).
- (2) A local authority, in exercising its responsibility to make judgments about 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; and
  - (b) such other matters as the local authority considers on reasonable grounds to be relevant to those judgments. ”

Schedule 10 Part 1 Section 8 of 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.”

## GLOSSARY

### **Takata Whenua**

People of the land.

### **Mana Whenua**

The political and occupational authority over a particular area usually defined by natural boundaries. Kāi Tahu hold mana whenua status in most of the South Island. The political centre of Kāi Tahu within Waitaki District is Moeraki. Waitaki District Council recognises mana whenua through its relationship and engagement with Te Rūnanga o Moeraki and its Relationship Agreement with Waitaha Taiwhenua O Waitaki Trust Board. The Treaty of Waitangi, and legislative responsibilities under the Resource Management Act 1991 (RMA), the Local Government Act 2002 (LGA 2002), the Te Rūnanga o Ngāi Tahu Act 1996, and the Ngāi Tahu Claims Settlement Act (NTCSA), oblige local and territorial authorities to consult with Te Rūnanga o Moeraki.

### **Taura Here**

Māori who do not identify with a mana whenua group in the Waitaki district. They may identify with iwi or hapū whose tribal rohe are elsewhere in New Zealand, or they may not have any particular tribal affiliations. They are sometimes referred to loosely as "urban Māori".





**ASSESSMENT OF  
WATER & SANITARY  
SERVICES & WASTE  
MANAGEMENT PLAN**

# VARIATION BETWEEN COUNCIL'S LONG TERM PLAN AND ASSESSMENT OF WATER AND SANITARY SERVICES AND WASTE MANAGEMENT PLAN

Council is required to have a Water and Sanitary Services Assessment and a Waste Management and Minimisation Plan. Under the Local Government Act (2002) Council 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. Council completed this assessment in 2005. Following a recent desktop review of water and sanitary services (2018), Council has not identified any significant variation to those previously identified in 2015, namely:

## Water

### *Amalgamation of water supplies*

Further reducing the number of public supplies as Hampden/Moeraki and Herbert/Waianakarua connects to and becomes a zone within the Oamaru Water Supply.

### *Ownership and Operational Management Changes*

Ownership of the Dunrobin Water Supply transferred to the Dunrobin Water Supply Inc following appropriate legislated process.

Operational management of the Corriedale water supplies (Awamoko, Kauru Hill, Tokarahi, Windsor) is now performed by Corriedale Water Management Ltd.

## Wastewater

### *Hampden onsite wastewater system*

Council has an inspection and cleaning programme for onsite wastewater systems in Hampden.

### *Duntroon septic tank*

The Duntroon community septic tank requires a consent as a result of the Canterbury Land and Water Regional Plan and the system will likely require an upgrade.

## Stormwater

### *Canterbury area*

The Canterbury Land and Water Regional Plan requires a Stormwater Management Plan and consent for reticulated systems in the Canterbury area.

## Solid Waste

### *Operational Landfills*

Council closed the Oamaru landfill during 2017 as the landfill resource consent expired. This was replaced with a new Oamaru transfer station and signing of a Memorandum of Understanding between the Council, the Waitaki Resource Recovery Trust and Waste Management NZ Ltd. to ensure a range of quality, accessible waste management and minimisation services are available.

The Palmerston landfill resource consent expires in 2027.

### *Waste Management and Minimisation Plan*

A Draft Waste Management and Minimisation Plan 2018 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.

## **Public Toilets**

New toilets provided in Oamaru Harbour and Hampden. The toilets at Roberts Park were refurbished and a new dump station constructed in Omarama.

The newly developed 2018 Public Toilet Strategy provides an assessment of public toilets and sets the direction for managing, operating and maintaining public toilets in the district.

Privy type (long drop) toilets cannot be phased out as there is a need for facilities in locations where Council cannot obtain discharge consent or are unable to connect to reticulated systems. These systems are serviced regularly to minimise any health and environmental risks.

## **Cemeteries**

Oamaru Cemetery Extension completed in 2015/16. New operating procedures completed as part of the 2016 Cemetery Manual.

*growing strong communities*

