

Long Term Plan 2015-2025

'Positioning for Progress'
www.bullerdc.govt.nz

Draft





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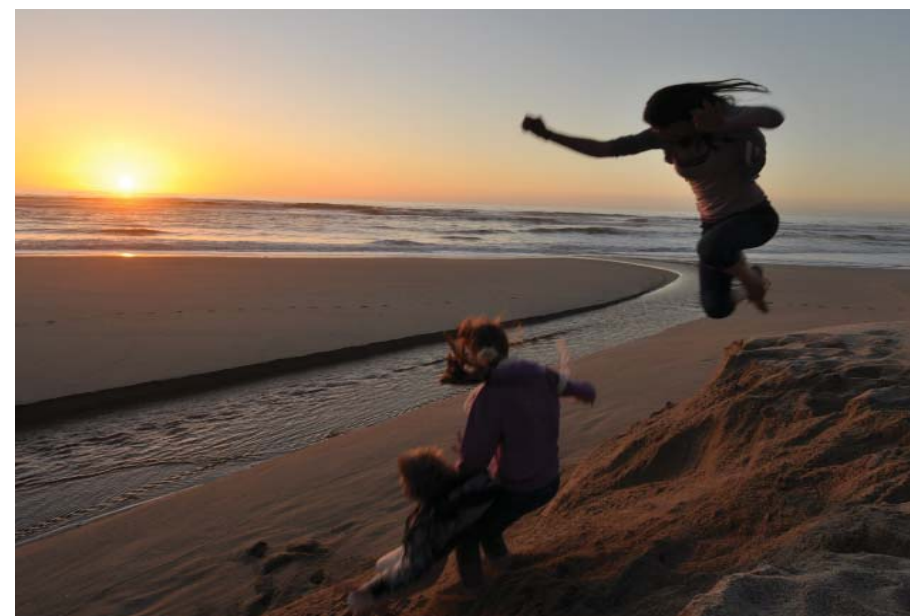
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Volume I

Part 1: Introduction



Welcome to our 2015-2025 Long Term Plan

What is a Long Term Plan?

The "Long Term Plan" outlines the activities and the services Council is planning to provide over the coming 10 years.

The Long Term Plan states the proposed vision for the District, the Community Outcomes, the services and activities Council is undertaking to contribute to those Outcomes, and the costs of Council providing those services and activities over the next 10 years.

It is important to note that the financial information contained in this Long Term Plan is forecast information based on the assumptions which Council reasonably expects to occur. Actual results achieved are likely to vary from the information presented and these variations may at time be reasonably large. That being said, we have endeavoured to make sure that our financial forecasts are as accurate as we can reasonably make them based on the information we currently have.

The outcomes identified by the Council and community indicate how the District should promote community well-being - socially, culturally, economically and environmentally.

The end result, is an all-encompassing document that outlines the community's expectations and shows how Council, with the help of the community and other organisations, will work together to achieve community well-being and the outcomes.

This Long Term Plan is the first to be produced under the amended Local Government Act 2002. In previous Long Term Plan and Annual Plan consultations we had a Long Term Plan and a separate summary.

Central Government considered that this did not result in meaningful engagement, and has now instructed Councils to produce a Consultation Document and a Long Term Plan. However, the Consultation Document is designed to be a stand alone source of information and it is not included in this document.

The Long Term Plan must be reviewed and re-evaluated once every three years.

Between the three yearly reviews, Council produces an Annual Plan, outlining what activities and services Council will be undertaking in the following year and any changes from the Long Term Plan. Each year Council produces an Annual Report which outlines what Council actually did that year compared to what it had planned to do in the Long Term Plan or Annual Plan.

"Our Council will produce a full Long Term Plan, and a Consultation Document....."

"The Plan states the Vision and Community Outcomes for the District and the Services and activities that Council is undertaking....."



How to find your way around the 10 Year Plan

For first time readers, this section provides a beginners guide to the Long Term Plan. For those who are more familiar with Council documents, reading this section will enable you to find the information you need more quickly.

We have done our best to keep jargon and abbreviations to a minimum, but there are some words that have been used because of legislation or the specialised activities that Council carries out. For example 'community outcomes' and 'community well-being' come from the Local Government Act.

Two volumes

The Long Term Plan comprises two volumes:

Volume 1 (this document) includes information on the Council vision, which details key aspects of the Council's work for the next 10 years. Volume 1 is where you will find:

- ▶ Council's vision and mission, and the community outcomes
- ▶ The key issues Council is planning to address over the next 10 years
- ▶ The services Council plans to provide and to what level
- ▶ What key projects are proposed to be undertaken and when they are planned to occur
- ▶ How much Council plans to spend on its activities, services or projects

Volume 2 contains all the background policies that Council is required to include that relate to its financial position, such as:

- ▶ Significance and Engagement Policy
- ▶ Revenue and Financing Policy
- ▶ Treasury Management Policy
- ▶ Rates Remission Policies
- ▶ Several other related policies and statements such as the Funding Impact Statement that sets out information on the rating system

Key changes to the policies are detailed above each policy in Volume 2.

Further detail on activities and when specific projects are planned to occur is contained in Council's Activity Management Plans, which are available for most of the activities Council undertakes. These Activity Management Plans are useful supplementary information as they provide the foundation for the Long Term Plan. The other reason for looking at them is that they outline Council's planned capital works or key projects for the next 10 years.

Please note that all budget figures in this Plan contain an allowance for inflation. All rates within the Plan are GST exclusive. Any exceptions to this inclusion of inflation, or GST, are expressly stated.

Our Welcome to the Draft Long Term Plan

We are pleased to present the Consultation Document for the Council's 2015-2025 draft Long Term Plan (LTP). Over the past few months we have worked hard to find affordable and viable solutions for the issues facing our community over the next 10 years.

As we are all aware, the District is suffering the negative effects of the chronic boom/bust cycle that bedevils the mining industry. The reduction in coal prices has brought about economic contraction, population decline, reduction in property values and a number of social problems. We are very mindful of the need to be conservative in expenditure but it would be perilous to allow a negative state of mind to prevent investment for a better future. Traditionally Council's strategy has been to retrench and wait for the good times to return. However in a new world facing climate change and other unknowns, that strategy may no longer be the best option.

This Plan is based on the strategy that the Council needs to begin a process of long term economic diversification for an eventual shift to a life after coal. We have assumed that there will be a short term population decline with a low point occurring after Holcim ceases production at the end of 2016. We want to position the district for steady recovery from that time onwards.

If we are to be in positive position to capture that recovery then there is work to be done. We have to ensure that all our traditional infrastructure is up to scratch, that the district's towns remain attractive and pleasant places in which to live, and that we have made the modern forms of infrastructure (such as broadband and mobile connectivity), freely available across the district. We cannot afford to be left behind.

This draft plan sets out to turn the words into actions, along with timelines. As a Council, we have identified several Key Issues that need to be addressed. At the same time we have developed strategies and looked at the options available. The final decisions will have a significant impact on our Community over the next 10 years and beyond. We want to ensure our final Long Term Plan works for you.

Council wants to hear what you think of the Draft Plan.

Please have a look at what we are proposing in the Draft Plan and please feel free to contact us if you have any queries or suggestions. Have your say by making a written submission, and if you want to talk directly to councillors, take the opportunity to speak at the special hearings meetings.

A Consultation document has been produced under the amended Local Government Act 2002. That legislation requires that we consult with you by way of this summarised "Consultation Document" instead of the Long Term Plan itself. We have tried hard to make the Consultation document easy to read and informative, and comprehensive enough to convey the full picture and the consequences. However it does rely on this detailed and comprehensive Long Term Plan.

We look forward to hearing your thoughts on our draft Long Term Plan for 2015-2025.




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Mayor & Councillors

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Buller Vision and Mission

Our Vision, Our Future

Our Vision is for the Buller District to grow, and for the district to become a thriving community where families enjoy a great quality of life and the distinctive natural, cultural and historical environment are treasured.

Mission Statement

To serve the residents of the Buller District, conscious of their needs, by providing facilities and services and creating an environment for progress and development while preserving the distinctive natural environment, as well as the cultural and historical environments.

Executive Summary

About the Plan

As the name suggests, the Long Term Plan is a document put together by Council in consultation with the community, to guide our District towards 2025.

The Plan ties the threads of everything the Council does. It links into one overall guiding document the:

- Vision for the District
- Outcomes proposed on behalf of the community
- Services and activities the Council is planning to undertake to contribute to those outcomes
- Likely costs of the Council providing those services and activities over the next 10 years

The Plan gets reviewed every three years. In the years between the reviews, the Council produces Annual Plans.

When discussing rates revenue in the draft Long Term Plan (including rates increases), Council has not included projected water meter revenue amounting to in year 1 (increasing to in year 10) in the rates figure. Where the draft Long Term Plan discusses rates and the rates increases, an (*) has been included to refer readers to this treatment.

Community Outcomes

Community Outcomes are the goals of the Community. They reflect what the Community sees as important for its well-being and they help to build up a picture of the collective vision for the District's future. The outcomes guide decision-making by Council. The Council links its activities and services back to the outcomes.

Five community outcomes were developed following community involvement. The outcomes are:

- **Well-being** – a vibrant, healthy and safe community with access to quality facilities and services
- **Learning** – a district that values and supports learning with accessible relevant education and training opportunities
- **Who we are** – a happening district with a strong community spirit and distinctive lifestyle
- **Sustainable environment** – the distinctive character of the environment appreciated and retained
- **Prosperity** – a thriving, resilient and innovative economy creating opportunities for growth and employment

For further details of the outcomes, please refer to **page 50**.

Buller District Mission Statement

To serve the residents of the Buller district, conscious of their needs, by providing facilities and services and creating an environment for progress and development while preserving the distinctive natural environment, as well as the cultural and historical environments.

Our Vision, Our Future

Our Vision is for the Buller District to grow, and for the district to become a thriving community where families enjoy a great quality of life and the distinctive natural, cultural and historical environment are treasured.

Overview of Our District

The Buller district is a diverse and beautiful place. With an enviable climate, laid back lifestyle and close community environment, the Buller district is a great place to live, work and visit.

The 8574 square kilometres boasts two national parks, one forest park and two heritage areas, all offering the opportunity to experience peace and tranquillity or excitement and adventure.

Stretching from Punakaiki in the south to Karamea in the north, and inland as far as Springs Junction, the district is home to a population of 10,500 at the 2013 census.

The Buller District Council is the territorial authority for the northern West Coast. Our goal is to promote the well-being of our local communities.

History

The Buller District was established on the 1st November 1989 from the former Westport Borough Council (established 1873), Buller County Council (established 1876) and the Inangahua County Council (established 1876).

The settlements developed on the back of extractive industries gold initially followed by coal. The town of Westport is a river port that was used extensively through its history for the transport of coal. The Denniston Incline was considered one of the engineering wonders of the world with its unique transportation system that used gravity to transport coal for the plateau to the railway at Conns Creek.

Agriculture has also been a hugely important factor in the development of the region, with the district being particularly suited to dairy farming.

Geographic

- The district comprises 8574 square kilometres from Kahurangi Point in the North to the Punakaiki River in the south and east to the summit of the Lewis Pass.
- There are two national parks Kahurangi and Paparoa as well as the Victoria Forest Park. The rateable area of the district is only 18% with the balance being Conservation Estate.
- The area because of its location adjacent to the Southern Alps captures a high rainfall varying from about two metres on the coastal area, to around 5 metres on the coal plateau and about 3 metres at Springs Junction in the Southern Alps.
- The high rainfall brings with it pressure on drainage systems and also a need to ensure functionality of stormwater infrastructure at all times.

Major Towns

Westport

Westport is the West Coast's second biggest town and Buller's commercial and administration centre. Situated on the mouth of the Buller (Kawatiri) River, it is home to around 5,000 residents. Westport has a commercial port and airport, with daily flights to and from the capital city, Wellington.

Westport has several major employers including Holcim Cement, Solid Energy and Stockton Alliance. Mining, farming, horticulture and tourism are all major industries. However all of these employers are in the process of change. Holcim cement intend to close the Westport plant in 2016 and this will have an impact on employment and the future viability of the Westport Port. The downturn in the price being obtained for coal has led to Solid Energy restructuring the business with a large number of their employees made redundant. The low price has also delayed the start of the Bathurst mine on Denniston that was for a while shaping to counter the loss of the cement company to the area.

Westport is the base for tourists to experience the many attractions of the nearby coal plateau, historic gold workings and the beauty of the rainforest.

Karamea

An hour and a half drive north from Westport is Karamea. A popular tourist destination, Karamea boasts the spectacular Oparara basin with its limestone arches and caves and the Kahurangi National Park along with the famous Heaphy Track.

The close community of around 650 people supports a growing horticulture, dairy farming and tourism industry.

The area is packed with opportunity to experience the wonder of the environment. Walking, tramping, mountain biking, caving, and fishing are some of the activities that are available in this region.

Reefton

Reefton is the gateway to both the West Coast and Buller from the east coast using the Lewis Pass. It is located an hours drive from Westport, Reefton is located at the heart of the Victoria Forest Park. Founded in the 1860s with the discovery of the nearby goldfields, Reefton became the first town in the southern hemisphere to have a public supply of electricity in 1888. The stable population of around 1,100 cherish the town's historic past and the township features many heritage buildings.

The main employment opportunities have changed over time but now the area has extensive dairying, coal mining, gold mining and tourism. On the outskirts of Reefton is the Globe Hill Gold Mine which is operated by Oceana Gold. This is a large scale open cast mine and while the mine has a finite life the company continues to explore other previously worked areas to continue in this area.

Reefton is a service town to the extensive dairy farming.

Reefton offers a raft of walks, and on and off-road driving opportunities to the many historic sites and old town sites.

Punakaiki

Nestled at the foot of the Paparoa National Park, the small coast town of Punakaiki is home to around 70 full time residents. The town is midway between Westport and Greymouth on the Coast Road which regularly is cited in tourism publications as one of the spectacular coastal highways. Punakaiki is one of the most visited conservation areas in New Zealand, with the Pancake Rocks being the iconic attraction.

Punakaiki offers the opportunity to enjoy craft shops, cafes and some amazing beachside accommodation. One of the most popular attractions is the Punakaiki pancake rocks and blowholes walk. A short 20-minute loop walk, it is one of the most accessible tracks available and is suitable for wheelchairs and prams. The blowholes are most spectacular when the sea is rough, but the dramatic views of the rock systems and the township of Punakaiki are worth a visit even on the calmest of days.

Assumptions

In preparing the financial information contained in the Long Term Plan, we have had to make a number of detailed assumptions. The assumptions underpinning this Plan are outlined on **page 152-157**.

Changes to Policies

Volume II of this Plan contains a number of amendments to policies. A new policy was required to replace the Significance Policy formerly required under section 90 of the Local Government Act. The new Significance and Engagement Policy was adopted by Council in October 2014. Council agreed to not consult on the policy.

Changes were also made to the Treasury Management Policy - limits for borrowings were amended and the Council has made provision to enable participation in the Local Government Funding Agency.

Strategic Overview

Major assumptions

In the prior Long Term Plan for 2012-2022, Council predicted that Buller was set for growth with the impending growth in mining activities and consent permitting. The growth in mining that was anticipated in the 2012-2022 Long Term Plan has not eventuated. Falling demand in China for imported coal, combined with plentiful supply and a weak global economy, will delay any recovery in the price of coal until the second half of 2016. The slow recovery of the coal price will depress economic development and population in Buller.

Resident Population

The March 2013 census recorded a total of 10,473 persons as being normally resident in the district. The District's population climbed above 11,000 persons during the peaks of economic activity experienced prior to the census date. Since that time world coal prices have plummeted. Coal prices remain at historically low figures. As a result, coal mining activity in the district has contracted rather than expanded as was anticipated in the 2012-2022 Long Term Plan. With the loss of jobs the District has lost population.

For the purposes of this draft Long Term Plan we have assumed that the normally resident population as at 1 July 2015 is in the region of 10,000 persons and that there will be further declines in population to a base level of about 9,500 persons post the Holcim closure. We then expect the normally resident population to stabilise and start to rise as coal prices begin to recover as the District's economic diversity slowly expands. By the end of the 10 years covered by this plan we expect population levels to have recovered to about 10,500 persons.

Demographic Changes

The main demographic trend forecast for the life of the plan is that of an ageing population. The proportion of the population over 65 years of age is predicted to increase from approximately 18% to 28% of the District over the next thirty years.

Significant Changes in Land Use

While the impact of global commodity prices on these industries is acknowledged, mining and dairying are expected to continue to be important land uses in Buller due to the natural resources present in the District.

Outside of the main townships, much of the District is zoned for rural use. This zoning allows for traditional rural activities such as farming and horticulture, while recognising that the resources for activities such as mining and quarrying may also be present in these areas.

Within the main townships, residential and commercial activities are expected to continue to be the dominant land uses.

Tourism is also recognised as an important industry and is expected to grow. Areas of particular scenic or natural value are recognised in the Buller District Plan, with controls to protect these values while still allowing appropriate land use activities to take place.

Through the review of the Buller District Plan Council intends to look at current land zoning in the District and make changes where necessary to ensure an adequate supply of appropriately zoned land is available. Alongside this, Council wants to ensure that the rules in the District Plan address adverse effects on the environment while also being enabling, to allow development and land use activities to take place in Buller.

Council's Position

Our District "now and into the future"

Reactive versus proactive approach options for Council

The present economic situation is beyond the Council's immediate control. One long term approach would be to say that there is little that a council can do in such circumstances and that the district must simply accept its economic and social fate. Acceptance of such a negative position would be acceptance that the district is in chronic decline and that there is nothing that can be done to change that situation. Therefore the best strategic approach would be to plan for a managed downsizing to accommodate a long term residual post coal population of 6000 to 7000 relying on tourism and agriculture as economic mainstays. That is a valid but rather unpalatable option.

The alternative option is to accept that change is inevitable and to **plan to position the district to make a new life for itself**. Over the next few years coal prices will recover and with that recovery the district economy will rebound. The district has many natural advantages arising from its unique natural assets and environment. Provided that there is a vibrant and flexible local economy that provides jobs there is no reason why the population should not recover and consolidate on the back of a new more diversified and sustainable local economy. That is the option chosen by Council for this Draft Plan.

A new more diversified economy will not simply emerge by itself. Successful communities are built on an interlocking set of factors. We already have affordable housing and cheap land. Our schools are of the best quality and consistently turn out high achievers. Our health services are steadily moving forward in conjunction with the wider regional services. Our new air transport arrangements are first class. Recreational possibilities are endless and freely available. Crime rates are low and it is possible to enjoy a quality of life that is not possible in more heavily populated areas. However these factors are not enough. While a basic 'SWOT Analysis' (an evaluation of Buller's strengths, weaknesses, opportunities and threats) is very positive, it does show that there is more to be done if the district is to be truly competitive as a place in which to live and work and play.

Over the last decade the Buller District council has spent almost \$87m investing in its core services. The draft Long Term Plan recognises that this programme is still not finished and that another \$62.2m will need to be invested over the next decade in order that the district and its key towns can make the necessary transformation into modern attractive locations with all the quality services that are now expected in a 21st century community. We believe that if this is done well the district will be seen as having achieved a unique blend of natural attributes, heritage, and digital connectivity.

For progress to be sustainable it has to be affordable, both in the short and the long term. Over the last couple of years Council has put a major effort into cost control and the benefits of this have become apparent in terms of the council gross operating costs. Councils gross operating costs for the last full year ended 30 June 2014 were \$24.6m. During the first four years of this draft plan we expect to be able to hold gross operating costs to less than that 13/14 figure, even after absorbing inflation. As a result rates increases during the term of the draft plan are very low and below the predicted rates of inflation.

At the same time we have repositioned some expenditure without any reduction in service levels. West Coast Councils are working much more cooperatively these days and this added leverage has been used to enhance some services. Civil Defence is now run as a shared services drawing on the resources of all four Councils. We are also working with the Councils and Development West Coast (DWC) to set up a tightly focussed Economic Development service that will facilitate the desired economic diversification. In a similar fashion we are looking to joint Councils support for Tourism West Coast in conjunction with the local tourism industry. Our own District Plan review will be coordinated with the other Coast councils to enable a "Red carpet not red tape" set of planning rules that will protect our natural environment while empowering new forms of economic activity. Council will also work closely with other Coast councils and DWC to ensure that high speed Broadband access to the internet becomes available across the district along with comprehensive mobile phone connectivity.

Council's Preferred Strategic Approach "Consolidate, Plan and Act"

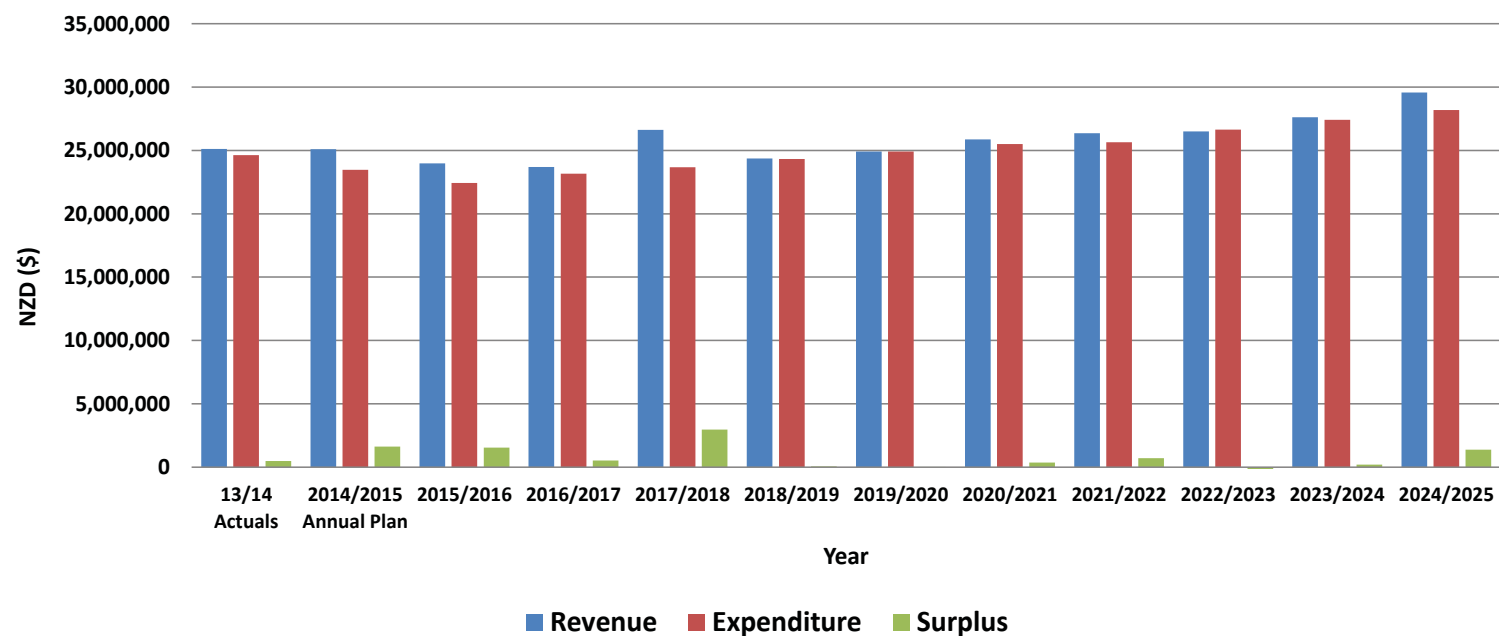
- Tight Cost control
- Maintain existing service levels
- Work with other West Coast Councils wherever this can bring about enhancement and/or savings
- Maintain existing quality of assets and avoid deterioration
- Reposition or introduce new services only where these provide springboard for growth
- Maintain capital investment programme to complete transformation to a competitive modern district.
- Borrow for capital works or new developments where these provide a strategic advantage and Council stays within its financial prudence guidelines.
- Produce a balanced budget with small surpluses

Financial Overview

Financial Report Card for the Long Term Plan

For the first two years of the 10 year plan our Council will be operating at a lower cost. This is despite the forecasts being inflation adjusted which means in real terms Council is providing the same levels of service in most activities with less inputs. It is important to note that Council's operating expenditure has reduced from \$24.6m (2013/2014 actuals) to a planned \$22.4m in 2015/2016 – a reduction of \$ 2.2m.

Operating Revenue and Expenditure



Council operates a balanced budget for all years except 2022/2023. The deficit in 2022/2023 is due to lower financial assistance. The large surplus in 2017/2018 is due to the sale of the port dredge.

Inflation - an important input to the Plan

There is an important point to take into account when considering the financial elements of the 2015-2025 Buller District Long Term Plan. All Councils are required to include the forecast cost of inflation in their Long Term Plans. This is not discretionary and it can be very confusing.

Inflation (being the rise in the general level of prices of goods and services over time) must be specified by cost type for each year of this Plan. For detail on the inflation rates and cost types used in this plan please refer to the table on **page 157 of Volume II**.

Buller, like most other Councils in New Zealand, uses inflation forecasts provided specifically for the long term planning process by Business and Economic Research Limited (BERL), which is an independent economic research company. BERL is commissioned on behalf of Local Government in New Zealand to provide sector specific inflation parameters.

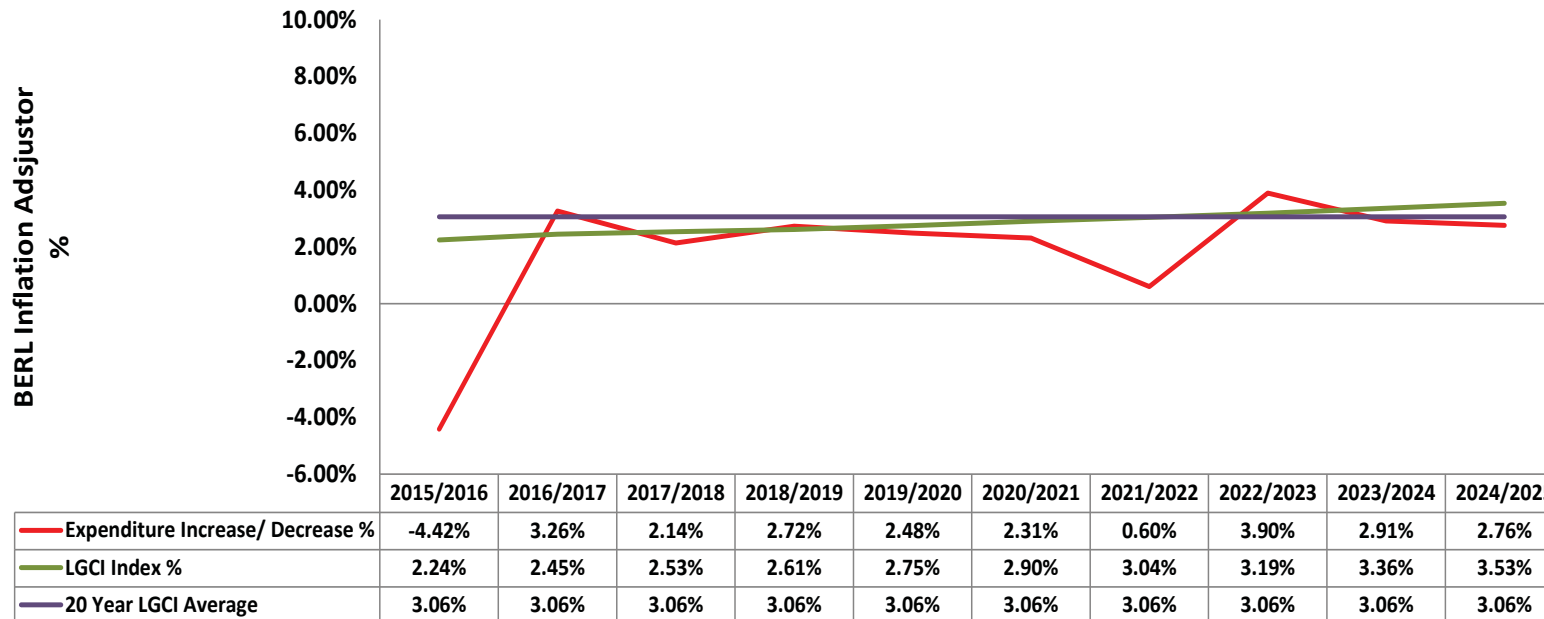
The inflation figures provided by BERL would cumulatively amount to an increase in costs of over 30% over the life of this Plan if the costs of services remained the same as they do in the current financial year. Put another way, ignoring the potential for efficiencies, costs are set to increase by over 30% in the planning period without adding any new functions, building any new assets or increasing the current levels of service.

Another important aspect of inflation is that there are many different measures of inflation depending on the sector involved. Most commonly referred to and understood is the Consumer Price Index (CPI). This largely relates to domestic costs. Inflation included in this Plan is not the same as CPI inflation. It does include similar items but the Council's inflation forecasts are required to include additional inputs specific to inputs Councils use. The basket of inputs used by Local Government in New Zealand is referred to as the Local Government Cost Index (LGCI). The LGCI is traditionally higher than the CPI.

Allowances for Inflation

The following graph shows that operating expenditure is trending below that of the Local Government Cost Index.

LCGI Inflation Adjustors (per annum and long term average) compared to operating expenditure trend

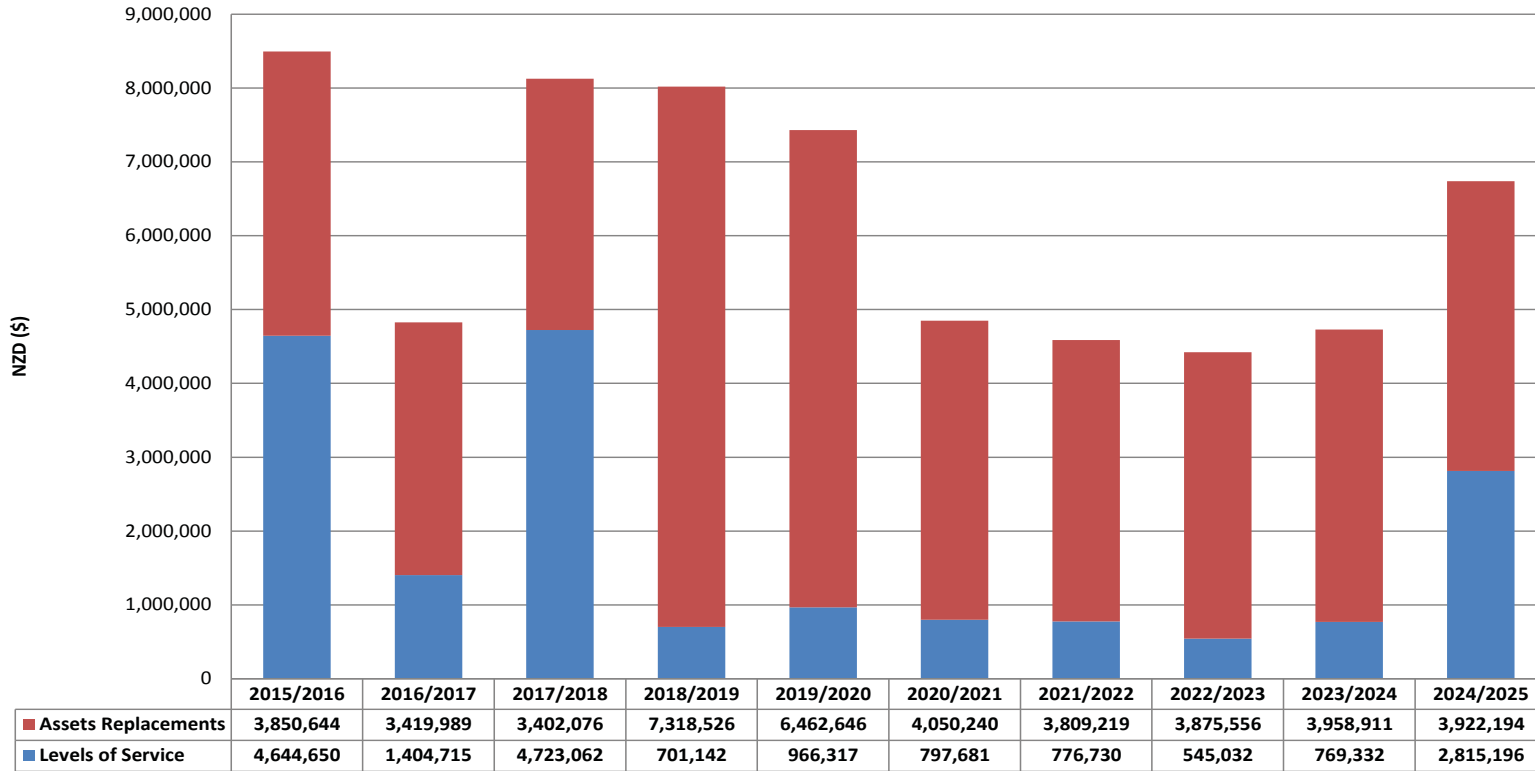


This graph shows that operating expenditure is trending below that of the Local Government Cost Index.

Overall Capital Expenditure

The replacement costs of assets signalled through the asset management plans aggregate to a total capital works programme of \$62.2m over the 10 years. Capital expenditure totalling \$18.1m (29%) is targeted at improving levels of services and \$44m (71%) is used to fund asset replacements.

Capital Expenditure: 2015 to 2025



Significant Capital Expenditure across the 10 years of the plan

Details	Total Cost
Water	
Phase 2 of the Westport Water Supply upgrade involving the bracing of the tunnels (2015/2016). Upgrade of the trunk main in 2017/2018. Main upgrades over the 10 years of the plan.	\$1.55m \$4.1m Westport - \$1.241m Reefton - \$0.12m
Continuation of the Drinking Water Upgrades for Ngakawau-Hector, Waimangaroa and Inangahua Junction). These were scheduled to occur in 2014/2015 but have been deferred to 2015/2016 of the Long Term Plan. This will represent a carry-forward of capital expenditure totalling \$1.0m.	\$2.2m
The upgrade of the drinking water supply for South Gravity Water Supply is scheduled for 2015/2016 and Council is anticipating to receive a drinking water subsidy of \$255,000.	\$0.36m
The upgrade of the drinking water supply for Little Wanganui totalling is scheduled for 2016/2017 and Council is anticipating to receive a drinking water subsidy of \$473,000.	\$0.6m
Roading	
Road renewals for 10 years of the Draft plan (Local Roads \$12.7m; Karamea Highway \$4m)	\$16.7m
Bridge Replacement Programme 2016/17 - Camp Bridge Inangahua Junction \$70,000 2020/21 - Rough River Bridge contribution to Grey District Council \$377,000 2021/22 - Brown Grey Bridge Palmers Road \$375,000 2024 - Boundary, Tobins and Upper Grey \$2.090m	\$2.9m
Footpaths	
Footpath Upgrades and Lighting across 10 years of the plan	\$2.4m
Sewerage	
Sewerage asset replacements and upgrades for Westport (\$4.9m), Reefton (\$2m) and Little Wanganui (\$178,000) across 10 years of the plan	\$7.1m
Stormwater	
Stormwater across 10 years of the plan	\$2.8m
Property	
Earthquake strengthening and upgrading of Council property :	\$6.2m
Housing for the Elderly	
Construction of Pensioner Housing in Reefton in 18/19 (\$0.6m) , Westport (2 units) in 2018/2019 (\$0.6m)	\$1.2m
Vision 2010	
Carry-forward of the Capital funding for Vision 2010 projects in Karamea (\$ 0.24 m) and Westport Streetscape (\$0.225 m)	\$0.5m
Airport	
Concreting of the Westport Airport Apron in 2022/2023	\$0.5m

A full Capital Expenditure Schedule can be found on **Page 138**.

Financial Strategy

The **Financial Strategy** sets out where we are heading over the next 10 years, and the financial limits we are committed to working within. The core elements of the Financial Strategy can be summarised as follows:

1. Produce a balanced budget.
2. Expenditure policy: No more than minimum to maintain services in short term but enough to at least maintain quality and avoid deterioration of assets and capacity. Providing for new services or upgrades only if these will provide spring board for growth.
3. Prudently managing debt and finance costs: We have set a net debt ceiling at \$20m.
4. Allowing for Rates increases if this attracts new economic activity and retains the loyalty of existing economic activity. Borrowing for new development if this provides a strategic advantage.
5. Affordability: Keeping rate increases within long range Local Government Cost index.

Balanced Budget

One aim of the Financial Strategy is to “produce a balanced budget”.

We have to do more than just limit spending. We still need to make sure that our infrastructure assets are meeting our Communities’ needs and that they also meet the various legal requirements they operate under. That costs money.

This makes for a challenging environment. On one hand we need to make sure our assets, such as pipes, roads, and treatment plants, meet new environmental and health standards (such as the water quality standards). On the other hand, asset renewals and replacements are expensive and we need to make sure that any increases in Council’s income (which primarily comes from rates and fees and charges) are affordable for our Community, while meeting our overall goal of “a balanced budget”.

	AP 2014/2015 \$000	LTP 2015/2016 \$000	LTP 2016/2017 \$000	LTP 2017/2018 \$000	LTP 2018/2019 \$000	LTP 2019/2020 \$000	LTP 2020/2021 \$000	LTP 2021/2022 \$000	LTP 2022/2023 \$000	LTP 2023/2024 \$000	LTP 2024/2025 \$000
Operating Revenue	25,104	23,975	23,689	26,626	24,371	24,921	25,860	26,356	26,507	27,622	29,566
Operating Expenditure	23,478	22,441	23,172	23,668	24,313	24,917	25,493	25,647	26,646	27,422	28,178
* Surplus/(Deficit)	1,627	1,534	517	2,957	58	4	367	709	(140)	200	1,388

The only year that Council has an operating deficit is 2022/2023 due to lower financial assistance associated with capital expenditure. For all other years Council runs at small surpluses. In 2017/2018 the forecasted surplus is attributable to the proposed sale of the dredge.

- * This is an accounting surplus/deficit as the revenues include income of a capital nature.
- * Council meets the balanced budget benchmark for a year if its revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment) for the year, exceeds its operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).

The Graph on **page 32** shows that Council is operating a balanced budget over the course of the draft Long Term Plan.

Capital Expenditure

When considering its capital works schedule Council took into account the current economic climate and the debt levels forecast over the next 10 years. Council decided it was prudent to give priority to critical projects affecting drinking water. Other projects such as deferring the rationalisation of Council property and creation of vibrant town hubs were deferred until the drinking water projects were complete.

Spending on Assets

Council has taken a prudent approach when considering asset performance and held maintenance and replacements to ensure asset performance would not be compromised in the delivery of key services.

Some of our assets are getting old, and need to have repairs or replacements in the near future. There is more spending on assets predicted in the first few years of this draft Long Term Plan period. If we do not spend this money now then it is likely that we would end up spending more later on as we run the risk of infrastructure failing. The spending on assets is considered necessary to maintain our current levels of service. We only borrow to invest in long term assets. We never borrow for operating purposes.



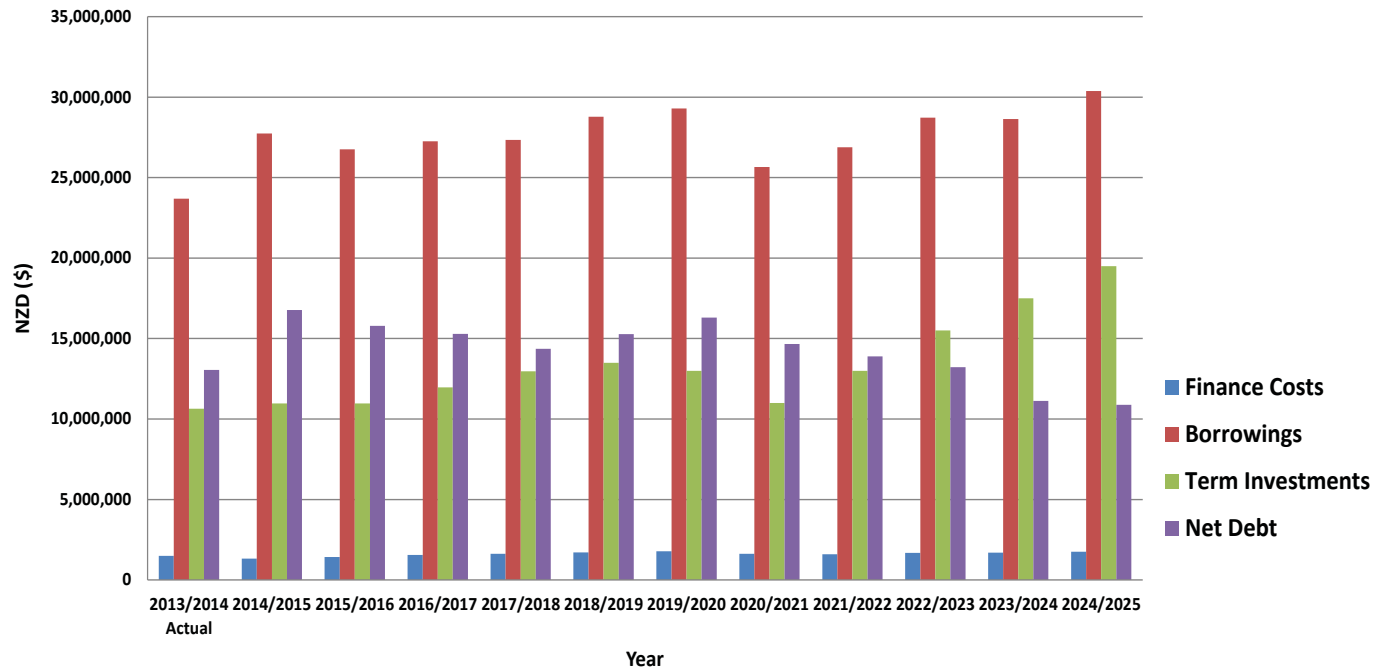
Council's Debt

It is crucial that debt levels are within affordable and sustainable levels. Council set its net debt cap at \$20m within the 10 Year Plan.

Page 20 and 21 explains what we propose to spend on community assets for the next 10 years. We will also outline what impact this would have on our debt levels and overall income requirements from rates, user fees and charges, and other sources of income.

Council has produced a plan which demonstrates sustainable external debt levels. Net debt (being gross external debt) is anticipated to start at \$15.8m in 2015/2016 and is projected to be at \$10.9m in 2024/2025. Council at the same time is committed to a major capital expenditure program totalling \$62.2m, which it is to be funded from a mix of depreciation reserves, external and internal borrowings.

Debt, Investment, Net Debt: 2013/2014 to 2024/2025



It is important to note that while gross debt increases for the first 5 years of the Draft Plan to \$29.2m in 2019/2020, it then decreases until 2022/2023. The increases from 2022/2023 to 2024/2025 are driven by the capital expenditure funded by Council for Buller Recreation Limited (\$3.7m).

Term investments grow steadily over the term of the Plan from \$10.9m in 2015/2016 to \$19.5m in 2024/2025. Net debt is proposed to peak in 2019/2020 to \$16.3m and then declines to \$10.9m at the end of the 10 years.

Finance costs continue to grow during the plan but will remain well within limits set.

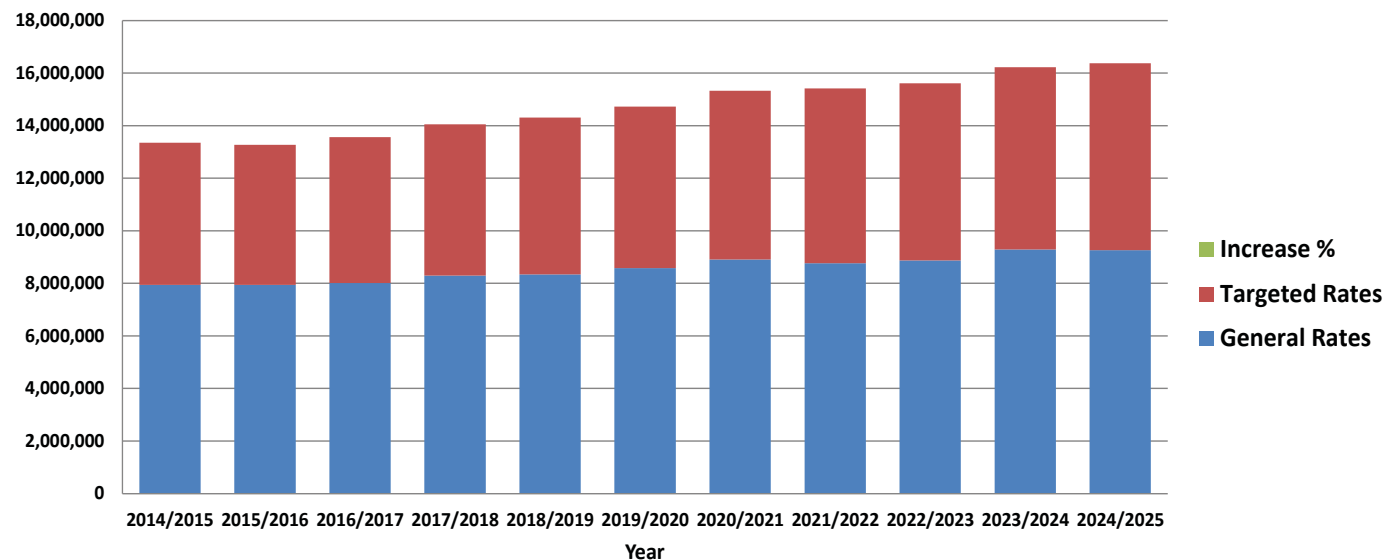
Forecasted Total Rate Increases across the 10 Year Plan

Gross rates have decreased from \$13.3m in 2014/2015 to \$13.251m in 2015/2016. There are reductions in both general and targeted rates. However, the total rates take increases to \$16.4m by the end of the draft Long Term Plan. This is due to inflationary pressures, however, the increases in rates are lower than the predicted rate of increase in the BERL Local Government Cost Index.

In 2015/2016 there is a decline in total rates of 0.6% resultant from lower operating expenditure.

The only years which are higher than the long term average are 2020/2021 and 2023/2024. These higher increases are driven by cyclical compliance costs and increases in repairs and maintenance.

Total Rates: 2015 to 2025



These increases are as a result of:

- Price increases – the price adjusters used for Local Government are higher than predicted inflation and this means that it will cost more to provide services
- Service level changes. Water is the major activity where Council will be increasing their level of service by improving the quality of the water through capital upgrades to enable current water supplies to meet the latest Drinking Water Standards.
- Depreciation and Interest payments – the increased capital expenditure programme means corresponding increases in costs in these areas, depreciation is also affected by inflation.

What is a reasonable rates level?

In setting rates at the appropriate level, Council must balance what is affordable for both the Council and the community. This is a balancing act which needs to take into account the services that Council delivers and whether the current or future ratepayers should pay for them. This is sometimes referred to as intergenerational equity. This is important for the Council given that many of its assets have long service lives and the benefits that these assets provide are over a long period of time. The main tool is the use of debt and then rating ratepayers to service that debt.

In assessing the right funding level Council has to consider the following:

- Have we set revenues at a level to cover all of our expenses?
- Have we set revenue at a level so that we can afford an ongoing asset renewal and replacement programme?
- Is the number of projects and the total cost of the asset development programme affordable?
- Have we considered the needs of current and future ratepayers?

Forecasted Total Rate Increases across the 10 Year Plan

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
General Rates	7,936,753	8,009,638	8,287,851	8,329,935	8,569,994	8,903,396	8,763,560	8,864,037	9,281,740	9,255,031
Targeted Rates	5,332,456	5,550,639	5,757,540	5,969,787	6,147,591	6,415,300	6,646,852	6,743,622	6,933,366	7,116,431
Total Rates	13,269,209	13,560,276	14,045,391	14,299,722	14,717,585	15,318,696	15,410,412	15,607,659	16,215,106	16,371,462
Increase %	-0.60%	2.19%	3.58%	1.81%	2.92%	4.08%	0.60%	1.28%	3.89%	0.96%

What are the quantified limits on rates, rates increases and borrowings?

Council will endeavour to keep the income required from rates steady as well as creating predictability in the level of rates required. This will include taking a multi-pronged approach of managing the cost to the ratepayer (through efficiency gains and/or service reductions), increasing other revenue sources (to reduce dependency on rates revenue) and/or disposing of surplus assets. The Council is required by legislation to include a statement on quantified limits on rates. Currently, the Council draws about 50-55% from Rates because it does not have alternative revenue streams for example, significant financial investment funds or investments in corporate enterprises, and has taken a fairly low risk approach to borrowing.

Limit on Rates Collected

While the Council will continue its approach of allocating rates as a funding proportion based on who causes and benefits from its activities, it proposes endeavouring to limit the rates collected each year to a maximum of 65% of total Council revenue. We believe this would represent an equitable and prudent upper limit.

Council's Revenue and Financing Policy sets out the sources of funding to be used, and how they will be applied to each activity - with a view to achieving this objective.

	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
General Rates	7,942,291	7,936,753	8,009,638	8,287,851	8,329,935	8,569,994	8,903,396	8,763,560	8,864,037	9,281,740	9,255,031
Targeted Rates	5,407,328	5,332,456	5,550,639	5,757,540	5,969,787	6,147,591	6,415,300	6,646,852	6,743,622	6,933,366	7,116,431
Total Rates	13,349,619	13,269,209	13,560,276	14,045,391	14,299,722	14,717,585	15,318,696	15,410,412	15,607,659	16,215,106	16,371,462
Total Revenue	25,104,184	23,975,014	23,689,406	26,625,855	24,371,237	24,920,657	25,859,646	26,355,933	26,506,675	27,621,953	29,566,182
Rates as % of Total Revenue	53.18%	55.35%	57.24%	52.75%	58.67%	59.06%	59.24%	58.47%	58.88%	58.70%	55.37%

(*) Rates exclude water meter rate

Limits on Rate Increases

While the Council will continue to consider affordability issues when setting rate levels each year, Council is required by legislation to include a statement on quantified limits on rates increases. Limiting the increase to the Rates forecasted in the draft Long Term Plan reflects the realities of higher local government costs i.e. the cost of doing Council business. It also recognises that from time to time Council will need to increase the level of service that it is providing to meet, for example, community needs and new resource consent requirements. Individual properties may experience smaller or larger increases depending on movements in property values, the services that they receive and their location. Council would like to set the quantified limits on rates at the past 20 year average of the Local Government Cost Index, which is 3.06%.

Capital Expenditure and Depreciation Funding

The Council currently has infrastructural assets worth close to \$379m and during the next 10 years Council is planning to undertake additional capital works of \$62.2m. Asset development expenditure is for purchasing, building, replacing or developing Buller District assets (e.g. roads, water supplies, properties etc). For each asset category asset management plans are in place which are the key planning tool for the maintenance, future renewal and additional assets required to meet the demand and levels of service in the district. These are prepared on the basis of a 30 year outlook. These asset management plans also inform how the planned expenditure will be paid for.

'Renewals' are the replacement programme for the existing assets. 'Level of service improvements' relate to where Council believes the current assets do not provide an adequate level of service. Renewals of assets are generally funded from depreciation as over the Long Term Plan the level of renewals should be in line with depreciation. Improvements in Level of Service are generally funded from external borrowings, capital subsidy or from capital contributions.

Council's policy is to mainly fund increases in service levels through borrowings, normally over 20 years, but shorter or longer terms may be used for some assets depending on how long they are expected to last before being replaced.

Council funds depreciation for all activities except roading and stormwater, and uses depreciation reserves to fund asset renewals and so replace assets as they wear out. There are exceptions where depreciation is not funded and these are where Council has received financial assistance and expects finance assistance in the past to be available in the future to fund asset replacements (eg, pensioner housing upgrades, rural fire vehicles).

This method provides for intergenerational equity and means that those people that receive the benefit of the asset generally pay for the asset.

Council has agreed to fund \$5.2m for Buller Recreation Ltd capital expenditure over the term of the Plan, in exchange for shares in Buller Holdings Ltd.

Breakdown of major capital expenditure:

2020/2021	\$1.5m	- Turf surface and fitout
2022/2023	\$1.4m	- Fitout and mechanical services for the aquatic centre
2023/2024	\$0.8m	- Fitout and plumbing for the aquatic centre

Debt and Interest Borrowings Table

Under section 100 of the Local Government Act 2002, Council considered its financial management responsibilities, where it must manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. The Council has also considered whether it is sustainable to undertake the level of capital works proposed in the 10 Year Plan together with the increased operating costs associated with the higher debt level. If the Council has too much debt then future ratepayers will subsidise current ratepayers. Conversely, too little and the reverse situation applies. The Council has considered the timing of this programme and the associated borrowings required to ensure that this best meets the needs of current and future generations.

In doing so the Council noted the following quote from the Local Government Rating Inquiry 2007 (Shand Report):

Impact of additional borrowing on rates:

10.76 - "Greater use of borrowing for long-life assets can enable rates to be held at a lower level over a considerable period of time, even allowing for interest costs. There is some aversion amongst ratepayers to the taking on of debt, which is seen by some as financially unsound. Reflecting this, some Councils perceive being debt-free as a virtue. This ignores the benefits of being able to undertake expenditures earlier than would otherwise be the case. It also ignores the interest cost that ratepayers bear by paying the rates earlier to fund the capital expenditures than would otherwise have been the case."

Overview of Debt, Investments and Net Debt over the 10 Year Plan

	Gross Debt \$000	Term Deposits \$000	Net Debt \$000
2015/2016	26,756	10,972	15,784
2016/2017	27,257	11,972	15,285
2017/2018	27,337	12,972	14,365
2018/2019	28,780	13,500	15,280
2019/2020	29,298	13,000	16,298
2020/2021	25,660	11,000	14,660
2021/2022	26,889	13,000	13,889
2022/2023	28,730	15,500	13,230
2023/2024	28,634	17,500	11,134
2024/2025	30,386	19,500	10,886

Council's gross debt is predicted at the end of the 10 years to be \$30.3m – when offset against Council's investments of \$19.5m. While the gross debt has increased, it is still at an affordable level in relation to our income.

Our Treasury Management Policy is well within our Banking Covenant which states that finance costs as a percentage of total Operating revenue must not exceed 15%. Council is in compliance with all other limits specified in the Treasury Management Policy.

The main increase in gross debt is to fund the asset development and programme proposed within this draft Long Term Plan. Note that gross term debt is off-set by term deposits. The true net debt is the difference between the two.

Interest rates are historically very low. Council has taken external advice and has assumed that the average interest rate paid on its loans will increase over the 10 years of the draft Long Term Plan will be 6%.

Policy on giving Securities for Borrowings

Council proposes to continue to secure its borrowings and interest rate risk management instruments against rates and rates revenue.

Limits on Gross Borrowings

The limits for gross borrowings are based on debt servicing costs remaining below 10% of Total Operating Revenue. Gross debt is \$26.7m in 2015/2016 and increases to \$30.4m in 2024/2025. Council is in compliance with all limits specified in the Treasury Management Policy and Financial Prudence Benchmarks.

The Treasury Management Policy has been aligned with external banking covenants. We are comfortable that debt levels are prudent and that debt servicing costs remain affordable across the draft Long Term Plan. It should be noted that Council's investments grow considerably across the draft Long Term Plan, so the net debt (being external borrowings, less term deposits), at the end of the plan draft Long Term Plan be \$10.8m. In 2015/2016 the net debt is forecasted to be \$15.8m. Council has set our net debt limit at \$20m.

Investments

Council currently has term deposit investments of \$10.9m and over the term of the Plan these term deposits are proposed to increase to \$19.5m. This situation is kept under constant review and the balance of the gross debt to investment could change if relative interest rates change. It is also considered prudent to grow the term deposits to cater for any natural disasters.

Council considered the best approach is to continue to grow the term deposit investments rather than repay debt. This is due to the fact that there is a core amount of debt related to the acquisition of shares in Buller Recreation Limited where it is tax effective to not repay this debt.

Council has a portfolio of other investments comprising:

- Term investments - over the duration of the draft Long Term Plan, short term investments are set to increase to \$19.5m due to receipts from internal loans and sale of investment properties
- Equity investments - investments in Buller Holdings Limited remain fairly static over the duration of the draft Long Term Plan. In 2014/2015 investments total \$19.8m and increase to \$24.2m in 2024/2025 reflecting operating losses in Buller Recreation Limited and shares issued to Council in exchange for the funding of capital expenditure for Buller Recreation Limited which will increase the investment accordingly
- Asset investments
- Associated organisations
- Investment property - investment properties are forecasted to be \$10.3m in 2015/2016 and are proposed to increase to \$11.3m in 2024/2025 as a result of revaluation gains offset by sales of investment properties.

Council has breached its current investment policy which states that no more than \$1m may be deposited with a Building Society. Currently Council has exceeded this. The reason for this breach is that the respective Building Society has provided sponsorship towards the Performing Arts Theatre. This will be re-assessed by Council when the sponsorship agreement ends in 2015.

The full Treasury Management policy is included in Volume 2 and includes the rationale for holding these investments.

General Policy

Council has a conservative approach to investments with surplus funds generally being used for debt repayment rather than financial investment. It does not intend to undertake financial investments for the purpose of generating significant returns, now or in the future. Equity is held for strategic purposes such as holding equity in subsidiaries which enable councils to provide services more efficiently.

Council's main investment is the shareholding in Buller Holdings. The targets for their subsidiaries (WestReef Services Limited, Westport Harbour Limited and Buller Recreation Limited) are set out below.

Investment	Target Return
WestReef Services Ltd	To achieve a pre-tax operating profit of at least 10% on gross revenues, before any subvention payments
Westport Harbour Ltd	To achieve a post tax operating profit of 15% on BHL investment, before any subvention payments
Buller Recreation Ltd	Achieve budget and expenditure
Buller Holdings Ltd	To return the minimum forecasted distribution/dividend to Council

Financial Prudence Benchmarks

On 1 May 2014 the Local Government (Financial Reporting and Prudence) Regulations 2014 were introduced. These regulations seeks to:

- assist in identifying local authorities where further enquiry is warranted in relation to their financial management; and
- promote prudent financial management by local authorities.

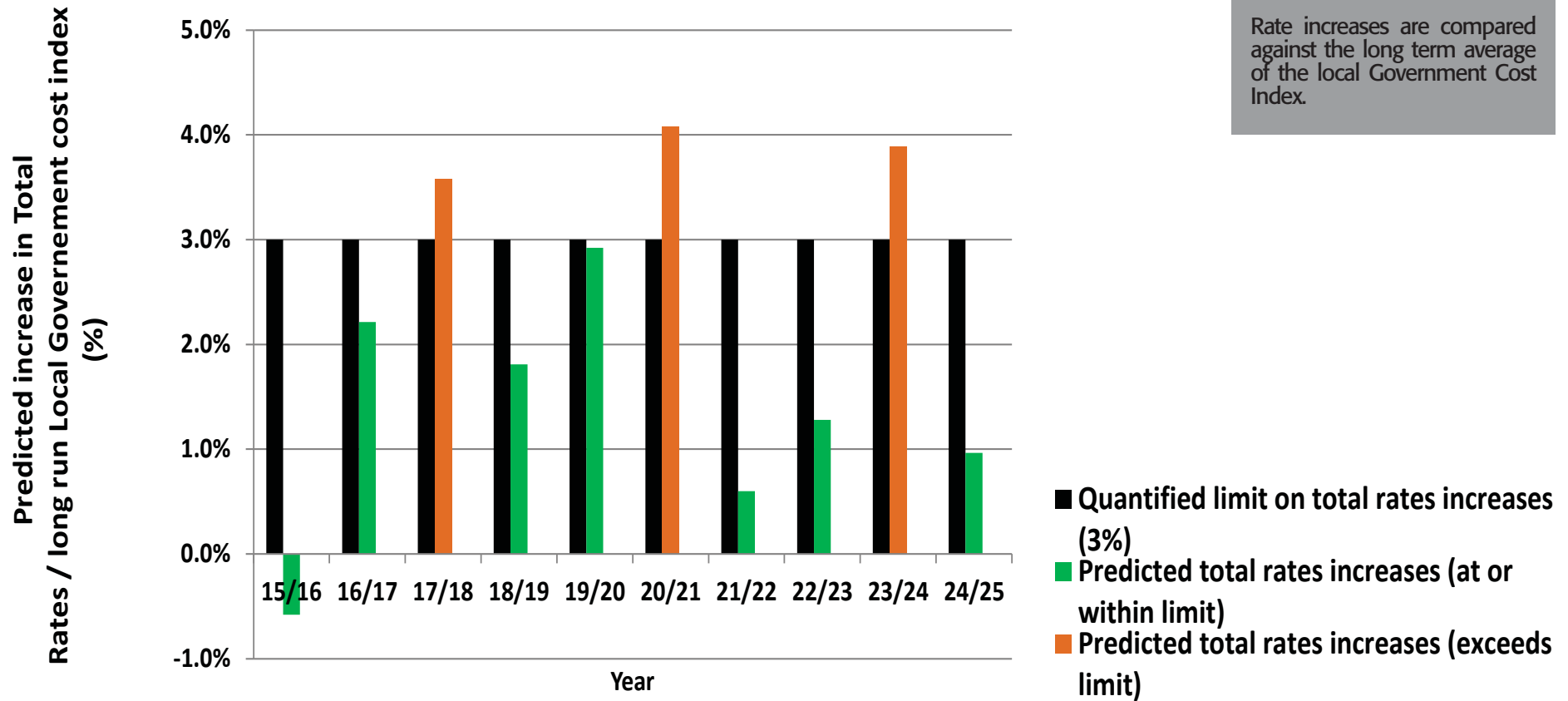
The regulations prescribe how Councils must report these benchmarks and indicators in their Annual Plans, Annual Reports and Long Term Plans.

The following benchmarks were introduced:

Affordability benchmarks	Rates affordability and rates increases benchmark	Rates revenue and rates increases complies with the limits set in Council's financial strategy.
	Debt affordability benchmark	Debt complies with the limits set in Council's financial strategy.
Sustainability benchmarks	Balanced budget benchmark	Operating revenue, excluding development and financial contributions and revenue from revaluations, exceeds operating expenditure.
	Essential services benchmark	Capital expenditure on the five network infrastructure services exceeds depreciation on those five services.
	Debt servicing benchmark	Interest expense is less than 10% of operating revenue, as defined in the balanced budget benchmark.

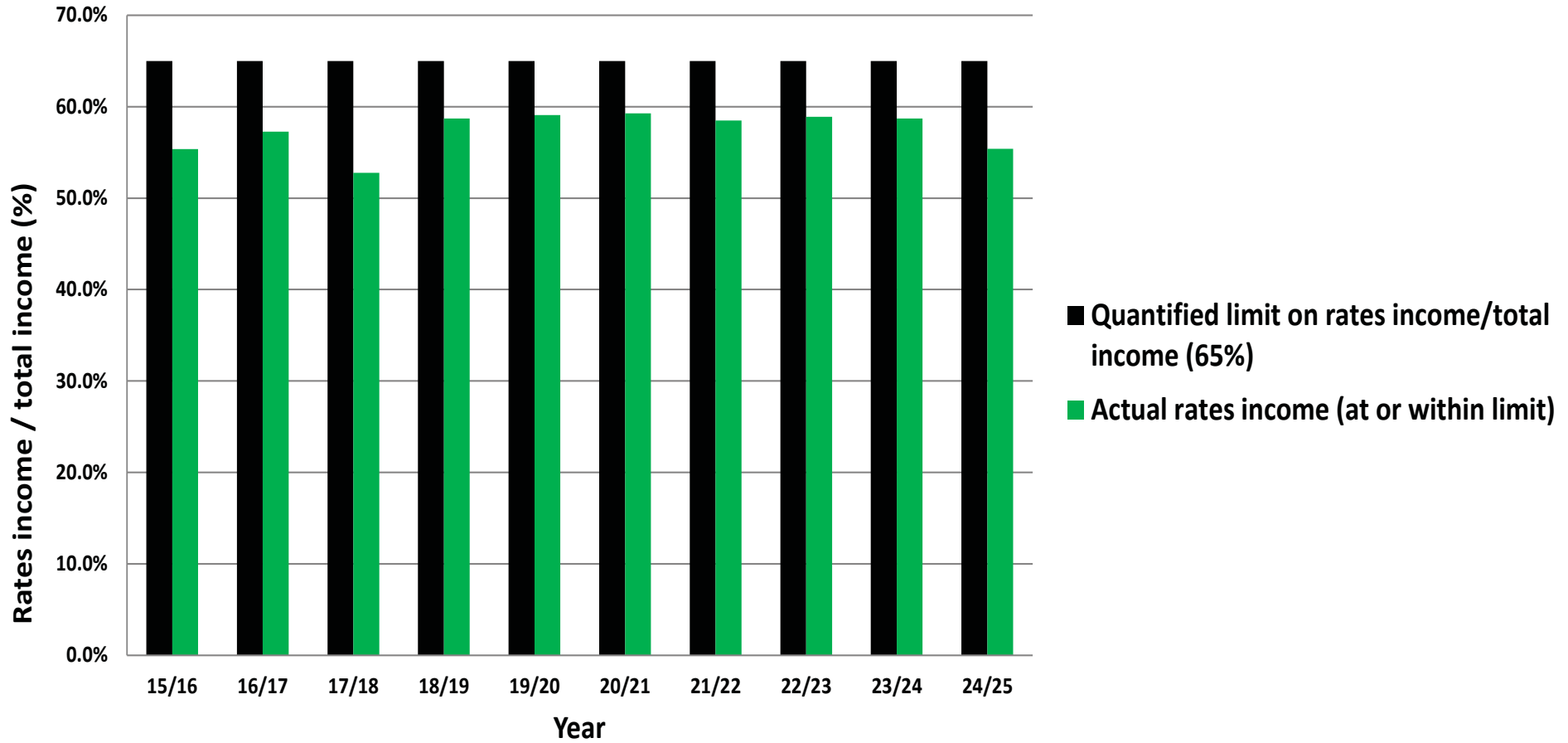


Rate Increases Affordability Benchmark



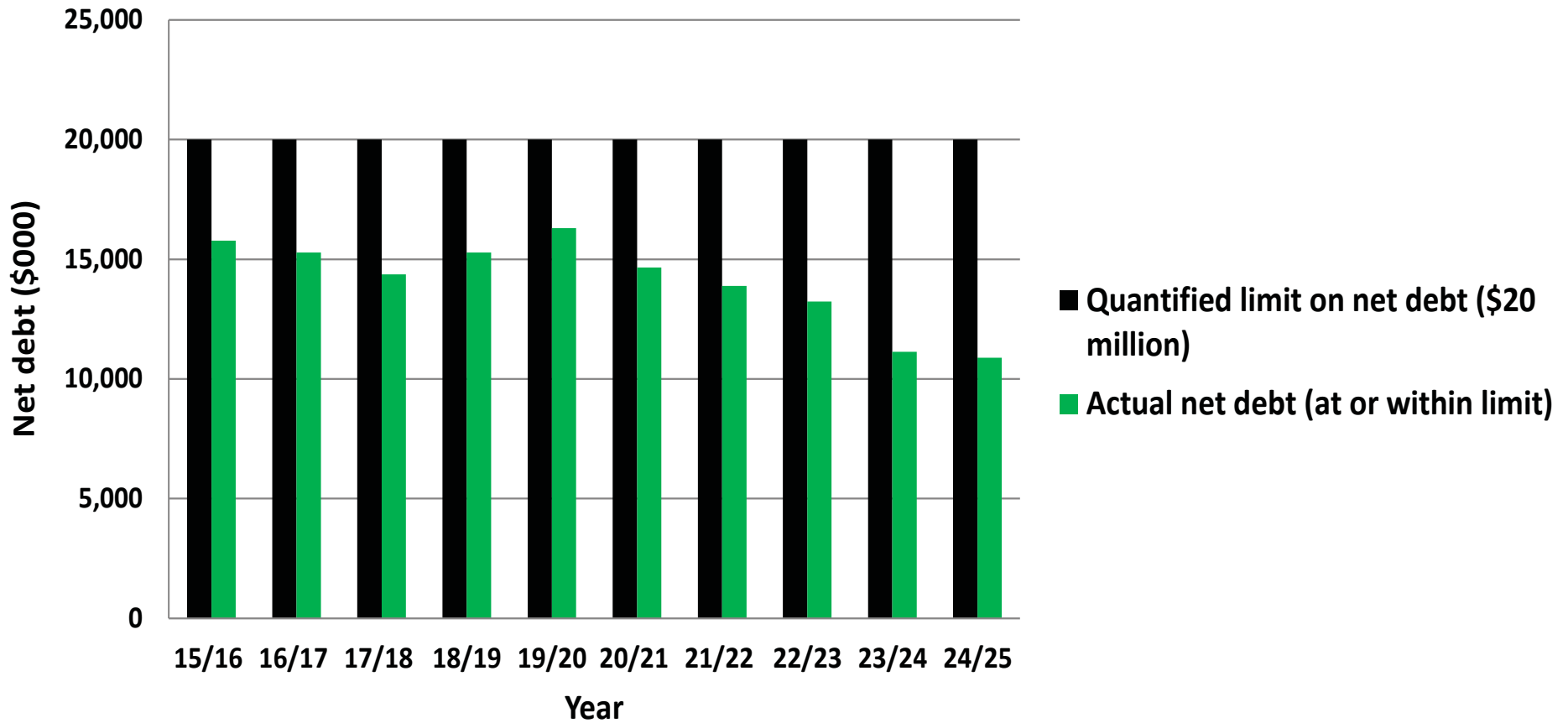
Rate increases are higher than the 20 year Long Term LGCI average in 2017/2018, 2020/2021 and 2023/2024 due to cyclical compliance costs and painting.

Rates Income Affordability Benchmark



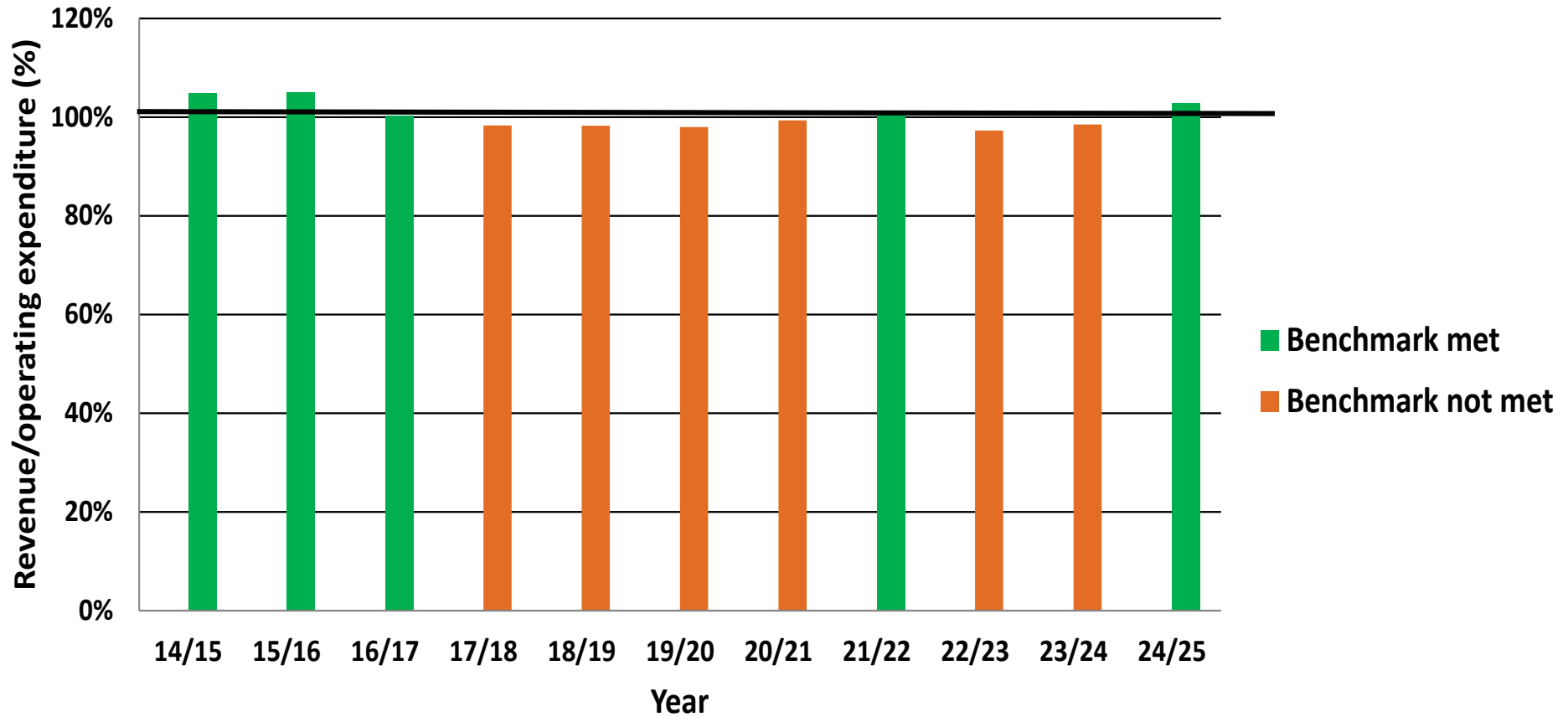
Council will not take more than 65% of Total Revenue from rates.

Debt Affordability Benchmark



Council is operating well within the **net debt** limit of \$20m. Net debt tracks down to \$10.8m at the end of the 10 year draft Long Term Plan.

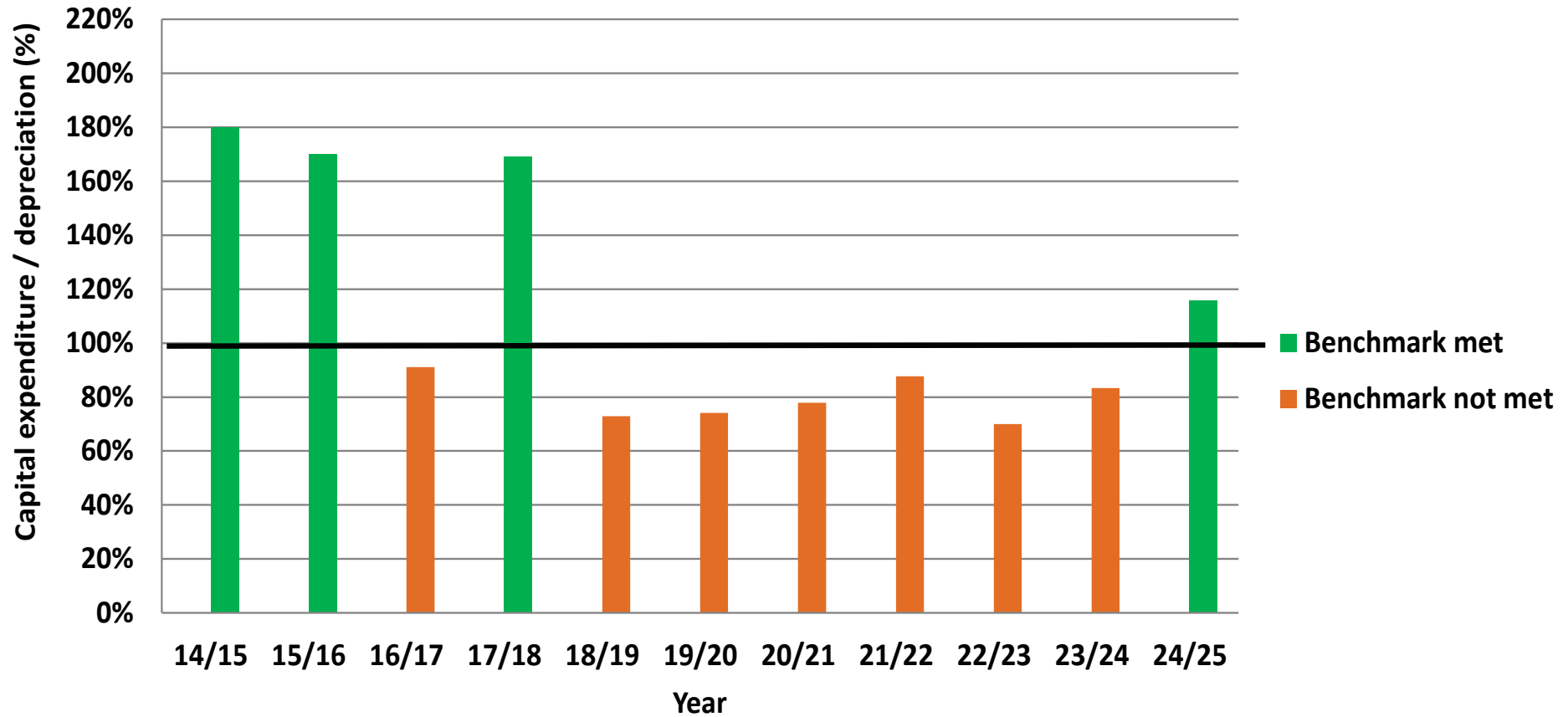
Balanced Budget Benchmark



Council is operating a balanced budget over the course of the draft Long Term Plan. Differences where we do not meet the 100% benchmark are marginal.

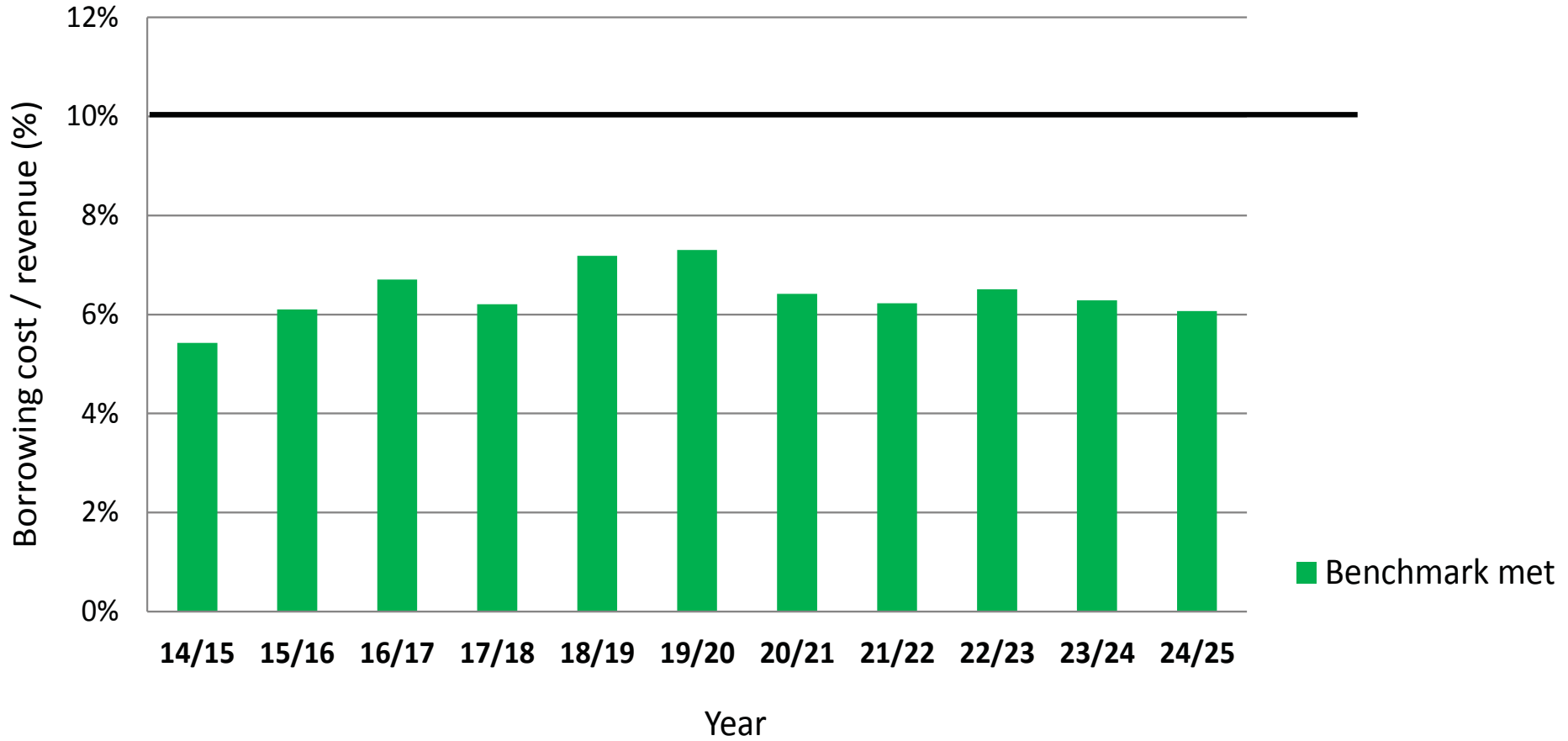
Council meets the balanced budget benchmark for a year if its revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment) for the year exceeds its operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).

Essential Services Benchmark



Council is maintaining and renewing its assets as they wear out. There are years where the benchmark is not met but there are also years where Council has provided for more. On average over the term of the draft Long Term Plan Council is meeting the benchmark.

Debt Servicing Benchmark



Council is operating well below the benchmark. This means Council can service the interest costs associated with debt. Prudence use of debt keeps rates down and spreads the costs over generations that benefit.

* This benchmark is calculated on the gross finance costs. It should be noted that Council does earn interest on term deposits and this will offset gross finance costs.

Infrastructure Strategy

This is the Council's first formal public Infrastructure Strategy. It has included the assets that are required by the legislation. It covers roads, water supplies, sewage treatment and disposal, and stormwater. In time the data collection for other assets such as parks and reserves, cemeteries and buildings will be improved and included in future strategies.

What are the goals of the Infrastructure Strategy?

The role of infrastructure is to support, promote and achieve the Council's Community Outcomes.

The core of our strategy is :

1. To provide the best range of services that are affordable for the community
2. To focus on efficient and effective delivery of services
3. To seek out savings while maintaining the assets in a sustainable manner.

Big picture at a glance

The District is well placed with many key infrastructure upgrades complete or nearing completion.

The Westport sewerage treatment plant was constructed in 2006. Reefton and Punakaiki water treatment plants were upgraded in 2012/2013 and phase 1 of the upgrade of the Westport water supply is largely completed.

The oxidation ponds at Reefton and Little Wanganui will require maintenance around 2030. Little Wanganui may be able to be extended as the plant was designed for higher future capacity. Water supply upgrades are planned for Waimangaroa, Ngakawau-Hector, Inangahua Junction, South Granity and Little Wanganui. The renewal programmes for the water schemes have been developed in the asset management plans taking into account the age and condition of the reticulation pipes. It may be possible to extend out the life of these pipes once more information about their condition has been collected and analysed.

Council's roads have been maintained in accordance with their function. This will continue with the recently developed national classification system. The road network has changed as land use has changed with a greater emphasis on dairying resulting in heavier truck usage.

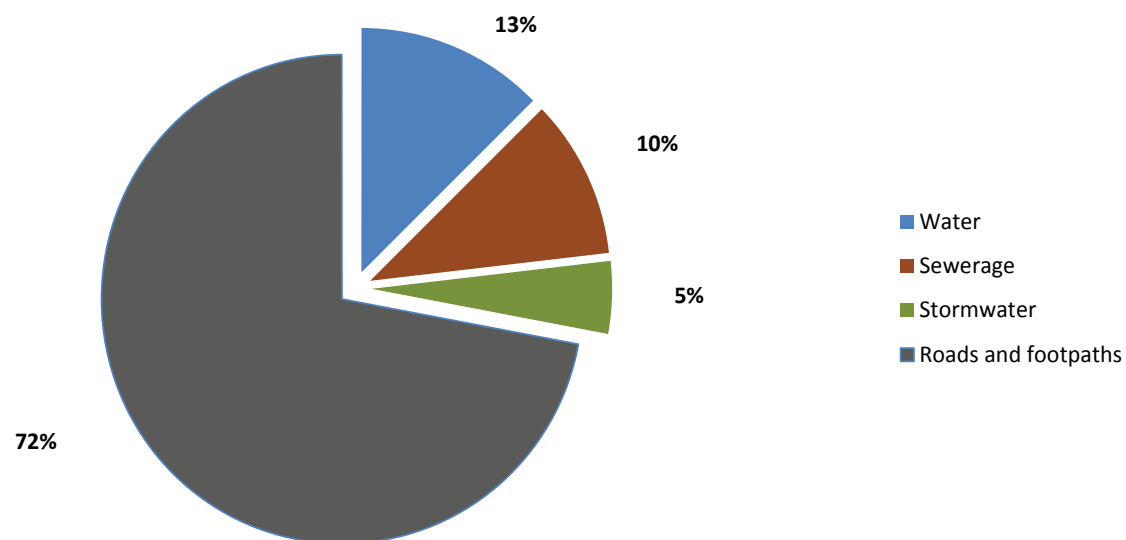
Bridges are evaluated structurally every three years and this provides information on maintenance programmes as well as determining the bridge replacement.

What does our infrastructure look like ?

Buller District Council manages \$378.9m of infrastructure assets.

Asset	Description	Replacement Value	% of total
Water	Water extraction, treatment and distribution. 11 schemes (9 owned, 2 adminstrated).	\$47.9m	13%
Sewerage	Wastewater collection, treatment and discharge	\$39.9m	11%
Stormwater	Stormwater collection and discharge	\$18.1m	5%
Roads & footpaths	Roads (arterial, collectors, local; curbs and gutters), bridges, footpaths	\$273m	71%
TOTAL		\$378.9m	100%

Replacement Value - Infrastructure Assets



Risks to Asset Performance:

The greatest risk to all of the asset performance is natural disasters. The Buller area has the Alpine Fault running through it as well as a number of lesser known but just as damaging fault lines. This exposes the district to the likelihood of earthquakes. The region is also close to the Southern Alps and is subject to large rainfalls in isolated areas or across the district, causing widespread damage mainly to roading and bridges .

The district is also subject to economic swings which affects the ability to fund infrastructure. A significant portion of the district is non-rateable land, which means services (e.g. roading) are provided but there is no revenue stream.

Affordability of all assets is becoming an increasing issue as many of the assets age increases and the maintenance costs rise. Asset management for local authority assets is a relatively new method of identifying the future cost, timing and the renewal of assets. It will require a combination of loan funding and depreciation in order to maintain the levels of service that the community desires.

The Special Purpose Road (Karamea Highway) is a difficult and expensive road to maintain, with over 90% of land serviced by the road being non-rateable. In examining the unquantifiable risk associated with the long term maintenance of the Karamea Special Purpose Road, the financial risks associated with this proposal are considered to be beyond the financial resources of Buller District Council's ratepayers to fund. At this stage we have assumed that funding for the Karamea Highway will continue at 100%. If this does not eventuate Council has assumed that the Karamea Highway will revert to being a State Highway.

To sum up the task of building, operating and maintaining these infrastructure assets in an affordable manner is becoming increasingly difficult in view of demographic changes, environmental impacts, economic changes and aging of asset Infrastructure.

Significant Infrastructure Decisions

For a detailed description of the options and rating impact considered for each of these key issues please see the Key Issues.

Issue	What are we doing?	What is the benefit?	How much will it cost?	When are we doing it	Upgrades	Asset Replacement
Water Supplies						
Drinking Water needs to be improved to meet the Drinking Water Standards	Rural Drinking water supply upgrades at Waimangaroa, Ngakawau-Hector, Inangahua Junction have been deferred to 2015/2016. Upgrades have been scheduled for South Granity and Little Wanganui	Improve public health and provide clean safe water	\$2.2m	2015/2016 2016/2017	✓	✓
The water supply tunnels have a partial blockage caused by timber supports collapsing. An application has been lodged with the Ministry of Health for subsidy towards the cost to line or pipe the tunnel. The existing trunk main providing water to Westport is aged and during 2015/16 Council will investigate the condition to determine the scope of the trunk main replacement	Upgrade Water Supply Tunnels	Ensure continuity of service in a reliable manner	\$1.55m	2015/2016		✓
	Replace Trunk Mains		\$4.1m	2017/2018		✓

Issue	What are we doing?	What is the benefit?	How much will it cost?	When are we doing it	Upgrades	Asset Replacement
Aging Infrastructure The mains renewals programme will be refined based on performance and condition Analysis of Westport and Reefton Cast Iron pipe (to be completed) may extend pipe lives and reduce this 30 year programme of work	Mains Renewals	Ensure continuity of service in a reliable manner	Average of \$0.4m p.a.	2015-2045	✓	✓
Sewerage						
Ageing Infrastructure	Mains Renewals	Ensure continuity of service in a reliable manner	\$0.4m p.a.	2015 - 2045		✓
Stormwater						
New Stormwater Pump Station in Brougham Street	Building new stormwater pump station	Protection of property from flooding	\$0.4m	2017	✓	
Ageing Infrastructure	Mains Renewals	Ensure continuity of service in a reliable manner	\$0.2m p.a.	2015 - 2045		✓
Roading						
Ageing Infrastructure, Load Capacity	Bridge Replacements/ upgrades to allow for trucks that operate at 50 tonnes.	Ensure continuity of service in a reliable manner. Increase capacity to allow for 50 Tonne Trucks.	\$3.2m over 10 years	2015-2025	✓	✓
	Assumptions: The bridge will perform satisfactorily (reduced load limit) until upgraded with some increased maintenance					
Ageing Infrastructure	Resurfacing	Blend life of road and improve usage of road.	\$0.6m p.a.	2015 - 45		✓

In Summary:

Past issues addressed:

- Water treatment upgrades
- Wastewater treatment upgrades



Issues being addressed (present):

- Water upgrades
- Pipe renewals
- Bridge renewals
- Special purpose road management



Future Issues:

- Pipe renewals
- Bridge renewals
- Reseals
- Special purpose road management

Options Considered

Given the current economic context, Buller District Council has three broad options in terms of infrastructure management and provision.

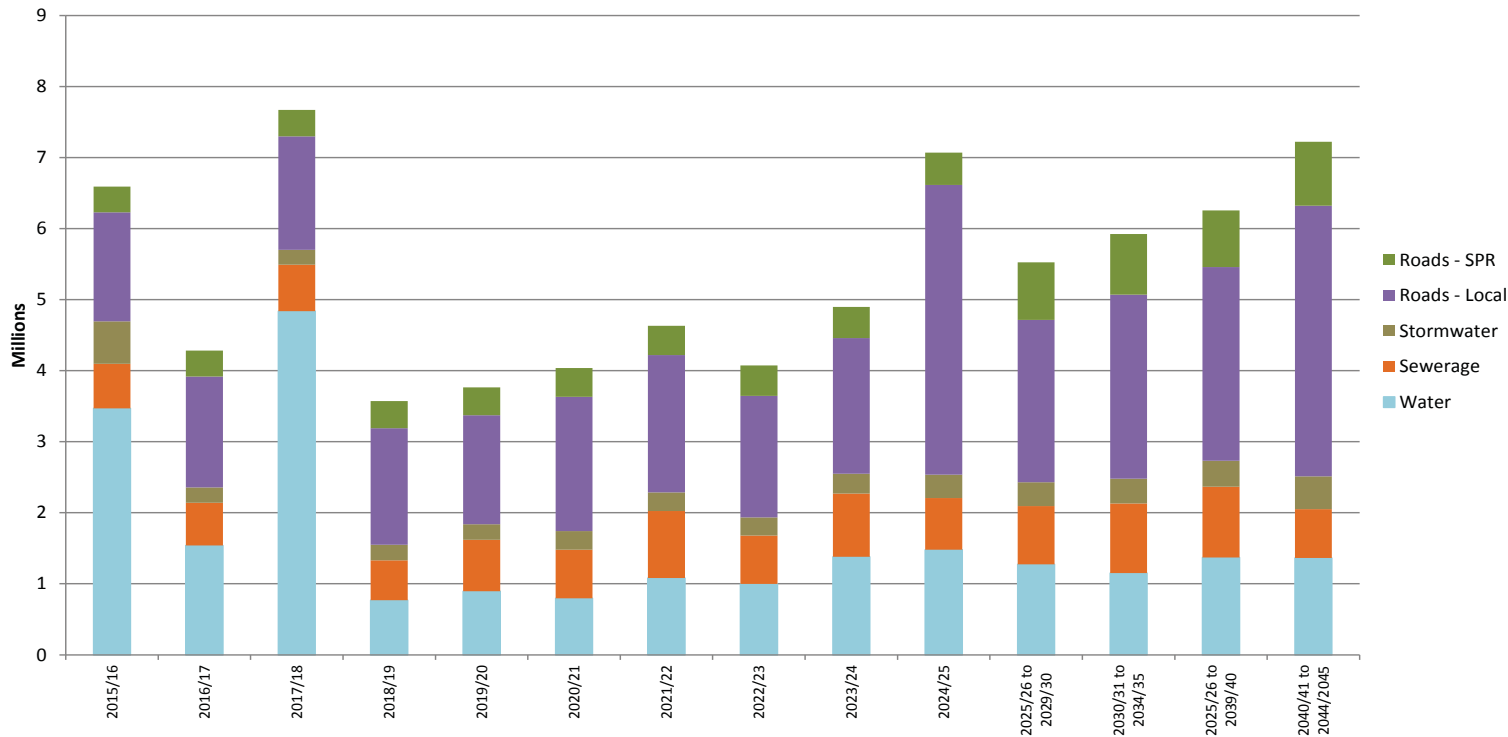
1. Reduce the level of spend; this would result in a decrease in the level of service, or an increased level of risk of sustainable asset performance
2. Continue with the 'current' approach
3. Increase expenditure where investment in infrastructure may assist economic growth

There is no one perfect option. Council has adopted a policy of optimising the optional factors. Council is already extending asset lives and delaying renewal work within acceptable risk limits. As a second step, our spend has been reprioritised within similar budget bands to where the most benefit aligns with Council's goals. Thirdly, we have signalled our Council will consider the provision of infrastructure if an opportunity will result in real benefits to the district.

Infrastructure Expense Graphs

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

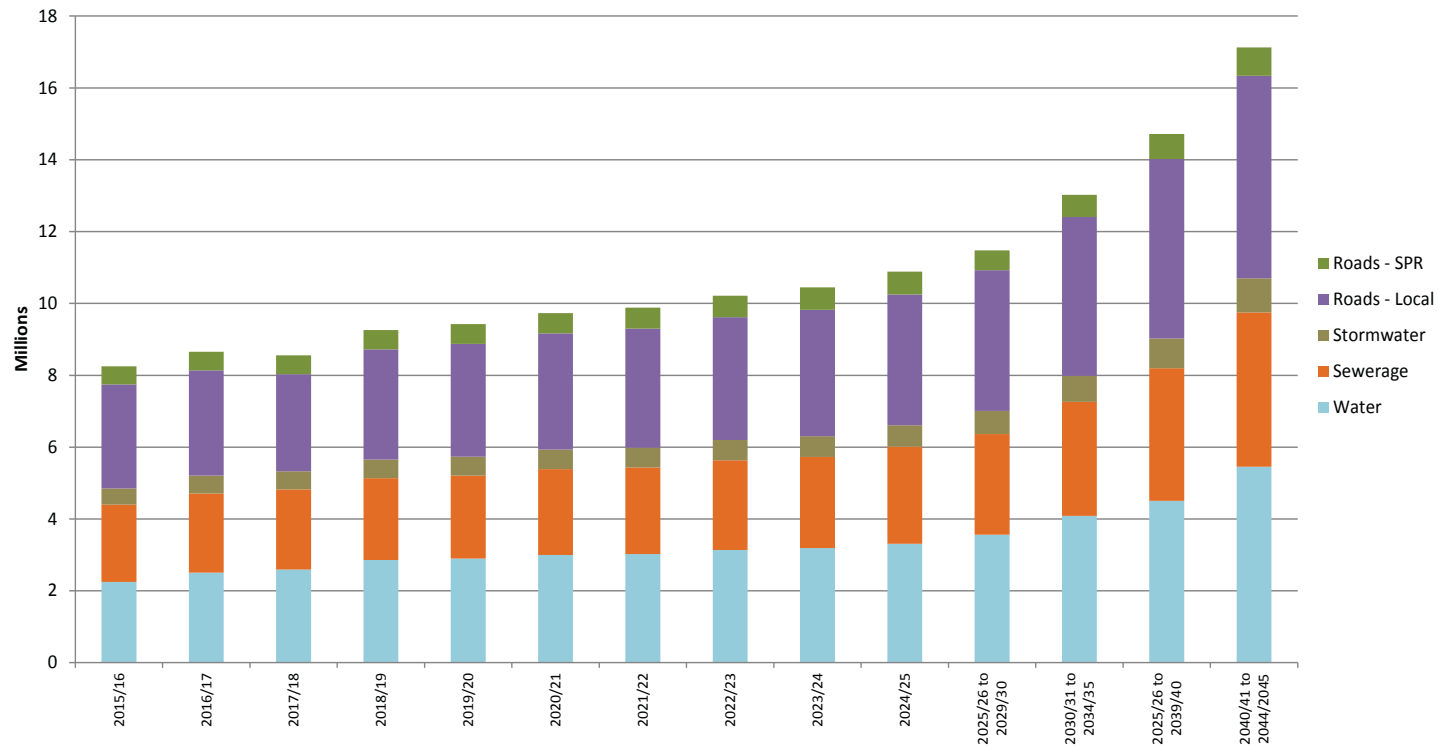
Combined Infrastructure Forecast - Capital



The above graph clearly demonstrates that the priority for the next two years is the piping of the tunnels for Westport Water and the rural drinking water upgrades. The graph also clearly demonstrates the significant expenditure on roading. The increase in 2024/2045 represents bridge replacements.

Projected Operational Expenditure -Infrastructure Assets

Combined Infrastructure Forecast - Operations and Maintenance



This clearly demonstrates the effect of inflation on repairs and maintenance over the life of the draft Long Term Plan and the impact of cyclical maintenance.

Key Issues Affecting the Plan

Key Message 1: WATER is our top priority

Westport Water

Stage 1 of the Westport upgrade has been completed. Stage 2 is in the design stage.

Council considered two options for Stage 2:

Option 1

Immediate replacement of the Westport trunk main in 2015/2016 at a cost of \$3.8m. In addition Council has applied to the Ministry of Health for subsidy from the Drinking Water Assistance Programme to pipe tunnel one at a cost of \$1.550m. This option represents a total capital expenditure of \$5.35m in 2015/2016

Option 2 (proposed option)

Defer immediate replacement of the Westport trunkmain pending further investigation of the condition. Still pipe tunnel one at a cost of \$1.6m with an anticipated subsidy of \$0.75m in 2015. An amount of \$100,000 has been allowed to undertake an investigation of the trunk main to Westport to determine the optimum timing and lengths of pipe to be replaced. An amount of \$3.8 m (escalated by inflation) has been provided for in 2017/2018.

Option 2 was the chosen option in the draft Long Term Plan as it:

- Immediately addressed the reliability of the Westport water supply.
- Allowed time to accurately determine the scope of the pipe replacements to be undertaken.

Rural Drinking Water Upgrades

Waimangaroa

The Waimangaroa water upgrade was expected to proceed as planned after successfully gaining additional funding from the Ministry of Health. A community vote was held which indicated the support of the community to proceed. This represents a carry-forward of capital expenditure from the 14/15 Annual Plan. Unfortunately recent storm damage to the primary water intake has meant that the previously approved scheme is no longer viable. Currently Council staff are working with the Waimangaroa community to establish temporary supplies while at the same time investigating possible long term solutions. It is expected that any new source will require a different form of treatment and that this may well be more expensive. The Ministry of Health has been advised of the situation and asked to put the original application and subsidy on hold. In due course Council will have to seek new approval and subsidy (if available). Given the present uncertainty, the draft Long Term Plan continues to be based on the original scheme. When the cost of future requirements has been established a revised Waimangaroa water rate will be required and it is expected that this will be effective from year 2 of the draft Long Term Plan.

Ngakawau-Hector

The Ngakawau/Hector drinking water supply upgrade has been deferred until 2015/2016 due to lack of community support and issues around scheme design and ownership. This draft Long Term Plan has been prepared on the basis that Council owns the scheme. A stage 2 CAP Application for additional funding has been lodged, with upgrade works proposed to take place in 2015/2016. The cost of the upgrade is forecasted to be \$553,000 and a subsidy of \$470,000 is anticipated to be received. At present the Council is working with the Ngakawau/Hector community to resolve the issues associated with the scheme. For the purposes of the draft Long Term Plan it is assumed that the scheme will proceed as planned. However any final decision will be subject to a community vote.

Inangahua Junction

Capital totalling \$223,000 has been budgeted for the upgrade to the Inangahua Junction water supply. A subsidy of \$189,500 has been applied for from the Ministry of Health.

South Granity

An upgrade costing \$359,000 is scheduled for 2015/2016. A subsidy of \$255,000 has been applied for from the Ministry of Health.

Little Wanganui

A CAP Application has also been lodged for Little Wanganui water supply for an amount of \$474,000. The cost of the upgrade is estimated to be \$596,000 in 2016/2017.

Note:

Council has assumed, for the purposes of the draft Long Term Plan, that all these upgrades will continue. However all upgrades are contingent on financial assistance being provided, and decision on overall affordability by the community.

Karamea Water Supply

In the 2013/2014 Annual Plan Council undertook an investigation to determine if a reticulated and treated water supply for Karamea, including Market Cross, could be found.

Stage 1 encompassed identifying a suitable water source. It entailed drilling a test borehole, designing a water treatment system, reservoir and pipework. A good quality water supply was found in quantities that are sufficient for a reticulated supply for Karamea. The cost of the exploratory work was \$150,000 and this was largely funded by a Ministry of Health subsidy.

In total the cost of the water supply was estimated to be \$1.67m and the total subsidy was \$1.4m with the local share being loan funded. Targeted rates were estimated to be \$667.00.

The Buller District Council consulted with the Karamea community and the community voted 51 to 20 against the proposal. The proposed water supply will not go ahead and the status quo will remain. The Ministry has been advised of the result.

Key Message 2: District Development and Diversification is IMPORTANT

Economic Development including Tourism

One of the main thrusts of the Draft Long Term Plan is support for existing economic activity and diversification into new forms of economic enterprise. Council has recognised that previous endeavours have not been as successful as may have been hoped and that the mixture of part general rate/ part target rate support and poorly focussed expenditure was not well received by many commercial ratepayers. A new targeted approach is called for.

General Economic Development Support

Council is committed to economic development and diversification and recognises that this can be best achieved by a local effort combined with a 'whole of Coast' effort combining the efforts of all four West Coast Councils and Development West Coast.

All four Councils have approved a West Coast Economic Development Strategy. This strategy is expected to be a spring board for economic development. It is intended that Development West Coast (DWC) will provide a basic resource in the form of one full time resource, jointly funded by the West Coast Regional Council and DWC. Over time it is anticipated that the central resource will work in conjunction with a part time (20 hour per week) staff resource located at each of the three territorial Council offices. The draft Long Term Plan assumes that this will occur in the 2015/16 year in the Buller District.

Council estimates that this general economic development support will cost \$67,000 which will be funded by the general rate.

Tourism Support

Council recognises the potential of tourism throughout the whole district and accepts that a vibrant tourism industry creates economic benefits to all sectors of our community. Council also recognises that the district tourism goals are best fulfilled when the efforts of our Council are combined with those of other West Coast Councils, in 'partnership' with the efforts of the local tourism industry.

Council's funding will therefore be limited to the following:

- Council will continue to support Tourism West Coast by way of an annual grant in co-operation with other West Coast territorial authorities. In addition, Council will fund a resource to ensure a local district presence for Tourism West Coast.
- Council will provide funding assistance by way of annual grants to tourism activities such as i-Sites.
- Council will consider support of major events that provide significant tourism promotion. Such support will be on a case-by-case basis.

Council's on-going expenditure will be conditional on the local tourism industry working with other West Coast Councils and Tourism West Coast to promote the entire West Coast region. Council's direct support will be capped and continued support will only be available if the Council can be satisfied that the tourism industry has organised itself to a membership structure that provides any additional funding requirements from its own sources.

In the draft Long Term Plan, total year one funding for direct tourism support expenditure funded from the general rate is estimated at \$226,000.

Museum Support

Council is committed to assist with the preservation of the District's treasures and heritage. Museums play an important part in the tourism experience while also enhancing the local culture. Council provides financial assistance to independent museums located in our communities in the district.

The Council will be funding \$149,000 from the general rate in 2015/2016. There has been no change in the level of museum funding previously provided in 2014/2015.

Change in Funding Source

Council agreed to not continue with the targeted rate for District Promotion and Tourism. All activities associated with district development, promotion and museum funding will be funded through the general rate, especially the commercial differentials.

Key Message 3: Addressing Earthquake Risks

Rationalising Council property & Investing in our towns

Council Property & Earthquake Strengthening

Council has a large investment in property in both Westport and Reefton:

- Carnegie Library
- Sue Thomson Casey Memorial Library
- Clocktower Council Chamber
- Brougham House
- Reefton Service Centre
- Reefton Community Centre
- NBS Theatre

Council needs to be sure that it is getting best value from these significant assets. At present the utilisation of different buildings is patchy with some struggling to cope while others sit empty. For some time there has been a recognition that "lazy" assets need to be made to work or to be realised, if they are not being held for some future purpose. Council also needs to consider how it will deal with earthquake strengthening requirements. Council has an obligation both to its staff and to its community users to ensure that it is taking reasonable steps to address any buildings that do not meet current earthquake safety standards.



Under the new Better Local Government legislation Council has a statutory requirement to take a 30 year plus asset management approach. Good stewardship and prudent use of ratepayer money would suggest that there is no point in spending money unless the finished building is fit for purpose for at least the next 25 years. Overall there would also appear to be an opportunity to rationalise the building stock and to release some capital tied up in buildings that may not be required in the future.

There is also a need for urgency. Due to public health and staff safety, Council is required to deal with earthquake risks. The value of any earthquake expenditure can be significantly enhanced if it is undertaken with a renovation and rationalisation programme.

Westport Buildings

Initially Council considered four options:

Option 1 Strengthening, modernising, and extending Brougham House to provide a long term solution for Council offices and Council Meeting Room.

Option 2 Modernising, and extending the Clocktower to provide a long term solution for Council offices and Council Meeting Room.

Option 3 Modernising, and extending the Clocktower to provide a long term solution for a Community Cluster Library.

Option 4 Modernising, and extending the Clocktower to provide a long term solution for a Community Cluster Library, and the Council offices and Council Meeting Room.

Council eventually decided that the best approach would be to adopt a staged approach based on Option 2 above.

This will only be addressed after completing water upgrades in Westport.

Stage 1: (2014/2015) Immediate strengthening of **Brougham House** to bring it up to a minimum of 34% of the New Building Standard. (\$30,000).

Stage 2: (2018/2019)

- ~ Modernise and extend the **Clocktower Building** to provide a long term solution for Council offices and Council meeting room.
- ~ Sell Brougham House.
- ~ Minor strengthening of Victoria Square grandstand building.
- ~ Net cost of \$2.7m to be funded from debt.
- ~ The impact on rates is estimated to be an increase of 1.5% in total rates from 2018/2019.

Stage 3: (2019/2020)

- ~ Relocation of **Sue Thomson Casey Memorial Library** to the renovated and modernised **Carnegie Library** and neighbouring buildings (\$3m).
- ~ Net cost of \$3.0m to be funded from debt.
- ~ The impact on rates is estimated to be an increase of 1.5% in total rates from 2019/2020.

Stage 4: (2020/2021)

- ~ Civic Centre Urban Improvements. (\$570,000)
- ~ Net cost of \$0.6m to be funded from depreciation reserves.
- ~ The cost is to be funded from reserves and the additional depreciation cost will represent a 0.3% increase in total rates.

This staged approach was preferred because it means by the end of the draft Long Term Plan, the following will have been achieved:

- Creation of a "Westport Town Heart" as suggested by various consultants to Council over past years. This solution will create a town square and focal central civic hub using the iconic Clocktower as the heart of the town centre. This will also integrate the Coaltown museum and i-site into the central precinct. It will create links to the river front edge and proposed walking tracks. Westport will achieve a new image.
- Immediate earthquake risks managed by strengthening unsafe buildings to above 34% of the New Building Standard (NBS).
- Long term earthquake risk is managed by upgrading and strengthening those buildings that are retained to above 67% of the New Building Standard.
- Increased utilisation of the Clocktower and eventual recovery of the historic Carnegie building as a fully functioning component of a modern community cluster library.
- Building stock rationalised and future of Clocktower and Carnegie assured.

While the council was keen to address the immediate risk to staff and members of the public using Brougham House, it also took the view that the preferred option for the buildings should not take priority over the upgrading of water supplies. As a result the actual timing of the capital expenditure on the Westport buildings will follow the water works.

Reefton Community Centre

The possible need for earthquake strengthening of the Community Centre was investigated in December 2013. That analysis determined that the building structure is an 'earthquake prone' building under the Building Act as it has less than 34% of the strength required by the New Building Standard (NBS), which is the seismic design loading for a new building.

In November 2014 Council referred the information relating to the Reefton Community Centre to the Inangahua Community Board (ICB) with a request that the Board urgently consult with its community as to the present situation, and seek alternatives, if any, and that the Board be requested to report back to full Council by January 2015. Initially the ICB responded by seeking Council approval to develop a brief that incorporated and recognized the communities wish to retain the heritage character of the building (theatre) by enhancing the external façade while upgrading the internal facilities (including the seating). However, subsequent to the December 2014 ICB meeting some alternative thoughts emerged amongst ICB members. In particular members had some interest in the possibility of a parallel investigation of an option to build a new purpose-built 'boutique' 60-seat theatre in place of the existing 400 seat theatre. Since that time more alternatives have emerged such as the construction of a boutique theatre within the existing performance theatre (leaving a reduced size performance theatre). As a complete alternative a new multi-use facility has also been proposed for the Reefton racecourse site.

Council has several concerns that it wishes to address. As the building owner and regulatory body it needs to ensure that its buildings are safe for public use. On behalf of ratepayers it is concerned that the existing wooden buildings are very high maintenance and are expensive to heat, and that the performance theatre is poorly utilised. As an immediate step the Council has required that the seating capacity of the performance theatre is reduced to 260 seats. This will ensure that the theatre meets 34% of the New Building Standard. While the Council wishes to protect Reefton's heritage where possible it notes that the buildings have no heritage status and that Heritage NZ does not wish to intervene. Council notes that the town is well served with alternative halls.

In light of the above the Council has resolved that it will continue to seek some community consensus (via the ICB) on a way forward. Council has also agreed to provide basic funding for earthquake strengthening and fire protection for any agreed final choice, and that it will expect the Reefton community to fundraise for any optional refurbishment.

This draft Long Term Plan has been prepared on the basis that \$130,000 will be available in the 2015/16 year to provide earthquake strengthening and fire protection for the hall/gymnasium and foyer. While it is expected that this expenditure will resolve issues around the hall/gymnasium, the issues relating to the old performance theatre remain unresolved. A further sum of \$358,000 (inflation adjusted) has been provided for the 2016/17 year for some yet to be determined scheme. The Council will work closely with the Community Board to determine some resolution.

Council has now requested the ICB seek community opinion and to make a firm recommendation to Council by 1 September 2015.



Key Message 4: Designing a 'fit for purpose' RATING SYSTEM!

Rates Overhaul

The 2012/2022 Long Term Plan noted that a Rating Review was long overdue. The existing system had been heavily modified over time and evolved into a complex structure with more than 40 different categories of ratepayers all being rated on a unique basis. This gave rise to questions about equity and fairness.

The newly elected Council commenced the long promised review in early 2014 and spent considerable time analysing the issues and considering the possibilities for change. In particular it is noted that over the past decade the Council had shifted from relying on value based progressive rates for about 60% of its rates revenue to only 40%. At the same time Council had moved from 40% reliance on uniform or fixed target rates, to nearly 60%. The overall result was a regressive system that impacts significantly on low value urban properties where ability to pay is a concern.

A draft rating policy and methodology was adopted as a basis for consultation at the 29 October 2014 Council meeting, and minor amendments were adopted at a special Council meeting on 18 November 2014. This draft methodology was agreed as a tentative draft proposal to be put before the community for consultation. A series of four information packs were then posted to every ratepayer. Follow up public meetings were held at Karamea, Ngakawau, Westport, Punakaiki and Reefton during December 2014.

A more detailed report on the proposal was made available on the Buller District Council website which also hosted a link to the proposed rating model, an online submission form and all of the information pack details. Written submissions closed on 14 January 2015. In total 449 submissions were received and Councillors heard those who wished to speak to their submissions on 29 and 30 January 2015.

The outcomes of the submission and community consultation process identified a number of areas which Councillors would like to address or revisit. As a result Council resolved to extend the Rates Overhaul Project so that any possible new rating system would be deferred until 1 July 2016. An email or letter was delivered to all submitters advising of the extended timeline, and the extension widely publicised.

Council will continue to work on this significant project through 2015 and 2016 and it is anticipated that a new rating system be developed for implementation on 1 July 2016.

While any new rating system may alter the way rates are assessed and collected, this has no effect on the amount of rates to be collected, and therefore no impact on any figures in this Consultation Document, apart for the individual rating examples. For the purposes of both the draft Long Term Plan and this Consultation Document all rating examples have been calculated on the basis of the existing rating system.

IT'S EASY TO WORK OUT YOUR RATES

RATES =

$$\begin{aligned} & \text{[Land Value/Capital Value]} \\ & \times \text{[% Value/Fixed Amount]} \\ & \times \left[\frac{\text{Differentials / No Differential}}{\text{Exacerbators/Benefits/Ability to Pay}} \right] \\ & \times \text{[General Rate/Targeted Rate]} \\ & + \text{[UAGC = \{UAGC} \\ & + \text{Other Uniform Targeted Rates} \\ & - \text{Water and Sewerage Targeted Rates} \\ & < 30\% \times \text{Total Rates Revenue}\}] \\ & = \$ \text{ TO PAY ?} \\ & \text{YEAH RIGHT!} \end{aligned}$$

Key Message 5: We are addressing the 'KEY RISKS' facing our community

Impact of Holcim Cement Plant Closure

The loss of Holcim and its cement making activity in late 2016 will be a major blow to the economy. Not only will the District lose many direct jobs, but also many indirect jobs in enterprises that have supplied Holcim with services. Westport harbour will lose its major large boat customer and consequently the need to operate a dredge.

There are direct rating consequences as a result of the closure of Holcim. Council will need to reclassify the port in 2016/2017 and the loss of rating income from this sector will be redistributed across all other sectors.

Council has decided that when the port operations cease the rating impact will be fully absorbed across all sectors in the financial year that this change occurs. It is anticipated that this will increase rates across all sectors by approximately 1.15% in that year.

Council was provided with an alternative option to smooth any rating transition across a period of years. This would have meant a gradual increase of 0.05% across 4 years.

We have anticipated that Holcim will continue to remediate the Cape Foulwind site for the duration of the 10 year plan. When Holcim does fully withdraw from Westport, and its land is reclassified, there will also be direct rating consequences. Once again the loss of rating income from this sector will be redistributed across all other sectors.

Karamea Special Purpose Road

The Karamea Special Purpose Road was previously state highway and following agreement was transferred to Buller District Council management with 100% subsidy from NZTA as a designated special purpose road. This road provides a vital lifeline to the Karamea community, Heaphy Track terminus and takes daily dairy tanker traffic.

An estimated \$60m of agricultural product passes across the road each year, with tourist traffic providing additional economic value.

The Karamea Special Purpose Road transits very difficult terrain with sheer cliffs, bluffs and drops either side of the road. The known original construction methodology of a tree trunk base 'corduroy' foundation has made the road very susceptible to large slumping and drop outs as the old tree trunks rot and compact.

The issues associated with the management and maintenance of the Karamea Special Purpose Road are known and managed where possible. Due to the original construction and physical terrain, risk mitigation at reasonable cost is determined on a case by case basis.

The long term costs of maintaining and keeping the Karamea Special Purpose Road in operation are unknown, but will be considerable given the nature of the terrain it traverses. Similar roads in New Zealand are State Highway 60 (Motueka to Collingwood) and State Highway 2 (Wairoa to Gisborne). All three roads experience similar terrain induced maintenance issues, with State Highway 60 and 2 being fully managed and maintained by NZTA and their contractors.

Recently NZTA have indicated to the Buller District Council that it is proposed that the Karamea Special Purpose Road may lose its designation and revert from 100% subsidy to the Buller District Council's financial assistance rate of 63%, with a three year phase-in period.

In examining the unquantifiable risk associated with the long term maintenance of the Karamea Special Purpose Road, the financial risks associated with this proposal are considered to be beyond the financial resources of Buller District Council's ratepayers to fund.

At this stage we have assumed that funding for the Karamea Highway will continue at 100%. If this does not eventuate Council has assumed that the Karamea Highway will revert to a State Highway.



One Network Road Classification System

This is a joint initiative between the New Zealand Transport Agency (NZTA) and Local Government New Zealand. Local Government New Zealand has introduced a road classification system for all roads in New Zealand. The classification system aims:

- to deliver similar driving experience across New Zealand.
- to support more consistent asset management across the Country.
- to enable collaboration and prioritisation between those organisations responsible for the planning, delivery, operation and maintenance of the nation's roading network, leading to a more efficient and safer network and improved value for money.

This will introduce different levels of service across roads of different classification. This allows the Agency and the Road Controlling Authority access to better information on which to make better investment decisions.

Council has undertaken the classification using the criteria developed by the joint initiative. Council has also collaborated with Westland and Grey District Council to ensure that there is regional consistency. The Councils have collectively looked at the criteria that is important to the region and this has been used to refine the categories.

NZTA will be setting levels of service for the different roading classifications at the time of release of the draft Long Term Plan. The technical service levels have not been released. The risk the Council faces is how these levels of service are interpreted into funding investments by NZTA.

Council has assumed that there will be no change in the levels of service currently provided. If a change in service levels does eventuate during the term of the Plan, our Council will be faced with two choices.

1. Change the current level of service provided to that set by NZTA
2. Fund the difference between the current service level and that proposed by NZTA from ratepayer contributions

At this stage the rating effect of this risk cannot be quantified as the proposed levels of service have not been set by NZTA.



Major Assumptions

Resident Population

The March 2013 census recorded a total of 10,473 persons as being normally resident in the district. Anecdotally the District's population climbed above 11,000 persons during the peaks of economic activity experienced prior to the census date. Since that time world coal prices have plummeted. Coal prices remain at historically low figures. As a result coal mining activity in the District has contracted rather than expanded as was anticipated in the 2012-2022 Long Term Plan. With the loss of jobs the District has lost population.

For the purposes of this draft Long Term Plan we have assumed that the normally resident population as at 1 July 2015 is in the region of 10,000 persons and that there will be further declines in population to a base level of about 9500 persons post the Holcim closure. We then expect the normally resident population to stabilise and start to rise as coal prices begin to recover as the District's economic diversity slowly expands. By the end of the 10 years covered by this draft Long Term Plan we expect population levels to have recovered to about 10,500 persons.

Demographic Changes

The main demographic trend forecast for the life of the plan is that of an ageing population. The proportion of the population over 65 years of age is predicted to increase from approximately 18% to 28% of the District over the next thirty years.

General Economic Activity

The biggest single economic activity in the District is coal mining for both thermal and steel making purposes. The District supplies coal to both domestic and export markets. Technological advances (such as fracking) elsewhere in the world have created a long term over supply situation for thermal coal exports and to a lesser extent steel making coal. The District still has large reserves of good quality steel making coal and in time this market is expected to recover, albeit slowly. On the face of things this slow recovery should flow through to the Buller economy. Unfortunately the "Bathurst experience" has blighted the industry's prospects in Buller and the investment necessary to rebuild coal mining activity may be slow coming forward without some more certainty emerging in the RMA/legislative area. This reluctance to invest constitutes a major risk to the District's economic future.

Dairy farming remains strong and as prices recover this industry should continue to expand. However with no processing in the District and increasing mechanisation of the industry, the number of new jobs created will not be large.

Tourism remains as the most likely industry to achieve growth. The District abounds in natural attractions, historical features, ecological wonders, and walking, climbing and mountain biking opportunities. Historically these features have not been recognised by the tourist industry at large that could only be improved by a new road from Karamea to Collingwood. While the through road is not a present possibility, there is now an increasing recognition that the District does have its own future as a tourist destination in its own right. To the north of the Buller River bridge the Old Ghost Road mountain bike and walking trail has already attracted worldwide attention from adventure mountain bike enthusiasts. Hopefully this unique attraction will act as a catalyst that not only opens up an increasing range of mountain biking possibilities at all levels, but one that also improves recognition of the other eco-tourism and sightseeing features. There are a wide range of tourism projects underway across the District such as Reefton's "Town of Light" projects. When these other assets are coupled with existing world class attractions such as the Punakaiki Rocks, the District has the potential to greatly improve both numbers of tourists and the average tourism length of stay. The Council will work closely with the Department of Conservation, Tourism West Coast, and local tourism interests to foster growth and the associated employment opportunities. Tourism will not "save" the District economically, but in association with other industries it adds very significantly to the overall employment picture.

The loss of Holcim and its cement making activity in late 2016 will be a major blow to the District's economy. Not only will the District lose many direct jobs, but also many indirect jobs in enterprises that have supplied Holcim with services. Westport harbour will lose its major large boat customer and consequently the need to operate a dredge. While Holcim will continue to contribute to the local economy in a different manner as it remediates the plant site, this will be a short-lived palliative. This plan anticipates that the closure of Holcim will move general economic activity to a new base level centred on a population of 9,500.

This draft Long Term Plan anticipates a gradual recovery from a post Holcim low point. The District has considerable experience of "boom/bust" cycles. Over the years it has proved itself to have extensive resilience. For this reason this draft Long Term Plan anticipates that other specialist and service industries in the District will continue at today's levels of activity. However this draft Long Term Plan does not automatically anticipate that this baseline activity is safe from further erosion. Across New Zealand rural and provincial communities are facing population decline. Unless the Council and the community take positive measures to counter those declines it is probable that Buller will suffer the same fate. Therefore within this draft Long Term Plan, there is an assumption that the Council must take a series of well thought out steps strengthen and even expand the District's economic activity by encouraging and enabling economic diversification.

New Technologies

If the District is to have a more diversified economic future it must be able to offer both existing and new residents more than just a friendly climate, affordable housing, good schools and health services and an unpolluted environment. Modern society demands access to modern technologies, especially quality high speed broadband, and mobile phone connectivity. These technologies are not currently widely available across the District. Failure to achieve acceptable levels of coverage is seen as being unacceptable and a major limitation in terms of economic development. This draft Long Term Plan assumes that the Council will take a strong advocacy lead in a drive to extend broadband and mobile connectivity across all populated parts of the District. The draft Long Term Plan assumes that this can be achieved without ratepayer contribution.

Climate Change

Climate change factors that could affect the Buller District include sea level rise and more extreme weather events. In the longer term coal mining as an industry may not be viable. This draft Long Term Plan assumes that the planned review of the Council's District Plan will make allowance for these factors. At the same time the Council will work with the West Coast Regional Council to establish appropriate stop bank protection against river flood or sea side erosion. The draft Long Term Plan also proceeds on the basis that there is a need to start now on the economic diversification required to ensure that there is "life after coal".

Roading Funding

The NZTA has recently completed a review of its financial assistance rate provide to Councils roading programmes. Prior to the review the general rate of assistance was limited to 58%, with Special Highway 100% assistance for the Karamea Highway. The review has established a new general financial assistance rate of 61% for the 2015/2016 year and this rate will increase by 1% each year thereafter until it reaches 63%. The Special Purpose Road 100% assistance rate is guaranteed for the 2015/2016, 2016/2017 and 2017/2018 years only. At the same time the review requires all financial assistance for roading programmes to be judged in terms of the new One Network classifications.

This draft Long Term Plan assumes that once the 63% general financial assistance rate is reached it will continue at that rate for the rest of the term of the draft Long Term Plan. A similar assumption is made that the Special Purpose Road 100% financial assistance rate will continue for the full term of the draft Long Term Plan or that the road will revert to be part of the State Highway network. The draft Long Term Plan also assumes that the present levels of service applied to the District's roads will not be materially different from any new levels established by the One Network classifications. The consequence of these assumptions is that (before inflation) the cost of roading to the ratepayer will marginally decrease during the first three years of the draft Long Term Plan before stabilising.

Water Supplies

The Health (Drinking Water) Amendment Act 2007 requires drinking water suppliers such as the Council to take all practical steps to comply with the New Zealand Drinking Water Standards 2005. This draft Long Term Plan assumes that it is reasonably practical (subject to the attainment of satisfactory subsidies where these are available) to upgrade the water supplies in Waimangaroa, Ngakawau-Hector, Little Wanganui, and Karamea. In each case the relevant community will be consulted before any final decision is made but for planning purposes an appropriate provision has been made for the estimated capital expenditure and operating costs.



Part 2: Community Outcomes



Planning for our community together:

Introduction

“Community Outcomes have been defined as what the community sees as important for the whole community now and looking forward.”

These outcomes have been defined by the community and are not specifically restricted to Council functions, as they include everything the community sees as precedence for identifying who we are, how we stand, how we grow, what we value, and how we look after each other now and in the future.

How will the Council contribute to furthering the Community Outcomes?

The Community Outcomes have been identified as the areas of priority to the Buller district community for the next 10 years. These are the communities goals. Council is not solely responsible for the delivery of these outcomes. Rather, our role is to work with the community, other organisations and groups to help us achieve these outcomes as a community. Council’s role is to look at these outcomes and identify how we can assist the community meet these goals. When we develop our Long Term Plan and identify areas for funding and development we have these community’s goals in mind.

Council fund a range of services or activities and these are identified later in this draft Long Term Plan. You will see that each activity statement identifies how the services we are providing is contributing towards furthering the community outcomes.

Council has many roles in assisting the community and have listed some of these below. We have identified how we see Council’s role in assisting the community to further each of their outcomes.

Outcome	Advocate	Funder	Service Provider	Regulator	Facilitator	Monitor
1. Well-being	●	●	●	●		
2. Learning	●		●			
3. Who we are		●	●	●		
4. Sustainable Environment		●	●	●		
5. Prosperity	●				●	●

This is a change that has arisen under the Local Government Act 2002. The Local Government Act 2002 requires Council to not just undertake particular tasks or activities, but to promote community well-being and to take a lead role in promoting the social, economic, environmental and cultural aspects of our district.

Achieving the Community's Goals

Although we have a key role to play, Community Outcomes are not solely the responsibility of Councils. Council will ensure these Community Outcomes are considered in all decision making, this will include all reports to Council and resolutions actioned. Council will work now on making decisions that have a positive affect on these Community Outcomes and for the future benefit of the community.

1 ~ Well-being

Council is directly involved in:

- ▶ Provide access to quality amenities for physical activity
- ▶ Quality drinking water
- ▶ Number of traffic accidents
- ▶ Improved safety in public places (dog attacks, liquor bans, security cameras)
- ▶ Emergency Management Programmes and preparedness
- ▶ Number of consents being processed & signed off for completion

Council advocates:

- ▶ Life expectancy
- ▶ Access to health care (services & programmes)
- ▶ New health initiatives that have been introduced
- ▶ Crime prevention measures introduced
- ▶ Youth offending rates
- ▶ Crime and crime resolution rates
- ▶ Unemployment & beneficiary recipient numbers

2 ~ Learning

Council is directly involved in:

- ▶ Professional library services & a wide range of resources

Council advocates:

- ▶ School rolls & decile ratings
- ▶ Levels of qualifications
- ▶ Number of education institutions
- ▶ Number of community education programmes being offered

3 ~ Who we are

Council is directly involved in:

- ▶ Number & usage of community facilities
- ▶ Subsidies for hire of Council facilities for community based events
- ▶ Voter turnout

Council advocates:

- ▶ Number of community activities and district events
- ▶ Youth achievements - educational & recreational
- ▶ Number of people involved in sporting, cultural & recreational activities
- ▶ Number of new community groups introduced to community

4 ~ Sustainable environment

Council is directly involved in:

- ▶ Water management & quality
- ▶ Visitor level of appreciation
- ▶ Waste minimisation

Council advocates:

- ▶ Natural environment valued & protected
- ▶ Quality of natural environment improved & maintained
- ▶ Access to natural features

5 ~ Prosperity

Council is directly involved in:

- ▶ Employment levels & opportunities
- ▶ Innovation & excellence
- ▶ Regional growth trends

Council advocates:

- ▶ Average incomes - compared with national average
- ▶ Retail & investment growth

Along with relevant measures provided by other agencies we will be utilising data obtained from sources such as Statistics NZ Regional Performance Indicators and the Social Report Regional Indicators.

Maori Contribution to Decision Making

Under Section 81 of the Local Government Act 2002, Council must establish and maintain processes to provide opportunities for Maori to contribute to the decision making processes of the local authority. Council is also required to look at ways to foster the development of Maori capacity to have input into these processes.

The Buller District Council recognises and acknowledges that Ngai Tahu is the tangata whenua of Te Tai Poutini. The papatipu runanga for the Buller District is Te Runanga O Ngati Waewae. A relationship has been established with Te Runanga O Ngati Waewae and is continuing to strengthen as time progresses.

Council provides updates on Council projects to Te Runanga O Ngati Waewae and other local Maori organisations, to ensure that they are aware of current projects, issues and consultation opportunities. We also work with other service providers who have networks that can assist us in this role.

We are working on strengthening relationships with Maori through the establishment of a stakeholder database, regular updates, and invitations to participate in consultation processes. Feedback from these organisations is assisting Council to look at ways to ensure that the views of Maori that reside in Buller but are not tangata whenua, can be included in decision making.



1 ~ Well-being

A vibrant, healthy & safe community with access to quality facilities & services

What does Council want to achieve?

- ▶ A healthy environment with services & infrastructure to support community health
- ▶ A place where people feel welcome & have a sense of belonging
- ▶ Increased community awareness & involvement in health issues
- ▶ Safer environments for residents, businesses & visitors to enjoy

How will Council contribute to achieving these objectives?

- ▶ Provide essential services to residents & businesses to support a healthy environment
- ▶ Provide & develop safe public places
- ▶ Promote opportunities for community access to health information & participation
- ▶ Advocate for the local community
- ▶ Establish an environment of support & assistance to health providers
- ▶ Recognise & support those with special needs & requirements
- ▶ Utilise Health Impact Assessments from Community & Public Health
- ▶ Provide library services which are safe & pleasant environments for the community to interact

What programmes & projects do we have or plan to have that will contribute to the achievement of this outcome?

- ▶ Food premises inspections
- ▶ Building Consent inspections & sign-offs
- ▶ Sewage disposal services
- ▶ Waste management
- ▶ Water supply
- ▶ Support alcohol & drug education initiatives
- ▶ Support for community health initiatives
- ▶ Sports & recreation facilities
- ▶ Cemetery management
- ▶ Animal control activities
- ▶ Liquor licensing & bans
- ▶ Enforcement & monitoring
- ▶ Health information provided at all libraries
- ▶ Work closely with West Coast District Health Board & Community & Public Health Nurse
- ▶ Elderly housing
- ▶ Council policies
- ▶ By-laws
- ▶ Emergency management
- ▶ Safety initiatives & projects
- ▶ Security cameras, street lighting, road cleaning & vegetation control
- ▶ Consultation policies & practices
- ▶ Disabled access, building control/priority paths
- ▶ Timely & positive decisions for new development

2 ~ Learning

A district that values & supports learning with accessible, relevant education & training opportunities

- What does Council want to achieve?
- ▶ Support for a community that values education
 - ▶ An increase in knowledge & understanding of Local Government & Democracy
 - ▶ Professional library services & a wide range of resources available

- How will Council contribute to achieving these objectives?
- ▶ Provide a supportive environment for education providers
 - ▶ Recognise & support education excellence & opportunity in the district
 - ▶ Support the implementation of employment & training initiatives that offer improved employment, skill and income opportunities
 - ▶ Make information easily available about Council, its functions & services

- What programmes & projects do we have or plan to have that will contribute to the achievement of this outcome?
- ▶ Library services
 - ▶ Relationships with education providers
 - ▶ Support for literacy programmes
 - ▶ Education Programmes (Learn to Swim)
 - ▶ Provision of pool facilities & sports grounds
 - ▶ Youth voice development
 - ▶ Support for learning & education initiatives & competitions
 - ▶ Support for school programmes & curriculum

3 ~ Who we are

A 'happening' region with a strong community spirit & distinctive lifestyle

What does Council want to achieve?

- ▶ An increased awareness of & participation in cultural, social, recreational, sporting & community activities
- ▶ Provision of high quality community spaces & facilities
- ▶ Promotion of Buller, history, environment & cultural heritage

How will Council contribute to achieving these objectives?

- ▶ Support & encourage community groups & organisations providing events within the region
- ▶ Provide opportunities for the community to work in partnership with Council
- ▶ Provide a range of arts, cultural, recreation, sporting & social facilities throughout the district
- ▶ Encourage & support other organisations in providing arts, cultural, sporting, recreational & social facilities throughout the district
- ▶ Celebrate community & individual's achievements
- ▶ Provision of appropriate infrastructure to support a vibrant community
- ▶ Facilitate community grants process to assist in the provision of events & services that support a vibrant community

- What programmes & projects do we have or plan to have that will contribute to the achievement of this outcome?
- ▶ Libraries, theatres, archives & heritage resources
 - ▶ Sports facilities & community halls
 - ▶ Community grants
 - ▶ Administer Sport New Zealand grants
 - ▶ Administer Creative New Zealand grants
 - ▶ Support to cultural organisations, such as museums
 - ▶ On-going support for events
 - ▶ Provision of public toilets/facilities
 - ▶ Maintenance of parks & reserves
 - ▶ Roads & signage
 - ▶ Urban design
 - ▶ Cultural hub development
 - ▶ Visitor information
 - ▶ Camping grounds
 - ▶ Vision 2010 projects
 - ▶ Economic Development

4 ~ Sustainable Environment

The distinctive character of the environment appreciated & retained

What does Council want to achieve?

- ▶ An appropriate balance between development & protection that promotes the diversity & sustainability of our natural environment
- ▶ The provision of services and infrastructure that support the district's environmental goals
- ▶ A built environment considered to be attractive, sustainable & healthy

How will Council contribute to achieving these objectives?

- ▶ Develop policies and implement practices that enhance our environmental sustainability & natural diversity
- ▶ Recognise & preserve the essential elements of the district's landscape that contribute to Buller's unique natural identity
- ▶ Ensure that planning processes enable effective public consultation over an appropriate balance between the natural & built environment
- ▶ Develop practices that help to improve the cleanliness & sustainability of the district's infrastructure
- ▶ Access central Government funds to support infrastructure development and improvement

What programmes & projects do we have or plan to have that will contribute to the achievement of this outcome?

- ▶ District Plan & review thereof
- ▶ Resource Consent process
- ▶ Monitoring & enforcement
- ▶ Waste management
- ▶ Tourism planning
- ▶ Road upgrade improvements
- ▶ Wastewater/sewerage projects
- ▶ Parks & reserves maintenance
- ▶ Maintenance & development of walkways
- ▶ Support/implement community projects, ie, beach clean-ups
- ▶ Town planning/urban design

5 ~ Prosperity

A thriving, resilient and innovative economy creating opportunities for growth & employment

What does Council want to achieve?

- ▶ Provide an environment that supports the retention of current businesses & attracts new business & investment to the region
- ▶ Provide support for attracting & developing an available skilled workforce
- ▶ Support sustainable, responsible development, innovation & excellence
- ▶ Encourage economic growth

How will Council contribute to achieving these objectives?

- ▶ Improve communications between the Council & the business community
- ▶ Continue to develop & advocate for district-wide infrastructure that supports business & tourism growth
- ▶ Access central Government funds & programmes that can support development of infrastructure, tourism, employment, business & training
- ▶ Assist in strengthening links between schools, training opportunities & the business community
- ▶ Develop within a regulatory framework that supports sustainable economic growth without compromising the environment

What programmes & projects do we have or plan to have that will contribute to the achievement of this outcome?

- ▶ Support of *i*-Sites
- ▶ Resource Consent & Building Consent liaison with businesses/developers
- ▶ Road improvements to support industry
- ▶ Relationships with key industries
- ▶ Film & business friendly strategies
- ▶ Street enhancements & urban design
- ▶ District Plan reviews
- ▶ Transport infrastructure: airport/harbour/roading & active transport
- ▶ Support to health & education providers
- ▶ West Coast Development Trust

Part 3: Council Activities



Regulatory Services

What do we do?

- Animal and Stock Control
- Plans, Policies and Guidance Documents
- Provision of Consents
- Building Control
- Compliance and Enforcement Management
- Alcohol Licensing
- Emergency Management/Civil Defence
- Rural Fire Control
- Environmental Health

Assumptions

Downward trend in building and resource consents due to depressed economic conditions.

Negative Effects

Nil

Why are we involved in these activities?

Council undertakes these activities to contribute to providing a safe, healthy and sustainable environment:

- The animal and stock control service aims to provide a safer District by reducing dog-related offences through the registration of dogs, the education of their owners and the investigation of complaints.
- The planning service ensures the District is able to promote development to support a prosperous community without compromising rights of residents and the District's physical and natural assets/resources. It achieves this aim by appropriate application of the Resource Management Act, through the review and implementation of the District Plan and its resource consent and monitoring functions.
- Council's building control services ensures that the District's buildings and other associated structures (such as swimming pools) are safe, habitable and meet national legislative requirements. Of particular importance is Council's role in advising on and where necessary enforcing the statutory provisions relating to earthquake prone buildings.
- Compliance and enforcement management activities focus on working with the community to ensure the District remains a peaceful and attractive place to live and work. By the careful application of Bylaws and other legal mechanisms, Council aims to reduce littering, effectively manage freedom camping and respond to noise nuisances, as well as encourage residents to maintain tidy sections.
- Alcohol licensing ensures that the statutory requirements and the object of the Sale and Supply of Alcohol Act 2012 are being met in that the sale and supply of alcohol should be undertaken safely and responsibly and any harm caused by excessive or inappropriate consumption should be minimised.
- Under the Civil Defence Emergency Management Act, it is required that we are prepared to provide planning, response and recovery in the event of an emergency.
- The West Coast region's Mayors and the Regional Council Chairman recently approved a restructure of Civil Defence for the West Coast. Buller staff will now work as part of a West Coast-wide shared service.
- Council participates in the West Coast Rural Fire Committee to provide a fire control service outside the urban fire districts to provide a quick response to rural fires.
- Environmental Health ensures that operators meet required public health standards.

How we contribute to Strategic Goals & Community Outcomes

This activity supports the following community outcomes:

Community Outcomes	How the Council Contributes
Well-being	<p>Provide essential services to residents and businesses to support a healthy environment.</p> <p>Provide and develop safe public places.</p> <p>Emergency management is a key function in ensuring that injury to people is minimised in the event of natural disasters.</p> <p>The safety of people and their property is the paramount concern of emergency management plans and processes.</p>
Learning	<p>Make information easily available about Council, its functions and services.</p> <p>Recognise and support education excellence and opportunity in the district.</p>
Who we are	<p>Support and encourage community groups and organisations providing events within the District.</p> <p>Provide opportunities for the community to work in partnership with Council.</p>
Sustainable Environment	<p>Develop policies and implement practices that enhance our environmental sustainability and natural diversity.</p> <p>Recognise and preserve the essential elements of the district's landscape that contributes to Buller's unique identity.</p>

Significant Issues and their Impact

District Plan Review

Council agreed on a timeline at its December 2014 meeting. We are aiming to consult with the public during 2016 on any proposed changes as a result of the review being undertaken.

Capital Expenditure

- Purchase of vehicles (2017/2018: \$39,000; 2018/2019: \$39,000; 2019/2020: \$39,000).
- Equipment for Rural Fire (2017/2018: \$15,000).

Funding Allocations

Activity	Funding Mechanism		
	General Rate	Fees	Capital Spend
Resource Management Planning	90%	10%	Depreciation Reserves, Loans
Resource Consents	Nil	100%	Depreciation Reserves, Loans
Building Control	0-15%	85-100%	Depreciation Reserves, Loans
Animal Control - Dogs	15%	85%	Nil
Animal Control - Stock	70-80%	20-30%	Nil
Environmental Health - Food Premises	20-25%	70-80%	Nil
Environmental Health - Liquor Licensing	10-20%	80-90%	Nil
Environmental Health - Noise	90-95%	5-10%	Nil
Emergency Services – Civil Defence	100%	Nil	Nil
Emergency Services – Rural Fire	100%	Fire attendance on cost recovery	Depreciation Reserves, Loans

Key Performance Indicators

Key Performance Indicators						Service Target			
Outcome	Policies, Strategic Drivers for Objectives	Current Level of service	Indicative Level of service (if changes during term of Draft LTP)	Performance Measure	Current Performance – (Annual Report 2013/2014)	2015/2016	2016/2017	2017/2018	2019/2025
Building									
To maintain quality of life through ensuring compliance with building and development regulations.		Ensure quality assurance requirements for building consent authorities are met as required by Regulation 17 of the Building Consent Authorities Regulation 2006.		Continue to retain accreditation by passing the bi-Annual IANZ Audits.	2013/2014: IANZ Audit was carried out 3-5 December 2013, with no corrective actions identified and accreditation as a Building Consent Authority has been continued for a further two years. The next audit is due in December 2015.	Continue to retain accreditation by passing the bi-Annual IANZ Audits.	Continue to retain accreditation by passing the bi-Annual IANZ Audits.	Continue to retain accreditation by passing the bi-Annual IANZ Audits.	Continue to retain accreditation by passing the bi-Annual IANZ Audits.
Resource Management									
To maintain quality of life through ensuring compliance with building and development regulations.		Process non-notified resource consents within statutory timelines.		Target 100%	2013/2014: 100% achieved within statutory timeframes (2012/2013: 100%).	100%.	100%.	100%.	100%.
Environmental Health									
To maintain quality of life through ensuring the health and safety of licenced activities.	Food Hygiene Regulations 1974.	Inspect all food premises, hairdressers, funeral homes, camping grounds and offensive traders.		Target 100%	2013/2014: 100%, 116 premises inspected (2012/2013: 100%, 87 premises inspected)	100%.	100%.	100%.	100%.
Emergency Management									
To establish an effective level of preparedness for Civil Defence disasters.		Maintain three teams of trained volunteers.		30 trained volunteers (3 teams).	2013/2014: Granity, Karama, Westport and Reefton teams, consisting of 120 volunteers, are in training and undergoing a restructure of their groups.	Maintain 3 teams.	Maintain 3 teams.	Maintain 3 teams.	Maintain 3 teams.

Regulatory Services Funding Impact Statement

AP 2014/2015 \$000	LTP 2015/2016 \$000	LTP 2016/2017 \$000	LTP 2017/2018 \$000	LTP 2018/2019 \$000	LTP 2019/2020 \$000	LTP 2020/2021 \$000	LTP 2021/2022 \$000	LTP 2022/2023 \$000	LTP 2023/2024 \$000	LTP 2024/2025 \$000
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Operating Funding

Sources of Operating Funding

General rates, Uniform Annual General Charge, Rates penalties	992	969	977	1,007	977	1,076	1,054	1,110	1,100	1,154	1,143	
Targeted rates	0	0	0	0	0	0	0	0	0	0	0	
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0	
Fees and charges	0	0	0	0	0	0	0	0	0	0	0	
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0	
Local authorities fuel tax, fines, infringements fees & other receipts	1,242	1,040	1,066	1,093	1,123	1,155	1,190	1,227	1,267	1,311	1,358	
Total Operating Funding	A	2,234	2,009	2,043	2,100	2,100	2,231	2,244	2,337	2,367	2,465	2,501

Applications of Operating Funding

Payments to Suppliers and staff	1,570	1,407	1,426	1,489	1,499	1,560	1,574	1,641	1,660	1,735	1,758	
Finance Costs	17	14	11	9	9	10	10	9	7	6	4	
Internal charges and overheads applied	581	546	565	569	555	626	628	654	665	685	698	
Other operating funding applications	13	13	13	13	14	14	15	15	16	16	17	
Total Applications of Operating Funding	B	2,181	1,980	2,015	2,080	2,077	2,210	2,227	2,319	2,348	2,442	2,477
Surplus/ (deficit) of Operating Funding	A-B	53	29	28	20	23	21	17	18	19	23	24

Capital Funding

Sources of Capital Funding

Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0	
Development and financial contributions	100	100	103	105	108	111	114	118	122	126	131	
Increase/(Decrease) in Debt	(43)	(45)	(47)	(2)	17	13	(22)	(24)	(25)	(27)	(29)	
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0	
Lump Sum contributions	0	0	0	0	0	0	0	0	0	0	0	
Other Dedicated Capital Funding	0	0	0	0	0	0	0	0	0	0	0	
Total Sources of Capital Funding	C	57	55	56	103	125	124	92	94	97	99	102

Capital Expenditure

- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0	
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0	
- to replace existing assets	0	0	0	54	38	39	0	0	0	0	0	
Increase/ (decrease) in reserves	110	84	84	69	110	106	109	112	116	122	126	
Increase/ (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0	
Total applications of Capital Funding	D	110	84	84	123	148	145	109	112	116	122	126
Surplus/ (deficit) of Capital Funding	C-D	(53)	(29)	(28)	(20)	(23)	(21)	(17)	(18)	(19)	(23)	(24)
Funding Balance	((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0	0

Roading & Urban Development

What do we do?

The roading and urban development activity provides for the planning, operations, maintenance, development and improvements to the transport network so that it is affordable, integrated, safe, responsive and sustainable.

Council provides, maintains and renews sealed and unsealed roads, bridges and culverts, footpaths, seats and shelters to enable people and businesses to move around for employment, recreation, shopping, social activities and business purposes. It also provides road signs, markings and street lighting to ensure that travel is safe and convenient. Council improves the road network to meet changing needs and develops plans to ensure the road network is able to cater for future growth. Council also provides support for the continued operation of the Westport Taxi service.

Urban Development is undertaken to provide a more pleasant environment for our communities by use of plantings, street treatment and decorative measures.

Why are we involved in this activity?

The roading and urban development activity provides people with access to employment, services, education and recreation, as well as providing for the movement of goods to support the local economy. The road corridor also provides access for critical services such as electricity, telecommunications, water supply and waste disposal.

Assumptions

That New Zealand Transport Agency will provide funding for local roads at 61% for 2015/16, 62% for 2016/17 and thereafter at 63% and that funding for the Karamea Highway which is a Special Purpose Road is maintained at 100% for the next three years.

Roading Funding

The New Zealand Transport Agency (NZTA) has recently completed a review of its Financial Assistance Rate (FAR) provided to Council roading programmes. Prior to the review the general rate of assistance was limited to 58%, with Special Highway 100% Assistance Rate for the Karamea Highway. The review has established a new general financial assistance rate of 61% for the 2015/2016 year, and this rate will increase by 1% each year thereafter until it reaches 63%. The Special Purpose Road (SPR) 100% Assistance Rate is guaranteed for the 2015/2016, 2016/2017 and 2017/2018 years only. At the same time the review requires all financial assistance for roading programmes to be judged in terms of the new One Network Road Classifications system (ONRC).

A similar assumption is made that the Karamea Highway (SPR) 100% financial assistance rate will continue for the full term of the draft Long Term Plan, or that the road will revert to be part of the State Highway network. The draft Long Term Plan also assumes that the present levels of service applied to the District's roads will not be materially different from any new levels established by the One Network classifications. The consequence of these assumptions is that (before inflation) the cost of roading to the ratepayer will marginally decrease during the first three years of the draft Long Term Plan before stabilising.

Council assumes that fuel tax rates remain at the current level and that fuel consumption remains at the current level.

Council have a number of bridges scheduled for replacement on the basis of the last bridge inspection and the age of the structure. Prior to undertaking the replacement Council will investigate options to extend lives, this may require additional funding for structures component replacement. Bridges that are replaced will be funded out of Minor Improvements and or loans.

Negative Effects

Roads can disrupt natural drainage patterns, introduce contaminants into the stormwater and casually change the landscape. The purpose of the road management systems is to minimise these effects, while still providing a safe platform for development. There can be significant negative effects if the roading network is inadequate or under maintained. Inadequately maintained roads are an increased safety risk and they significantly increase travel and renewal costs. This risk is mitigated by ensuring that renewals are undertaken in line with the Roding Asset Management Plan. This plan ensures that road and footpath maintenance is undertaken at the optimum level to maintain the current level of service provided.

How do we contribute to Strategic Goals & Community Outcomes?

This activity supports the following community outcomes:

Community Outcomes	How the Council Contributes
Sustainable Environment	By providing a safe roading system. By helping reduce energy consumption in our community.
Prosperity	By providing everyone easy access to roading network by providing links to sustain rural communities.
Learning	By providing education programmes.

Significant Capital Expenditure

- Local roads \$12.7m over 10 years of the draft Long Term Plan.
- Karamea highway \$4m over the years of the draft Long Term Plan.
- Continued staged upgrade of Derby Street (a major street in Westport) in conjunction with the replacement of services - from Salisbury Street to the railway line on Derby Street.
- Footpaths are progressively renewed/resurfaced to provide a safe environment (\$2.4m over the 10 years of the draft Long Term Plan).
- Bridge Replacement Programme:
 - 2016/2017 - Camp Bridge Inangahua Junction (\$70,000).
 - 2020/2021 - Rough River Bridge contribution to Grey District Council (\$377,000).
 - 2021/2022 - Brown Grey Bridge Palmers Road (\$376,000).
 - 2022/2023 - Kelly Creek Arapito (\$108,000 - unlikely to receive Benefit Cost).
 - 2023/2024 - Charming Creek and Chasm Creek #2 (\$117,000 - unlikely to receive NZTA subsidy given cost benefit analysis).
 - 2024/2025 - Boundary , Tobins and Upper Grey (\$2.09m).

Funding Allocations

Activity	Funding Mechanism			
	Year	General Rate	Financial Assistance	Capital Spend
Roading	2015/2016	39%	61%	Depreciation
	2016/2017	38%	62%	Loans
	2017/2018	37%	63%	Subsidy from NZTA
	2018/2025	37%	63%	
Urban Development		100%	Nil	Depreciation Loans Subsidy from NZTA

One Network Road Classification System

This is a joint initiative between the New Zealand Transport Agency and Local Government. New Zealand has introduced a road classification system for all roads in New Zealand. The classification system aims:

- to deliver similar driving experience across New Zealand.
- to support more consistent asset management across the Country.
- to make collaboration and prioritisation between those organisations responsible for the planning, delivery, operation and maintenance of the nation's roading network, leading to a more efficient and safer network and improved value for money.

This will introduce different levels of service across roads of different classification. This allows the Agency and the Road Controlling Authority better information on which to make better investment decisions.

The Council has undertaken the classification using the criteria developed by the joint initiative. The Council has also collaborated with Westland and Grey District Councils to ensure that there is regional consistency. The Councils have collectively looked at the criteria that are important to the region and they have been used to refine the categories.

Council has assumed that there will be no change in the levels of service currently provided. If a change in service levels does eventuate during the term of the Plan, our Council will be faced with two choices:

1. Change the current level of service provided to that set by NZTA.
2. Fund the difference between the current service level and that proposed by NZTA from ratepayer contributions.

At this stage the impact on rates cannot be quantified as the proposed levels of service have not been set by NZTA.

Karamea Special Purpose Road

The Karamea Special Purpose Road was previously state highway and following agreement was transferred to Buller District Council management with 100% subsidy from NZTA as a designated Special Purpose Road. This road provides a vital lifeline to the Karamea community, Heaphy Track terminus and takes daily dairy tanker traffic.

An estimated \$60m of agricultural product passes across the road each year, with tourist traffic providing additional economic value.

The Karamea Special Purpose Road transits very difficult terrain with sheer cliffs, bluffs and drops either side of the road. The known original construction methodology of a tree trunk base 'corduroy' foundation has made the road very susceptible to large slumping and drop outs as the old tree trunks rot and compact.

The issues associated with the management and maintenance of the Karamea Special Purpose Road are known and managed where possible. Due to the original construction and physical terrain, risk mitigation at reasonable cost is determined on a case by case basis.

The long term costs of maintaining and keeping the Karamea Special Purpose Road in operation are unknown, but will be considerable given the nature of the terrain it traverses. Similar roads in New Zealand are State Highway 60 (Motueka to Collingwood) and State Highway 2 (Wairoa to Gisborne). All three roads experience similar terrain induced maintenance issues, with State Highway 60 and 2 being fully managed and maintained by NZTA and their contractors.

Recently NZTA have indicated to the Buller District Council that it is proposed that the Karamea Special Purpose Road will lose its designation and revert from 100% subsidy to the Buller District Council's financial assistance rate of 63%, with a three year phase-in period.

In examining the unquantifiable risk associated with the long term maintenance of the Karamea Special Purpose Road, the financial risks associated with this proposal are considered to be beyond the financial resources of Buller District Council's ratepayers to fund.

Customer Level of Service 2015-2025: Linkage with Council Outcomes

Objective: To provide and maintain a network of roads for the movement of vehicles, goods and people in a safe and efficient manner throughout the District in accordance with Council and NZTA Standards.

Roading Contribution to the achievement of the outcomes defined: Provide a safe, reliable, economic and efficient roading and pedestrian network in harmony with the natural environment and representing best values.

Council Outcome		Key Role of the Roding Activity	Partial Role of the Roding Activity	Key Service Criteria
Well-being	- a vibrant, healthy and safe community with access to quality facilities and services.	Roding provides residents access across the district to facilities and services.	Roding provides opportunities for active transportation.	Are the roads safe?
		Road safety is an integral part of the roading activity.		Are the Footpaths comfortable to walk on?
				Are the roads 'fit for purpose'?
Learning	- a district that values and supports learning with accessible relevant education and training opportunities.	Roding provides access across the district to learning opportunities.		Are the footpaths comfortable to walk on?
Who are we	- a happening district with a strong community spirit and distinctive lifestyle.	Roding connects communities.		Are the roads 'fit for purpose'?
Sustainable Environment	- the distinctive character of the environment appreciated and retained.	Roding provides access for residents and visitors while not adversely affecting the environment	Roding provides opportunities for active transportation.	Are the footpaths comfortable to walk on?
				Is the environment being harmed?
Prosperity	- thriving, resilient and innovative economy creating opportunities for growth and employment.	Roding supports the economy through the provision of a quality network.		Are the roads safe?
				Are the roads comfortable to drive on?
				Are the footpaths comfortable to walk on?
				Are the roads 'fit for purpose'?

Key Performance Indicators

Roading Services	Key Service Criteria	Level of Service	Measurement	Current Performance	Performance Target 2015/2016-2017/2018	Performance Target 2018/2019-2024/2025
Provide a safe roading network.	Are the roads safe? Are the roads fit for purpose?	Performance measure one (road safety):	The reduction from the previous calendar year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	2013: 2 2012: 2 Variance 0	No change or a reduction.	No change or a reduction.
	Are the roads safe? Are the footpaths comfortable to walk on? Are the roads fit for purpose?	Performance measure five (response to service requests):	The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the draft Long Term Plan.	New measure	75%	80%
Provide a comfortable road network.	Are the roads safe? Are the roads fit for purpose?	The sealed road network is in good condition.	Mandatory Performance measure Two (condition of the sealed road network): The average quality of ride on a sealed local road network, measured by smooth travel exposure.	≤ 95 NAASRA Count/km (road roughness testing).	≤ 93 NAASRA Count/km (road roughness testing) (10 year average).	≤ 90 (allow for some decrease on low hierarchy roads).
	Are the roads safe? Are the roads fit for purpose?	The sealed network is well maintained.	Performance measure three (maintenance of a sealed local road network): The percentage of the sealed local road network that is resurfaced.	≥ 5.6%	≥ 5.8% (10 year average)	≥ 5.8% (allow for some decrease on low hierarchy roads).

Key Performance Indicators

Roading Services	Key Service Criteria	Level of Service	Measurement	Current Performance	Performance Target 2015/2016-2017/2018	Performance Target 2018/2019-2024/2025
Provide useable footpaths	Are the footpaths comfortable to walk on?	The footpath network is well maintained.	Performance measure four (condition of footpaths within the local road network):	72% of the footpath is ranked as grade 1&2 (satisfactory) by MWH.	75%	75%
			The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its Annual Plan, Activity Management Plan, Asset Management Plan, annual works program or draft Long Term Plan).	97% of the footpath is ranked as grade 1-3 (satisfactory or deficient) by MWH. Proportion of the footpath that is ranked as 'satisfactory or 'deficient' - 97%	≥ 95%	≥ 95%
Provide roads with the minimum environmental impact.	Is the environment being harmed?	Compliance with Resource Consent conditions. No prosecutions.	Monitoring records and West Coast Regional Council correspondence.	No prosecutions	No prosecutions	No prosecutions.

Efficiency, Effectiveness and Value for Money

These key objectives and indicators for both Council and New Zealand Transport Agency. It is proposed that a suite of measures will be established as part of the implementation of the One Network Road Classifications System (ONRC).

Roading & Urban Development Funding Impact Statement

	AP 2014/2015 \$000	LTP 2015/2016 \$000	LTP 2016/2017 \$000	LTP 2017/2018 \$000	LTP 2018/2019 \$000	LTP 2019/2020 \$000	LTP 2020/2021 \$000	LTP 2021/2022 \$000	LTP 2022/2023 \$000	LTP 2023/2024 \$000	LTP 2024/2025 \$000
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Operating Funding

Sources of Operating Funding

General rates, Uniform Annual General Charge, Rates penalties	2,452	2,271	2,273	2,276	2,321	2,342	2,514	2,566	2,553	2,680	2,756
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	2,710	2,009	2,063	2,134	2,185	2,240	2,301	2,365	2,436	2,511	2,594
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringements fees & other receipts	175	175	177	181	186	190	195	201	207	213	220

Total Operating Funding	A	5,337	4,455	4,513	4,591	4,692	4,772	5,010	5,132	5,196	5,404	5,570
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Applications of Operating Funding

Payments to Suppliers and staff	3,702	3,212	3,256	3,328	3,408	3,493	3,587	3,688	3,799	3,916	4,046
Finance Costs	0	0	7	6	6	6	6	6	5	5	5
Internal charges and overheads applied	655	679	688	696	702	737	750	772	793	811	842
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0

Total Applications of Operating Funding	B	4,357	3,891	3,951	4,030	4,116	4,236	4,343	4,466	4,597	4,732	4,893
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Surplus/ (deficit) of Operating Funding	A-B	980	564	562	561	576	536	667	666	599	672	677
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Capital Funding

Sources of Capital Funding

Subsidies and grants for capital expenditure	1,360	1,333	1,367	1,414	1,450	1,395	1,631	1,685	1,543	1,684	3,065
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase/(Decrease) in Debt	0	110	(3)	(3)	(3)	(4)	(4)	(4)	(4)	(4)	790
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump Sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other Dedicated Capital Funding	0	0	0	0	0	0	0	0	0	0	0

Total Sources of Capital Funding	C	1,360	1,443	1,364	1,410	1,447	1,391	1,627	1,681	1,539	1,680	3,855
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Capital Expenditure

- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	215	291	185	192	201	61	377	376	108	259	2,372
- to replace existing assets	2,125	1,716	1,741	1,780	1,822	1,866	1,917	1,971	2,030	2,093	2,160
Increase/ (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase/ (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0

Total applications of Capital Funding	D	2,340	2,007	1,926	1,972	2,023	1,927	2,294	2,347	2,138	2,352	4,532
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Surplus/ (deficit) of Capital Funding	C-D	(980)	(564)	(562)	(561)	(576)	(536)	(667)	(666)	(599)	(672)	(677)
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Funding Balance	((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0	0
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Water Supplies

What do we do?

Council provides the management of the water supply to support the health and well-being of the community.

Why are we involved in this activity?

Water is an essential need for individuals and commercial operations. Council provides sufficient quantities of potable water for domestic and commercial needs, public amenities and to avoid the risk of public borne diseases affecting public health.

Assumptions

It has been assumed that there will be no significant change to current water demand from any of the Council water supplies.

Assistance will be available through the Ministry of Health to provide financial assistance to all Council water supplies where treatment upgrades have been provided for. However it should be noted that there can be no certainty regarding the receipt of the subsidy from the Drinking Water Assistance Programme (DWAP) and should the subsidy not materialise, there would need to be consultation with the community and the decision to upgrade or not would be based on affordability. There may also be timing changes in the receipt of the subsidy if delays occur in the completion of the capital upgrade programme.

Westport Water Supply Upgrade

Stage 1 of the Westport upgrade has been completed. Stage 2 is in the design stage.

Council considered two options for Stage 2:

Option 1

Immediate replacement of the Westport trunk main in 2015/2016 at a cost of \$3.8m. In addition Council has applied to the Ministry of Health for subsidy from the Drinking Water Assistance Programme to pipe tunnel one at a cost of \$1.550m. This option represents a total capital expenditure of \$5.35m in 2015/2016

Option 2 (proposed option)

Defer immediate replacement of the Westport trunkmain pending further investigation of the condition. Still pipe tunnel one at a cost of \$1.550 m with an anticipated subsidy of \$0.75m in 2015. An amount of \$100,000 has been allowed to undertake an investigation of the trunk main to Westport to determine the optimum timing and lengths of pipe to be replaced. An amount of \$4.1m has been provided for in 2017/2018.

Option 2 was the chosen option in the plan as it:

- Immediately addressed the reliability of the Westport water supply
- Allowed time to accurately determine the scope of the pipe replacements to be undertaken.

Rural Drinking Water Upgrades

Waimangaroa

The Waimangaroa water upgrade was expected to proceed as planned after successfully gaining additional funding from the Ministry of Health. A community vote was held which indicated the support of the community to proceed. This represents a carry-forward of capital expenditure from the 2014/2015 Annual Plan. Unfortunately recent storm damage to the primary water intake has meant that the previously approved scheme is no longer viable. Currently Council staff are working with the Waimangaroa community to establish temporary supplies while at the same time investigating possible long term solutions. It is expected that any new source will require a different form of treatment and that this may well be more expensive. The Ministry of Health has been advised of the situation and asked to put the original application and subsidy on hold. In due course Council will have to seek new approval and subsidy (if available). Given the present uncertainty, the draft Long Term Plan continues to be based on the original scheme. When the cost of future requirements has been established a revised Waimangaroa water rate will be required and it is expected that this will be effective from year 2 of the draft Long Term Plan.

Ngakawau-Hector

The Ngakawau/Hector drinking water supply upgrade has been deferred until 2015/2016 due to lack of community support and issues around scheme design and ownership. This draft Long Term Plan has been prepared on the basis that Council owns the scheme. A stage 2 CAP Application for additional funding has been lodged, with upgrade works proposed to take place in 2015/2016. The cost of the upgrade is forecasted to be \$553,000 and a subsidy of \$470,000 is anticipated to be received. At present the Council is working with the Ngakawau/Hector community to resolve the issues associated with the scheme. For the purposes of the draft Long Term Plan it is assumed that the scheme will proceed as planned. However any final decision will be subject to a community vote.

Inangahua Junction

Capital totalling \$223,000 has been budgeted for the upgrade to the Inangahua Junction water supply. An additional amount totalling \$72,000 has been budgeted. A subsidy of \$189,500 has been applied for from the Ministry of Health.

South Grnity

An upgrade costing \$ 359,000 is scheduled for 2015/2016. A subsidy of \$304,814 has been applied for from the Ministry of Health.

Little Wanganui

A CAP Application has also been lodged for Little Wanganui water supply for an amount of \$474,000. The cost of the upgrade is estimated to be \$596,000 in 2016/2017.

Karamea Water Supply

In the 2013/2014 Annual Plan Council undertook an investigation to determine if a reticulated and treated water supply for Karamea, including Market Cross, could be found.

Stage 1 encompassed identifying a suitable water source. It entailed drilling a test borehole, designing a water treatment system, reservoir and pipework. A good quality water supply was found in quantities that are sufficient for a reticulated supply for Karamea. The cost of the exploratory work was \$150,000 and this was largely funded by a Ministry of Health subsidy.

In total the cost of the water supply was estimated to be \$1.67m and the total subsidy was \$1.4m with the local share being loan funded. Targeted rates were estimated to be \$667.00.

The Buller District Council consulted with the Karamea community and the community voted 51 to 20 against the proposal. The proposed water supply will not go ahead and the status quo will remain. The Ministry has been advised of the result.

Note:

Council has assumed, for the purposes of the draft Long Term Plan, that all these upgrades will continue. However all upgrades are contingent on financial assistance being provided, and decision on overall affordability by the community.

Negative Effects

There are no negative effects



How do we contribute to Strategic Goals & Community Outcomes?

This activity supports the following community outcomes:

Community Outcomes	How the Council Contributes
Well-being	Provision of a reticulated water supply to support a healthy community. Provision of water for sanitary services. By maintaining sufficient water for fire fighting purposes.
Environment	By conserving water and encouraging others to do the same.
Learning	By providing water conservation education.
Prosperity	By meeting commercial water needs and meeting community needs at affordable costs and equal access to water.

Capital Expenditure and Changes in Level of Service

As detailed on pages 74-75 for Westport and all rural water supply upgrades.

Targeted Rates (Rounded) (GST exclusive)

Water Supplies	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Westport	630	670	700	740	760	800	820	830	870	910
Reefton	510	520	530	550	580	600	620	640	670	690
Little Wanganui	170	175	370	380	390	400	410	420	430	440
Mokihinui	235	245	250	260	265	275	285	300	310	325
Ngakawau-Hector	290	300	310	320	330	340	360	370	380	400
Waimangaroa	325	335	345	355	370	380	395	410	425	445
Punakaiki Water	615	640	660	680	700	725	755	785	815	850
Inangahua Junction	240	250	260	270	275	285	295	310	320	335
South Gracity	240	250	255	265	270	280	295	305	315	330

Levels of Service

The overall corporate goals and legislative requirements have been translated into a number of more specific target performance standards. These are summarised below:

- To ensure that all supplies have sufficient water at the source, and within the system, to meet the reasonable needs of the consumers.
- To ensure that connections are provided with adequate water pressure under normal use.
- To ensure that fire hydrants provide an adequate fire fighting supply.
- To ensure the quality of the water supplies shall meet the expectations of each community and all legal requirements.
- To maintain the service to the consumer with a minimum of disruption and inconvenience to the public.
- To minimise the quantity of unaccounted for water.
- To ensure that supplies are managed in a cost-effective manner.
- To ensure that supplies are managed in an environmentally sensitive manner.

The corresponding levels of service that have been established as a means of achieving the performance standards, as set out above.

Funding Allocations

Activity	Funding Mechanism	
	Targeted Rate	Capital Spend
Water Supplies	100%	Loan or Targeted Rates
	Metered water for major users	Subsidies from Special Funds

Key Performance Indicators

Water Services	Key Service Criteria	Target Level of Service	Measurement	Performance	Action
Provide an adequate quality of water.	Is the water safe to drink?	No potential for illness due to unwholesome water.	E Coli detected within the water supply. Targets: <ul style="list-style-type: none"> No E Coli confirmed by second sample. 	Location and number of failures to meet targets in any year.	Westport, Reefton and Punakaiki water is routinely tested for E Coli. Any transgressions are reported to the Ministry of Health and corrective actions are taken.
			Compliance with Drinking Water Standards. Targets: <ul style="list-style-type: none"> All water supplies with community agreement for treatment by 2015. 	Council has completed a program of water supply treatment upgrading 2012-2016.	A program is in place to investigate and implement improvements for all water supplies to ensure that compliance with the Drinking Water Standards is achieved within the target timeframe.
Provide an adequate quantity of water.	There is an adequate flow of water for domestic activities, such as taking a shower?	To be able to fill a 10 litre bucket three times within a minute from mains >100mm diameter.	Flow and pressure readings, taken at dwellings. Targets: <ul style="list-style-type: none"> Residual pressure >200kpa at the dwelling while flow testing. 	Location and number of failures to meet targets in any year.	Pressure readings are only taken at dwellings following specific customer enquiries/problems. Any test failures are then investigated.
	There is an adequate flow of water for fire fighting?	All fire hydrants to be operational.	Flow taken at fire hydrants. Targets: <ul style="list-style-type: none"> All existing fire hydrants to remain operative. All new subdivisions within Westport and Reefton to be designed to comply with hydrant requirements in SNZ PAS 4509:2008. (New Zealand Standard) 	Location and number of failures to meet targets in any year.	All hydrants within Westport and Reefton are checked annually and given a pass/failure grade. Any failures are investigated. In other water supplies no fire flow capability is guaranteed.

Key Performance Indicators

Water Services	Key Service Criteria	Target Level of Service	Measurement	Performance	Action
Provide a reliable supply of water.	Can you rely on the water supply to be available?	To provide water into the system virtually all of the time.	Proportion of time that water is supplied into the reticulation. Targets: ■ Water supplied 99% of the time.	Location of failures to meet targets in any year. Water was supplied 99.8% of the time.	No specific action required since performance meets target.
		To minimise disruption caused by unplanned shutdowns.	Records of the number, nature and duration of all unplanned shutdowns. Targets: ■ No more than 3 shutdowns per km. ■ At least 90% compliance with response times stated in service request.	Location and number of failures to meet targets in any year.	Council's service request system has been upgraded to specify response times, based on the urgency and nature of the failure.
	Is the use of water restricted?	To permit gardens to be maintained in a healthy state all year.	Number of days that water restrictions are in place. Targets: ■ No more than 5 days per year.	Location and number of failures to meet targets in any year.	No specific action required since performance is reliable.
Provide water with the minimum environmental impact.	Is the environment being harmed?	To comply with resource consent conditions.	Monitoring as specified in the individual consents. Targets: ■ 100% compliance.	Location and number of failures to meet targets in any year.	Monitoring is routinely undertaken, in accordance with consent conditions, and forwarded to the West Coast Regional Council.

Mandatory Performance Measures

Water Services	Key Service Criteria	Target Level of Service	Measurement	Current Performance	Performance Target 2015/16-2017/18	Performance Target 2018/19-2024/25
Provide an adequate quality of water	Is the water safe to drink?	Performance measure one (safety of drinking water):	<p>Mandatory Performance Measure 1: (see table 1 below)</p> <p>The extent to which Council’s water supply complies with:</p> <p>a) Part 4 of the Drinking Water Standards (bacteria compliance criteria)</p> <p>b) Part 5 of the Drinking Water Standards (protozoa compliance criteria)</p>		Full compliance (100%) ■ Bacteria ■ Protozoa	Full compliance (100%) ■ Bacteria ■ Protozoa
Provide a reliable supply of water	Maintenance of reticulation network.	Performance measure two (maintenance of reticulation network):	<p>Mandatory Performance Measure 2: (see table 2 below)</p> <p>The percentage of real water loss from Council’s networked reticulation system (including a description of the methodology used to calculate this)</p>	New measure	30%	20%
	Fault Response Times	Performance Measure three (fault response times):	<p>Mandatory Performance Measure 3:</p> <p>Where Council attends to a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:</p>			
			a) Attendance for urgent call outs: from the time that Council receives notification to the time that service personnel reach the site; and	New measure	2 hours	2 hours
			b) 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.	New measure	5 hours	5 hours
			c) Attendance for non-urgent call outs: from the time that Council receives notification to the time that service personnel reach the site; and	New measure	1 working day	1 working day
		d) 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.	New measure	5 working days	5 working days	

Water Services	Key Service Criteria	Target Level of Service	Measurement	Current Performance	Performance Target 2015/16-2017/18	Performance Target 2018/19-2024/25
Provide water with the minimum environmental impact.	Customer satisfaction	Performance measure four (customer satisfaction):	Mandatory Performance Measure 4: The total number of complaints received by Council about any of the following: a) Drinking water clarity b) Drinking water taste c) Drinking water odour D) Drinking water pressure e) Continuity of supply f) Council's response to any of these issues.	New measure	10 per 1,000 connections.	5 per 1,000 connections.
	Demand management	Performance measure five (demand management):	Mandatory Performance Measure 5: The average consumption of drinking water per day per resident within the Buller district.	New measure	1,000 litres	700 litres

Table 1: Drinking Water Standard NZ Compliance

Water Supply	Population (WINZ)	Bacterial Compliance			Protozoal Compliance (%)		
		Current Performance	Target		Current Performance	Target	
			2015-17	2018-25		2015-17	2018-25
South Granity	100	No	Part	Yes	No	Part	Yes
Hector/Ngakawau	435	No	Part	Yes	No	Part	Yes
Inangahua Junction	32	No	Part	Yes	No	Part	Yes
Little Wanganui	120	No	Part	Yes	No	Part	Yes
Mokihinui	50	No	No	No	No	Part	Yes
Punakaiki	125	No	Yes	Yes	No	Yes	Yes
Reefton	1044	No	Yes	Yes	No	Yes	Yes
Waimangaroa	200	No	Part	Yes	No	Part	Yes
Westport	4974	No	Yes	Yes	No	Yes	Yes

Table 2: Water Leakage

Water Supply	Connections	Current Performance	Target		Method
			2015-17	2018-25	
South Granity	39	New Measure	30%	20%	MNF
Hector/Ngakawau	176	New Measure	30%	20%	MNF
Inangahua Junction	33	New Measure	30%	20%	MNF
Little Wanganui	78	New Measure	30%	20%	MNF
Mokihinui	50	New Measure	30%	20%	MNF
Punakaiki	93	New Measure	30%	20%	MNF
Reefton	663	New Measure	30%	20%	MNF
Waimangaroa	137	New Measure	30%	20%	MNF
Westport	2,694	New Measure	30%	20%	MNF

Water Supplies Funding Impact Statement

AP 2014/2015 \$000	LTP 2015/2016 \$000	LTP 2016/2017 \$000	LTP 2017/2018 \$000	LTP 2018/2019 \$000	LTP 2019/2020 \$000	LTP 2020/2021 \$000	LTP 2021/2022 \$000	LTP 2022/2023 \$000	LTP 2023/2024 \$000	LTP 2024/2025 \$000
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OPERATING FUNDING

Sources of Operating Funding

General rates, Uniform Annual General Charge, Rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	2,152	2,259	2,382	2,492	2,622	2,703	2,834	2,912	2,962	3,100	3,235
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	227	181	185	199	214	222	229	238	249	257	269
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringements fees & other receipts	0	0	0	0	0	0	0	0	0	0	0

Total Operating Funding	A	2,379	2,440	2,567	2,691	2,836	2,925	3,063	3,150	3,211	3,357	3,504
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Applications of Operating Funding

Payments to Suppliers and staff	911	905	939	971	1,003	1,036	1,073	1,114	1,157	1,204	1,256
Finance Costs	341	338	431	428	578	563	547	529	511	491	471
Internal charges and overheads applied	356	329	348	366	367	382	403	404	418	441	448
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0

Total Applications of Operating Funding	B	1,608	1,572	1,718	1,765	1,948	1,981	2,023	2,047	2,086	2,136	2,175
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Surplus/ (deficit) of Operating Funding	A-B	771	868	849	926	888	944	1,040	1,103	1,125	1,221	1,329
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CAPITAL FUNDING

Sources of Capital Funding

Subsidies and grants for capital expenditure	1,851	1,317	474	802	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase/(Decrease) in Debt	1,936	1,573	(47)	3,078	(244)	(259)	(275)	(292)	(311)	(330)	(349)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump Sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other Dedicated Capital Funding	0	0	0	0	0	0	0	0	0	0	0

Total Sources of Capital Funding	C	3,787	2,890	427	3,880	(244)	(259)	(275)	(292)	(311)	(330)	(349)
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Capital Expenditure

- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	4,169	3,005	723	4,221	212	114	224	197	19	125	0
- to replace existing assets	548	791	501	379	361	455	347	555	555	706	878
Increase/ (decrease) in reserves	(159)	(38)	52	206	71	116	194	59	240	60	102
Increase/ (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0

Total applications of Capital Funding	D	4,558	3,758	1,276	4,806	644	685	765	811	814	891	980
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Surplus/ (deficit) of Capital Funding	C-D	(771)	(868)	(849)	(926)	(888)	(944)	(1,040)	(1,103)	(1,125)	(1,221)	(1,329)
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Funding Balance	((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0	0
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Wastewater/Sewerage

What do we do?

Council provides these activities to support the health and well being of the community and the environment.

Council currently provides for the collection and transportation of the wastewater from residential and commercial properties of the townships of Westport, Little Wanganui and Reefton through the underground piping infrastructure and treatment facilities. The rest of the district is serviced by on-site disposal systems that property owners maintain.

Assumption

It has been assumed that there will be no significant capacity change required for infrastructure to meet demands.

Resource consent to discharge primary treated and untreated sewage effluent to Buller River during storm overflow events was for 20 years from the date of issue July 2003.

Significant Negative Effects

There is potential for the discharge of the effluent from these sewer systems to result in significant negative effects to public health and the environment. However, effluent discharges are subject to a resource consent process and the effects of each discharge are identified. Where risks exist, there are conditions placed on that discharge to manage the potential effects.

The primary purpose of the sewer system is to reduce the negative effects from wastewater discharges that would otherwise arise from the individual communities.

How do we contribute to Strategic Goals & Community Outcomes?

This activity supports the following community outcomes:

Community Outcomes	How the Council Contributes
Well-being	Provision of a sanitary wastewater collection and treatment service.
Sustainable Environment	Protection of the environment through the treatment of wastewater.
Learning	Provision of water conservation programmes.
Prosperity	By meeting commercial wastewater needs and meeting community needs at an affordable cost.

Changes in Level of Service

- Main upgrades resulting in increased levels of service:
 - Westport (\$786,000 over 10 years)
 - Reefton (\$263,000 over 10 years)
- Additional manholes in Reefton (\$95,000 over 10 years)

Significant Capital Expenditure

- Mains renewals:
 - Westport (\$2.9m over 10 years)
 - Reefton (\$1.14m over 10 years)
 - Little Wanganui (\$162,000 over 10 years)
- Westport wastewater treatment plant and pumpstation - renewables and upgrades (\$457,000).
- Reefton CCTV and mains cleaning (\$228,000 over 10 years).

Funding Allocations

Activity	Funding Mechanism	
	Operating	Capital
Westport Sewerage	Targeted Rate	Special Funds Loans
Reefton Sewerage	Targeted Rate	Special Funds Loans
Little Wanganui Sewerage	Targeted Rate	Special Funds Loans

Targeted Rates (rounded) (GST exclusive)

Sewerage	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Westport	810	840	860	870	890	930	970	970	970	970
Reefton	530	560	610	650	690	710	750	790	820	850
Little Wanganui	610	630	660	700	730	760	800	830	850	900

Levels of Service

The overall corporate goals and legislative requirements have been translated into a number of more specific target performance standards:

- To maintain the systems so that there are no significant blockages.
- To maintain the service to the consumer with a minimum of disruption and inconvenience to the public.
- To ensure that services are managed in a cost effective manner.
- To ensure that supplies are managed in an environmentally sensitive manner.

Wastewater/Sewerage Levels of Service

Wastewater Services	Key Service Criteria	Target Level of Service	Measurement	Performance	Action
Provide safe facilities for both the community and the operators.	Are the facilities safe?	No accidents, injuries or public contact with sewage.	Evidence of public intrusion into pump station or treatment facilities. Target: ■ No intrusions.	Number of intrusions in any year.	Pump stations are locked and treatment facilities are fenced with locked gates while unattended.
			Operator injury. Targets: ■ No workplace injuries.	Number of injuries in any year.	Council engaged operators are required to have operational health and safety plans.
			Public exposure to sewage. Targets: ■ All overflows within private property cleaned and disinfected. ■ All polluted waterways to be signposted.	Number of reported illnesses attributed to sewage contact in any year.	Existing response systems minimise public exposure to harm.
Provide adequate capacity.	How often does the sewer overflow?	Maintain capacity of existing combined systems.	Recorded system overflows. Targets: ■ No more than 10 overflows.	Location and number of overflows in 2013/2014: ■ 2 overflows as a result of blocked property pipes (laterals).	Initiate separation of stormwater from sewer where overflows are recorded or systems are inoperable because of capacity issues.
		Design all new systems to NZS4404 (to cope with a one in 10 year event)	Review new designs. Targets: ■ All new sewers to be designed to cope with a one in 10 year event.	Number of deficient designs found in any year.	New Designs need to demonstrate their ability to meet design standards, prior to construction authorisation.

Wastewater Services	Key Service Criteria	Target Level of Service	Measurement	Performance	Action
Provide a reliable sewer system.	Can you rely on the sewer system to operate?	To accept sewage from properties virtually all of the time.	Record of blockages. Targets:	Location and number of blockages in any year:	Blockages are typically caused by tree roots or fat build up.
			<ul style="list-style-type: none"> ■ No more than 1 blockage per km of pipe. ■ No more than 40 lateral blockages. 	<ul style="list-style-type: none"> ■ Blockages per km. ■ Number of lateral blockages. 	
			Records of the response to reported blockages. Targets:	Number of failures to meet response times in any year.	Often the operators are not aware of the problem until an overflow is observed or properties struggle to clear wastewater from their properties. Swift action is therefore required.
			<ul style="list-style-type: none"> ■ At least 90% compliance with response times stated in service request. 		
Provide sewer collection and disposal with minimal environmental impact.	Is the environment being harmed?	To comply with resource consent conditions.	Monitoring as specified in the individual consents. Targets:	Number of non compliance orders in any year.	Monitoring is routinely undertaken, in accordance with consent conditions, and forwarded to the West Coast Regional Council.
			<ul style="list-style-type: none"> ■ 100% compliance. 		

Mandatory Performance Measures

Sewer Services	Key Service Criteria	Target Level of Service	Measurement	Current Performance	Performance Target 2015/16-2017/18	Performance Target 2018/19-2024/25
Provide adequate capacity.	How often does the sewer overflow?	Performance measure one (system and adequacy):	<p>Mandatory Performance Measure 1:</p> <p>The number of dry weather sewage overflows from Council's sewerage system expressed per 1,000 sewerage connections to Council's system.</p>		5	4
Provide sewer collection and disposal with minimal environmental impact.	Is the environment being harmed?	Performance measure two (discharge compliance):	<p>Mandatory Performance Measure 2:</p> <p>Compliance with Council's resource consents for discharge from its sewerage system measured by the number of:</p> <p>a) Abatement notices; b) Infringement notices; c) Enforcement orders; and d) Convictions received by Council in relation to those resource consents</p>		<5 0 0 0	<5 0 0 0
	Fault Response Times	Performance Measure three (fault response times):	<p>Mandatory Performance Measure 3:</p> <p>Where Council attends to sewage overflows resulting from a blockage or other fault in Council's sewerage system, the following median response times are measured:</p> <p>a) Attendance time: from the time that Council receives notification to the time that service personnel reach the site; and b) Resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.</p>		2 hours 1 day	2 hours 1 day
Customer satisfaction		Performance measure four (customer satisfaction):	<p>Mandatory Performance Measure 4:</p> <p>The total number of complaints received by Council about any of the following:</p> <p>a) Sewerage odour; b) Sewerage system faults; c) Sewerage system blockages, and D) Council's response to issues with its sewerage system (expressed per 1,000 properties connected to Council's sewerage system.)</p>		10	10

Wastewater/Sewerage Funding Impact Statement

	AP 2014/2015 \$000	LTP 2015/2016 \$000	LTP 2016/2017 \$000	LTP 2017/2018 \$000	LTP 2018/2019 \$000	LTP 2019/2020 \$000	LTP 2020/2021 \$000	LTP 2021/2022 \$000	LTP 2022/2023 \$000	LTP 2023/2024 \$000	LTP 2024/2025 \$000
Operating Funding											
Sources of Operating Funding											
General rates, Uniform Annual General Charge, Rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	2,318	2,397	2,492	2,573	2,624	2,700	2,815	2,941	2,967	2,987	3,008
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringements fees & other receipts	15	5	5	5	5	6	6	6	6	6	7
Total Operating Funding	A	2,333	2,402	2,497	2,578	2,629	2,706	2,821	2,947	2,973	3,015
Applications of Operating Funding											
Payments to Suppliers and staff	930	895	919	946	974	1,005	1,039	1,074	1,114	1,156	1,267
Finance Costs	292	278	264	249	233	216	198	179	159	138	116
Internal charges and overheads applied	347	320	328	343	340	357	375	376	388	409	419
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Operating Funding	B	1,569	1,493	1,511	1,538	1,547	1,578	1,612	1,629	1,661	1,703
Surplus/ (deficit) of Operating Funding	A-B	764	909	986	1,040	1,082	1,128	1,209	1,318	1,312	1,290
Capital Funding											
Sources of Capital Funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase/(Decrease) in Debt	(242)	(256)	(270)	(285)	(301)	(318)	(336)	(355)	(375)	(396)	(418)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump Sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other Dedicated Capital Funding	0	0	0	0	0	0	0	0	0	0	0
Total Sources of Capital Funding	C	(242)	(256)	(270)	(285)	(301)	(318)	(336)	(355)	(375)	(418)
Capital Expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	175	165	312	168	88	137	128	133	346	81	219
- to replace existing assets	322	463	289	485	473	585	556	811	338	812	510
Increase/ (decrease) in reserves	25	25	115	102	220	88	189	19	253	1	66
Increase/ (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of Capital Funding	D	522	653	716	755	781	810	873	963	937	795
Surplus/ (deficit) of Capital Funding	C-D	(764)	(909)	(986)	(1,040)	(1,082)	(1,128)	(1,209)	(1,318)	(1,312)	(1,290)
Funding Balance	((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0

Stormwater

What do we do?

Stormwater management systems are an integrated set of procedures and physical assets designed to manage the surface runoff from urbanised catchments.

Council manages open drain stormwater systems in Hector, Ngakawau, Seddonville, Granity, Waimangaroa, Westport, Carters Beach and Reefton. In addition there is a piped stormwater system in Westport.

Sections of the Westport piped sewerage system and all of the Reefton piped sewer system also convey stormwater.

In Punakaiki, the only public stormwater drain is maintained by NZTA as part of their roading network. In other townships, such as Mokihiui or Little Wanganui, there are no formal stormwater systems at all - stormwater simply soaks to ground naturally.

Why are we involved in this activity?

Council provides stormwater systems to manage surface water runoff from urbanised catchments in a way that achieves a balance between the level of protection and the cost to the community.

Assumptions

It has been assumed that there will be no significant growth in the urbanised area requiring stormwater reticulation.

Negative Effects

The previously programmed Brougham Street pump-station is being reviewed because of the high construction cost. If this does not proceed then this will result in streets in the Brougham Street catchment continuing to hold water during heavy rainfall events and one or two properties being susceptible to flooding.

How we contribute to Strategic Goals & Community Outcomes

The most significant outcome supported by the provision of stormwater systems is a healthy community. Uncontrolled stormwater runoff can be destructive and represent an immediate risk to life.

Stormwater systems promote prosperous and sustainable communities, through the minimisation of stormwater damage and the protection of the environment.

Community Outcomes	How the Council Contributes
Well-being	The service is deemed to provide a public benefit, through the protection of property. The provision of stormwater systems reduces the risk of death or injury resulting from flooding on private property.

Significant Issues and their Impact

The previously programmed Brougham Street pump-station is being reviewed because of the high construction cost. If this does not proceed then this will result in streets in the Brougham Street catchment continuing to hold water during heavy rainfall events with properties being susceptible to flooding.

Budget provisions have been made to allow CCTV cameras and mains cleaning.

Significant Capital Expenditure

- Brougham Street pump station (2015/2016: \$0.4m).
- Mains renewals (\$1.4m over 10 years)
- Mains upgrades (\$0.5m over 10 years)
- Additional mains (\$96,000 over 10 years)

Funding Allocations

Stormwater Services Funding

Stormwater is funded from General Rates as this activity is not seen as benefiting a particular individual or group of individuals but the community as a whole.

Levels of Service

The overall corporate goals and legislative requirements have been translated into a number of more specific target performance standards:

- To ensure that all stormwater systems have sufficient capacity to meet the reasonable needs of the consumers.
- To ensure that stormwater within urbanised areas does not contribute to cross boundary flooding for events up to 10% AEP* (1 in 10 year event).
- To ensure that stormwater within urbanised areas does not enter dwellings for events up to 2% AEP* (1 in 50 year event).
- To ensure that secondary flow paths are identified for events exceeding the capacity of the primary systems.
- To ensure that stormwater systems are maintained at or beyond the minimum capacity required.
- To ensure that stormwater systems are managed in a cost-effective manner.
- To ensure that stormwater discharges are managed in an environmentally sensitive manner.

It can be costly to undertake the necessary investigations to quantify what the capacity of an existing system actually is, and there can be significant costs associated with upgrading that capacity. Therefore, while it is appropriate to apply these performance standards to all new stormwater systems, a more pragmatic approach is taken towards the management of existing stormwater systems.

Specifically, all existing stormwater systems are simply maintained to their original design capacity. Additionally, when all of the following conditions exist, the actual capacity of existing stormwater systems need not be calculated:

- The system has operated for over 30 years without significant flooding.
- The system has operated for over 30 years without significant damage.
- The system has operated for over 30 years to the satisfaction of the community.

Site specific investigations are undertaken when the existing capacity is not considered acceptable to the individual community. Any upgrade options are considered based on risk and benefit/cost considerations.

Mandatory Performance Measures

Stormwater Services	Key Service Criteria	Target Level of Service	Measurement	Current Performance	Performance Target 2015/16-2017/18	Performance Target 2018/19-2024/25
Provide adequate stormwater capacity.	Is there adequate stormwater drainage?	Performance measure one (system and adequacy):	Mandatory Performance Measure 1: a) The number of flooding events that occur in Council's systems. b) For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to Council's stormwater systems)		No target	No target
		The system can contain and dispose of stormwater, without ponding or overflow.	All new systems are designed with a minimum 10% AEP capacity, without ponding, and a minimum 2% AEP capacity, without inundation of dwellings.	Number of deficient designs found in any year.	Nil	Nil
Dispose of stormwater with the minimum environmental impact.	Is the environment being harmed?	Performance measure two (discharge compliance):	Mandatory Performance Measure 2: Compliance with Council's resource consents for discharge from its stormwater 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	Nil
		Fault Response Times	Mandatory Performance Measure 3: The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.		1 hour	1 hour
Customer satisfaction		Performance measure four (customer satisfaction):	Mandatory Performance Measure 4: The total number of complaints received by Council about the performance of the stormwater system, expressed per 1,000 properties connected to Council's stormwater system.		5	5

Stormwater Funding Impact Statement

AP 2014/2015 \$000	LTP 2015/2016 \$000	LTP 2016/2017 \$000	LTP 2017/2018 \$000	LTP 2018/2019 \$000	LTP 2019/2020 \$000	LTP 2020/2021 \$000	LTP 2021/2022 \$000	LTP 2022/2023 \$000	LTP 2023/2024 \$000	LTP 2024/2025 \$000
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Operating Funding

Sources of Operating Funding

General rates, Uniform Annual General Charge, Rates penalties	405	454	516	519	528	538	591	591	594	628	682
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringements fees & other receipts	8	5	5	5	5	5	5	5	5	6	6

Total Operating Funding	A	413	459	521	524	533	543	596	596	599	634	688
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Applications of Operating Funding

Payments to Suppliers and staff	125	125	128	131	135	139	143	147	152	157	163
Finance Costs	29	28	50	48	45	43	40	37	34	31	28
Internal charges and overheads applied	98	90	93	98	96	101	108	106	109	116	116
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0

Total Applications of Operating Funding	B	252	243	271	277	276	283	291	290	295	304	307
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Surplus/ (deficit) of Operating Funding	A-B	161	216	250	247	257	260	305	306	304	328	381
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Capital Funding

Sources of Capital Funding

Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase/(Decrease) in Debt	(20)	379	(33)	(36)	(38)	(40)	(43)	(46)	(49)	(52)	(56)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump Sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other Dedicated Capital Funding	0	0	0	0	0	0	0	0	0	0	0

Total Sources of Capital Funding	C	(20)	379	(33)	(36)	(38)	(40)	(43)	(46)	(49)	(52)	(56)
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Capital Expenditure

- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	492	47	0	73	32	0	0	0	228	145
- to replace existing assets	141	103	170	211	146	188	262	260	255	48	180
Increase/ (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase/ (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0

Total applications of Capital Funding	D	141	595	217	211	219	220	262	260	255	276	325
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Surplus/ (deficit) of Capital Funding	C-D	(161)	(216)	(250)	(247)	(257)	(260)	(305)	(306)	(304)	(328)	(381)
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Funding Balance	((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0	0
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Solid Waste

What do we do?

The Solid Waste activity provides for the collection, transfer and final disposal of waste materials generated by households and businesses within the district.

Council signalled in its 2012 Long Term Plan the intention to move from a Council delivered waste disposal system, to an enhanced and environmentally sustainable, contractor managed, waste solution.

Council entered into a 10 year contract with Smart Environmental Ltd to provide Solid Waste services. These include the collection and disposal of residual refuse and recycling, the management of the transfer stations and the transportation of residual waste to a landfill. The contract provided for an increase in the levels of service by providing wheelie bins encouraging recycling and thereby reducing residual refuse. The bag and wheelie bin and crate system are a more environmentally sustainable waste system for Zone 1 residents. Glass and cardboard is now collected as part of a kerbside collection. The new service was effective from 1 February 2014

Council also operates two active landfills at Karamea and Maruia.

Council provides the aftercare of Council's closed landfill sites (Birchfield, Westport, Charleston, Inangahua, Reefton, Springs Junction and Ikamatua) and monitors groundwater quality at these sites as required under resource consent conditions.

Council also has a role in facilitating waste minimisation behaviours within communities. This is put into effect by providing resources for education programmes into schools about sustainability and waste minimisation. Support is also provided to businesses to develop more sustainable practices.

Why are we involved in this activity?

Facilitating the provision of a kerbside collection for household refuse and recycling, plus providing waste disposal and materials diversion services, helps to maintain the quality of life in the District and facilitates waste minimisation through re-use, recycling and recovery by protecting the environment. Provision of the service also minimises illegal dumping of refuse.

Assumptions

It has been assumed that Smart Environmental Ltd continue to provide the service that they tendered for in accordance with the contract provisions.

It was assumed that Smart Environmental Ltd will be successful in negotiating access to a landfill that is economically viable for their contract.

Negative Effects

Refuse is trucked to Nelson from Westport and Reefton and this adds to both road usage and vehicle pollution. All loads are fully secured and covered to minimise the opportunity for spillage. Road usage will be independently managed by a contractor.

Contaminants from closed landfills leaching into surrounding land and/or water posing a threat to the environment and general well-being of the public. This risk is minimised by compliance with resource consents and the monitoring of waterways in the vicinity of landfills.

How we contribute to Strategic Goals & Community Outcomes

Community Outcomes	How the Council Contributes
Well-being	By facilitating the collection and disposal of refuse.
Environment	By facilitating collecting and disposing of refuse in a safe, efficient and sustainable manner that maintains district natural and aesthetic values. The solid waste disposal minimises risk of waste being inappropriately or dangerously disposed of. By providing safe collection and disposal of refuse by encouraging waste minimisation.
Learning	Provide programmes to schools and the community on waste care and reduction.
Prosperity	By meeting commercial needs for dealing with waste.

Changes in Level of Service provided

With the change of contractor for Zone 1 during the previous year Council now collects glass and cardboard kerbside.

Significant Issues and their Impact

No significant issues.

Significant Capital Expenditure

- Second coat sealing budgeted for at Westport and Reefton Transfer Stations (2016/2017 \$15,000; 2018/2019 \$16,000).
- Litter bins (\$85,000 across 10 years of the draft Long Term Plan).

Funding Allocations

Funding allocations are as per the Revenue and Finance Policy.

Activity	Funding Mechanism	
	Operating	Capital
Provision of waste management and waste minimisation in Zone 1, 2 and 3	100% Targeted Rates	Depreciation Reserves, Loans, Investments
Residual costs associated with landfill monitoring	100% General Rates	Depreciation Reserves, Loans, Investments

Changes in Fees and Charges

Fees & charges for Zone 1 are now set by the contractor.

Targeted Rates (rounded) (GST exclusive)

Solid Waste	2015/2016 \$0	2016/2017 \$0	2017/2018 \$0	2018/2019 \$0	2019/2020 \$0	2020/2021 \$0	2021/2022 \$0	2022/2023 \$0	2023/2024 \$0	2024/2025 \$0
Zone 1	126	126	129	135	139	143	148	152	158	163
Maruia	85	90	90	95	95	100	105	110	110	115
Karamea	85	85	87	89	90	95	97	99	104	107

Zone 1 and Karamea will decrease due to lower operational costs

Solid Waste Funding Impact Statement

	AP 2014/2015 \$000	LTP 2015/2016 \$000	LTP 2016/2017 \$000	LTP 2017/2018 \$000	LTP 2018/2019 \$000	LTP 2019/2020 \$000	LTP 2020/2021 \$000	LTP 2021/2022 \$000	LTP 2022/2023 \$000	LTP 2023/2024 \$000	LTP 2024/2025 \$000
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Operating Funding

Sources of Operating Funding

General rates, Uniform Annual General Charge, Rates penalties	313	338	315	348	315	316	415	313	312	317	310
Targeted rates	702	676	677	693	724	744	767	793	815	847	874
Subsidies and grants for operating purposes	29	35	36	37	38	39	40	41	43	44	46
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringements fees & other receipts	65	86	88	90	93	95	98	101	105	108	112

Total Operating Funding	A	1,109	1,135	1,116	1,168	1,170	1,194	1,320	1,248	1,275	1,316	1,342
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Applications of Operating Funding

Payments to Suppliers and staff	757	772	791	838	834	858	924	912	942	974	1,009
Finance Costs	68	101	81	79	77	74	123	65	62	58	55
Internal charges and overheads applied	149	150	152	161	157	162	172	170	174	184	184
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0

Total Applications of Operating Funding	B	974	1,023	1,024	1,078	1,068	1,094	1,219	1,147	1,178	1,216	1,248
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Surplus/ (deficit) of Operating Funding	A-B	135	112	91	90	102	100	101	101	97	100	94
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Capital Funding

Sources of Capital Funding

Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase/(Decrease) in Debt	(54)	(57)	(61)	(65)	(68)	(72)	(77)	(81)	(86)	(91)	(97)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump Sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other Dedicated Capital Funding		0	0	0	0	0	0	0	0	0	0

Total Sources of Capital Funding	C	(54)	(57)	(61)	(65)	(68)	(72)	(77)	(81)	(86)	(91)	(97)
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Capital Expenditure

- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	120	8	22	8	24	8	9	9	9	9	10
Increase/ (decrease) in reserves	(39)	47	8	17	10	20	15	11	2	0	(13)
Increase/ (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0

Total applications of Capital Funding	D	81	55	30	25	34	28	24	20	11	9	(3)
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Surplus/ (deficit) of Capital Funding	C-D	(135)	(112)	(91)	(90)	(102)	(100)	(101)	(101)	(97)	(100)	(94)
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Funding Balance	((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0	0
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Professional Services Business Unit

What do we do?

The Professional Services Business Unit provides engineering services to support the maintenance and development of Council infrastructure.

This includes the preparation of contracts for roading, water, wastewater, solid waste and property, amenities and reserves. They monitor the performance of contractors and issue instructions for work found necessary as a result of requests for service and comments from ratepayers.

Why are we involved in this activity?

An in-house professional services business unit allows Council to access engineering services on a cost effective basis. In-house expertise assists the efficient management of Council roading and other infrastructure assets.

Assumptions

Staffing and engineering requirements remain at present level.

Negative Effects

There are no negative effects

How we contribute to Strategic Goals & Community Outcomes

This activity supports the following community outcomes:

Community Outcomes	How the Council Contributes
Well-Being	By monitoring the conditions of Council assets and issuing requests for maintenance in time.
Sustainable Environment	By monitoring landfills and wastewater treatment plants.
Prosperity	By requesting necessary maintenance in time.

Changes in the level of service provided

No anticipated changes in level of service.

Significant Issues and their Impact

No significant issues

Significant Capital Expenditure

Vehicle replacement in 2020/2021 year

Funding Allocations

Funding allocations are as per the Revenue and Finance Policy

Activity	Funding Mechanism		
	Operating	Fees	Capital Spend
Professional Services	Overheads reallocated to other departments.	Nil	Loans Special Funds

Key Performance Indicators

Key Performance Indicators						Service Target			
Outcome	Policies/ Strategic Drivers of Objective	Current Level of service	Indicative Level of service (if changes during term of Draft LTP)	Performance Measure	Current Performance – (Annual Report 2013/2014)	2015/2016	2016/2017	2017/2018	2019/2022
To provide engineering advice to Council and administer contracts.	Asset Management Plans.	Provide monthly reports on annual work programmes, monitor contract works and prepare monthly contract progress reports.		Prepare annual work programmes and monthly progress report.	2013/2014: Monthly reports were presented to the Manager Operations on Work Programme progress (2012/2013: no change).	Continue to provide programme reports to the Chief Executive Officer and explain all delays and overruns.	Continue to provide programme reports to the Chief Executive Officer and explain all delays and overruns.	Continue to provide programme reports to the Chief Executive Officer and explain all delays and overruns.	Continue to provide programme reports to the Chief Executive Officer and explain all delays and overruns.

Professional Services Business Unit Funding Impact Statement

	AP 2014/2015 \$000	LTP 2015/2016 \$000	LTP 2016/2017 \$000	LTP 2017/2018 \$000	LTP 2018/2019 \$000	LTP 2019/2020 \$000	LTP 2020/2021 \$000	LTP 2021/2022 \$000	LTP 2022/2023 \$000	LTP 2023/2024 \$000	LTP 2024/2025 \$000
Operating Funding											
Sources of Operating Funding											
General rates, Uniform Annual General Charge, Rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	785	795	813	832	852	874	897	922	949	977	1,008
Local authorities fuel tax, fines, infringements fees & other receipts	0	0	0	0	0	0	6	0	0	0	0
Total Operating Funding	A	785	795	813	832	852	874	903	922	949	1,008
Applications of Operating Funding											
Payments to Suppliers and staff	586	575	586	598	611	625	640	655	672	690	709
Finance Costs	2	1	1	0	0	0	0	3	3	2	2
Internal charges and overheads applied	126	135	141	140	135	139	139	143	147	151	155
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Operating Funding	B	714	711	728	738	746	764	779	801	822	866
Surplus/ (deficit) of Operating Funding	A-B	71	84	85	94	106	110	124	121	127	142
Capital Funding											
Sources of Capital Funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase/(Decrease) in Debt	(9)	(10)	(10)	(4)	0	0	52	(6)	(6)	(7)	(7)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump Sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other Dedicated Capital Funding	0	0	0	0	0	0	0	0	0	0	0
Total Sources of Capital Funding	C	(9)	(10)	(10)	(4)	0	52	(6)	(6)	(7)	(7)
Capital Expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0	0	0	0	0	0	52	0	0	0	0
Increase/ (decrease) in reserves	62	74	75	90	106	110	124	115	121	127	135
Increase/ (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of Capital Funding	D	62	74	75	90	106	176	114	121	127	135
Surplus/ (deficit) of Capital Funding	C-D	(71)	(84)	(85)	(94)	(106)	(124)	(121)	(127)	(134)	(142)
Funding Balance	((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0

Community Services

What do we do?

Community Grants and Funding

Council currently provides base grant and contestable grant funding directly to community organisations, as well as managing the distribution of various government funding for the arts, sporting and youth initiatives. In this draft Long Term Plan Council is proposing to change all grant funding to be contestable.

Sports, recreation & cultural facilities & services

Council transferred ownership of the Solid Energy Centre to Buller Recreation Ltd on 01 July 2009 for improved commercial focus. Council continues to contribute towards the provision of recreation and aquatic services for Buller for facilities operated in Westport and Reefton.

Libraries

Access to information is in a variety of formats including books, media and electronic databases. Buller District libraries promote life-long learning and support literacy. Information services are available during all opening hours with qualified staff available to help users to find the information they seek. Westport library operates 6 days a week and Reefton 5 days a week. Free internet access is provided through Aotearoa People's Network while downloadable audio books and eBooks are available via a library consortium.

NBS Theatre

NBS Theatre complex provides a 350 seater auditorium and double cinema community facility (main cinema is a 55 seater; the green room provides seating for 20). The theatre is open 7 days a week with multiple movie screenings and the auditorium provides a great venue for live performances of all genres.

Reefton Cinema – Vision 2010

Reefton Cinema converted its screenings to digital format in April 2014. This provides the Reefton Community with up-to-date movies and 3D options.

Communications

Council continued to produce a bi-monthly newsletter that is delivered to all households in the Buller. The website is regularly updated to provide the most up-to-date information for our customers. Continuation of the e-newsletter 'Council Community Info' has provided more regular communication about Council's activities to subscribed users.

District Promotion & Tourism, Event Tourism and Business Support

In the 2014/2015 Council Annual Plan Council adopted an "Interim Solution". This was regarded as a temporary position by Council as it worked towards a Buller Economic plan that sits in with the Regional Economic Strategy as developed by the West Coast Councils.

It meant that the staff position of Economic Development Officer was dis-established as of 1 July 2014 and reduced the range of economic development activities to the tourism and promotional activities.

2014/2015 was a planning year for the Economic Development Committee as it explored a collaborative approach with other local Councils and partnering with local bodies such as Development West Coast.

Why are we involved in these activities?

A community is enhanced through the provision of services that deliver to the cultural and recreational needs of residents.

These services are vital to the quality of life of residents and provide the infrastructure that enables the building of social, cultural and sporting associations within the community. The community also has a vital role to play in contributing to the district's success by being informed about and involved in decisions and projects.

Assumptions

No changes to funding from central government and national organisations.

Negative Effects

Expectations from community groups of ongoing financial and resource support.

How we contribute to Strategic Goals & Community Outcomes

This activity supports the following community outcomes:

Community Outcomes	How the Council Contributes
Well-being	By providing facilities that allow people to play sport and achieve their fitness and recreational goals. Providing grants, facilities and spaces that assist in developing the community cohesion that supports mental and social well-being.
Learning	Assisting in the development of lifelong learning and literacy through the Library network. Providing performance space for use in artistic and cultural performance. Working with educational institutions on collaborative projects.
Prosperity	Providing high quality community facilities to attract people to live and work in the Buller. Provide opportunities and funding that assist with tourism development and district promotion.
Who we are	Provision of community grants to support community organisations. Provision of high quality community spaces and facilities
Sustainable Environment	By providing an environment that reflects the lifestyle that is required and expected by residents, visitors and Central Government

Significant Issues and their Impact

Reduction in Council Grants

Council is proposing to combine base grants, community grants and minor councillor grants into one contestable grant pool. This will result in a reduction of grant funding from \$105,800 to \$80,000.

Previous recipients of grants money will not be guaranteed that they will continue to receive funding in the future.

The funding will be distributed every six months.

Economic Development including Tourism

One of the main thrusts of the Draft Long Term Plan is support for existing economic activity and diversification into new forms of economic enterprise. Council has recognised that previous endeavours have not been as successful as may have been hoped and that the mixture of part general rate/ part target rate support and poorly focused expenditure was not well received by many commercial ratepayers. A new targeted approach is called for.

Tourism Support

Council recognises the potential of tourism throughout the whole district and accepts that a vibrant tourism industry creates economic benefits to all sectors of our community. Council also recognises that the district tourism goals are best fulfilled when the efforts of our Council are combined with those of other West Coast Councils, in 'partnership' with the efforts of the local tourism industry.

Council's funding will therefore be limited to:

- Council will continue to support Tourism West Coast by way of an annual grant in co-operation with other West Coast territorial authorities. In addition, Council will fund a resource to ensure a local district presence for Tourism West Coast.
- Council will provide funding assistance by way of annual grants to tourism activities such as i-Sites.
- Council will consider support of major events that provide significant tourism promotion. Such support will be on a case-by-case basis.

Council's on-going expenditure will be conditional on the local tourism industry working with other West Coast Councils and Tourism West Coast to promote the entire West Coast region. Council's direct support will be capped and continued support will only be available if the Council can be satisfied that the tourism industry has organised itself to a membership structure that provides any additional funding requirements from its own sources.

In the draft Long Term Plan Total Year 1 funding for direct tourism support expenditure funded from the general rate is estimated at \$226,000.

Museum Support

Council is committed to assist with the preservation of the district's treasures and heritage. Museums play an important part in the tourism experience while also enhancing the local culture. Council provides financial assistance to independent museums located in our communities in the district.

The Council will be funding \$149,000 from the general rate in 2015/2016. There has been no change in the level of museum funding previously provided in 2014/2015.

General Economic Development Support

Council is committed to economic development and diversification and recognises that this can be best achieved by a local effort combined with a 'whole of Coast' effort combining the efforts of all four West Coast Councils and Development West Coast (DWC).

All four Councils have approved a West Coast Economic Development Strategy. This strategy is expected to be a spring board for economic development. It is intended that (DWC) will provide a basic resource in the form of one full time resource, jointly funded by the West Coast Regional Council and DWC. Over time it is anticipated that the central resource will work in conjunction with a part time (20 hour per week) staff resource located at each of the three territorial Council offices. The draft Long Term Plan assumes that this will occur in the 2015/16 year in the Buller District.

Council estimates that this general economic development support will cost \$67,000 which will be funded by the general rate.

Change in Funding

Council agreed to not continue with the targeted rate for District Promotion and Tourism. All activities associated with district development, promotion and museum funding will be funded through the general rate, especially the commercial differentials.

Overall across museum support, tourism and economic development funding totals \$441,000 versus a total cost in 2014/2015 of \$386,000

Reefton Community Centre

The possible need for earthquake strengthening of the Community Centre was investigated in December 2013. That analysis determined that the building structure is an 'earthquake prone' building under the Building Act as it has less than 34% of the strength required by the New Building Standard (NBS), which is the seismic design loading for a new building.

In November 2014 Council referred the information relating to the Reefton Community Centre to the Inangahua Community Board (ICB) with a request that the Board urgently consult with its community as to the present situation, and seek alternatives, if any, and that the Board be requested to report back to full Council by January 2015. Initially the ICB responded by seeking Council approval to develop a brief that incorporated and recognized the communities wish to retain the heritage character of the building (theatre) by enhancing the external façade while upgrading the internal facilities (including the seating). However, subsequent to the December ICB meeting some alternative thoughts emerged amongst ICB members. In particular members had some interest in the possibility of a parallel investigation of an option to build a new purpose-built 'boutique' 60-seat theatre in place of the existing 400 seat theatre. Since that time more alternatives have emerged such as the construction of a boutique theatre within the existing performance theatre (leaving a reduced size performance theatre). As a complete alternative a new multi-use facility has also been proposed for the Reefton racecourse site.

The Council has several concerns that it wishes to address. As building owner and regulatory body it needs to ensure that its buildings are safe for public use. On behalf of rate payers it is concerned that the existing wooden buildings are very high maintenance and are expensive to heat, and that the theatre is poorly utilised. As an immediate step the Council has required that the seating capacity of the performance theatre is reduced to 260 seats. This will ensure that the theatre meets 24% of the national building standard. While the Council wishes to protect Reefton's heritage where possible it notes that the buildings have no heritage status and that Heritage NZ does not wish to intervene. The Council notes that the town is well served with alternative halls.

In light of the above the council has resolved that it will continue to seek some community consensus (via the ICB) on a way forward. The Council has also agreed to provide basic funding for earthquake strengthening and fire protection for any agreed final choice, and that it will expect the Reefton community to fund raise for any optional refurbishment.

This draft Long Term Plan has been prepared on the basis that \$130,000 will be available in the 2015/2016 year to provide earthquake strengthening and fire protection for the hall/gymnasium and foyer. While it is expected that this expenditure will resolve issues around the hall/gymnasium, the issues relating to the old theatre remain unresolved. A further sum of \$358,000 (inflation adjusted) has been provided for the 2016/2017 year for some yet to be determined scheme. The Council will work closely with the Community Board to determine some resolution.

Council has requested the Inangahua Community Board seek community opinion and to make a firm recommendation to Council by 1 September 2015.

Vision 2010 Projects

- Karamea Multi-purpose Centre

As part of vision 2010, council had budgeted \$240,000 toward a Sports Facility/ Urban development, of which, \$41,000 has already been allocated.

There has been considerable interest in building a multi-purpose facility on the reserve behind the Karamea Area School. The Karamea Sport and Culture Inc committee, have established a proposal which they believe is both feasible and viable into the future.

- Karamea Urban Design Concept Plan

The Karamea community has been very proactive in promoting discussion and open meetings regarding the needs and wants of the Karamea community. Based on analysis of the results of extensive community consultation including public meetings and submissions, and further research, a twenty three page interactive Urban Design Concept Masterplan for Karamea has been produced at no charge through a collaboration of a+urban and Scarlett Architectural Design Limited. The plan, which utilises existing buildings and features, covers the greater Karamea area including Little Wanganui, Karamea Village, Market Cross and the wider environs.

The Karamea community needs to decide through the draft Long Term Plan submission process the desire to move forward on these projects.

Details of each project available at www.bullerdc.govt.nz/karamea.

- Reefton V2010 projects

Council has extended deadline for project plans until the 30 June 2015 and the community will retain the funding until 30 June 2016.

Council agreed to re-budget for capital expenditure for urban landscaping and beautification (2015/2016: \$75,000, 2016/2017: \$76,875, 2017/2018: \$78,874)

Significant Capital Expenditure

Nil

Economic Development Capital Expenditure

- Signage (2015/2016: \$25,000).
- Signage (2016/2017: \$25,000).

NBS Theatre Capital Expenditure

Sound system (\$252,000 over the 10 years of the plan).

Buller Recreation Limited

Council agreed to fund capital expenditure for Buller Recreation Limited in exchange for shares from Buller Holdings Limited (\$5.2m over the 10 years of the Draft Long Term Plan).

Funding Allocations

Activity	Funding Mechanism		
	General Rate	Fees	Capital Spend
Tourism and Promotion	100%		Reserves (for Tourism & Promotion)
- Economic Development			
- Tourism			
- Museum Funding			
Libraries	90%	10%	Loans, Special Funds, Grants
Recreation Facilities	100%	Nil *	Loans, Special Funds, Grants, Reserves
Theatre	50%	50%	Loans, Special Funds, Grants
Community Development and Support	100%	Nil	Nil

* Fees charged at facilities accrue to Buller Recreation Ltd.

Revenue and Financing Policy Charges

Council proposes to no longer fund activities associated with Economic Development and Promotion and Tourism from a targeted rate. As the activities are of district-wide benefit, activities will be funded from the General Rate. Likewise museums will be funded from the General Rate.

Key Performance Indicators

Key Performance Indicators						Service Target			
Outcome	Policies/ Strategic Drivers of Objective	Current Level of service	Indicative Level of service (if changes during term of Draft LTP)	Performance Measure	Current Performance – (Annual Report 2013/2014)	2015/2016	2016/2017	2017/2018	2019/2022
Community Services and Facilities									
To provide services and facilities that meet information, learning, recreational and cultural needs.	Solid Energy Centre								
		Provision of sport and recreation via the Solid Energy Centre and Reefton swimming pool.	Statements of Intent are submitted annually and approved by Council.	2013/2014: Statements of Intent are submitted annually and approved by Council.	Continue to do the same.	Continue to do the same.	Continue to do the same.	Continue to do the same.	
To provide services and facilities that meet information, learning, recreational and cultural needs.	Library								
		Number of active members of the libraries.	Maintain or increase (0-4%).	2013/2014: 3,259 active members, an increase of 3.7% (2012/2013: 3,143, a decline of 3.2%).	Maintain or increase 0-4% per annum.	Maintain or increase 0-4% per annum.	Maintain or increase 0-4% per annum.	Maintain or increase 0-4% per annum.	
To provide services and facilities that meet information, learning, recreational and cultural needs.	NBS Theatre								
		Number of performing arts events, exhibitions and shows per year.	Number of cinema screenings per week – 26.	2013/2014: 21 on average per week (2012/2013: 26 per week).	Continue to provide at least 26 cinema screenings per week.	Continue to provide at least 26 cinema screenings per week.	Continue to provide at least 26 cinema screenings per week.	Continue to provide at least 26 cinema screenings per week.	
			Number of performances/shows in auditorium – 30 days per year.	2013/2014: 38 days per year (2012/2013: 46 days per year).	30 performances/shows per year.	30 performances/shows per year.	30 performances/shows per year.	30 performances/shows per year.	

Key Performance Indicators

Key Performance Indicators						Service Target			
Outcome	Policies/ Strategic Drivers of Objective	Current Level of service	Indicative Level of service (if changes during term of Draft LTP)	Performance Measure	Current Performance – (Annual Report 2013/2014)	2015/2016	2016/2017	2017/2018	2019/2022
Communications									
To keep the community informed.		Community engagement – provision of information to the community.		Distribution of communications as required.	2013/2014: Fortnightly distribution of electronic newsletter to subscribed users. Printed newsletter distributed to every household in Buller every two months, and media releases as required (2012/2013: no change).	Continue distribution of newsletter, emails and media releases.	Continue distribution of newsletter, emails and media releases.	Continue distribution of newsletter, emails and media releases.	Continue distribution of newsletter, emails and media releases.

Community Services Funding Impact Statement

	AP 2014/2015 \$000	LTP 2015/2016 \$000	LTP 2016/2017 \$000	LTP 2017/2018 \$000	LTP 2018/2019 \$000	LTP 2019/2020 \$000	LTP 2020/2021 \$000	LTP 2021/2022 \$000	LTP 2022/2023 \$000	LTP 2023/2024 \$000	LTP 2024/2025 \$000
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Operating Funding

Sources of Operating Funding

General rates, Uniform Annual General Charge, Rates penalties	3,592	3,750	3,817	3,851	4,095	4,109	4,083	4,161	4,301	4,423	4,485
Targeted rates	236	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	21	21	21	21	21	21	21	21	21	21	21
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	1	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringements fees & other receipts	785	526	438	450	462	475	489	505	521	539	558

Total Operating Funding	A	4,635	4,297	4,276	4,322	4,578	4,605	4,593	4,687	4,843	4,983	5,064
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Applications of Operating Funding

Payments to Suppliers and staff	2,176	1,877	1,893	1,894	2,095	2,069	2,110	2,113	2,179	2,300	2,325
Finance Costs	1,044	1,114	1,121	1,180	1,188	1,184	971	1,055	1,145	1,150	1,223
Internal charges and overheads applied	613	509	522	521	561	624	806	819	815	842	831
Other operating funding applications	504	455	427	405	405	406	407	408	409	410	411

Total Applications of Operating Funding	B	4,337	3,955	3,963	4,000	4,249	4,283	4,294	4,395	4,548	4,702	4,790
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Surplus/ (deficit) of Operating Funding	A-B	298	342	313	322	329	322	299	293	292	281	274
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Capital Funding

Sources of Capital Funding

Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase/(Decrease) in Debt	599	578	364	38	(106)	438	(129)	(137)	(146)	(101)	(107)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump Sum contributions	0	535	535	400	400	400	400	400	0	0	0
Other Dedicated Capital Funding	0	0	0	0	0	0	0	0	0	0	0

Total Sources of Capital Funding	C	599	1,113	899	438	294	838	271	263	(146)	(101)	(107)
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Capital Expenditure

- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	465	512	77	79	0	556	0	0	0	0	0
- to replace existing assets	293	277	505	166	106	92	221	86	89	92	95
Increase/ (decrease) in reserves	139	666	630	515	517	512	349	469	60	88	72
Increase/ (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0

Total applications of Capital Funding	D	897	1,455	1,212	760	623	1,160	570	555	149	181	167
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Surplus/ (deficit) of Capital Funding	C-D	(298)	(342)	(313)	(322)	(329)	(322)	(299)	(292)	(295)	(281)	(274)
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Funding Balance	((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0	0
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Governance

What do we do?

Council is an elected body that provides a governance structure for effective leadership, advocacy and accountable stewardship of the Council's assets and resources.

Council is made up of 10 elected Councillors, the Mayor and the Inangahua Community Board. They are supported by a Chief Executive and staff.

Why are we involved in this activity?

Council provides systems for making decisions for the overall benefit of the community, for both current and future generations, and supports:

- The decision making process
- Monitoring of performance
- The functions of the Inangahua Community Board
- The way in which the community can have input into the Council's decisions
- Representation of the community's interests

Under the Local Government Act 2002, our statutory roles are:

- To enable democratic local decision making and action by and on behalf of the people of the Buller District
- To promote the social, economic, environmental and cultural wellbeing of the Buller District, in the present and in the future

Council develops strategies and policies which set the direction for the future of the Buller District Council by including the democratic and decision making processes of Council such as informing the public, generating feedback and involving people in the decision making process.

Assumptions and Negative Effects

We have assumed there will be no significant legislation changes that may affect this activity. There are no negative effects.

Significant Issues and their Impact

The District is suffering the negative effects of the chronic boom/bust cycle that bedevils the mining industry. The reduction in coal prices has brought about economic contraction, population decline, reduction in property values and a number of social problems. Traditionally Council's strategy has been to retrench and wait for the good times to return. However, in a new world facing climate changes and other unknowns, that strategy may no longer be the best option. This Plan is based on the strategy that the Council needs to begin a process of long term economic diversification for an eventual shift to life after coal. We have assumed that there will be a short term population decline with a low point occurring after Holcim ceases production at the end of 2016. We want to position the district for steady recovery from that time onwards. Provided that there is a vibrant and flexible local economy that provides jobs, there is no reason why the population should not recover and consolidate on the back of a new more diversified and sustainable local economy. That is the option chosen by Council for this Draft Long Term Plan.

A new more diversified economy will not simply emerge by itself. Successful communities are built on an interlocking set of factors. We already have affordable housing and cheap land. Our schools are of the best quality and consistently turn out high achievers. Our health services are steadily moving forward in conjunction with the wider regional services. Our new air transport arrangements are first class. Recreational possibilities are endless and freely available. Crime rates are low and it is possible to enjoy a quality of life that is not possible in more heavily populated areas. However these factors are not enough.

Over the last decade the Buller District Council has spent almost \$87m investing in its core services. The Draft Long Term Plan recognises that this programme is still not finished and that another \$62m will need to be invested over the next decade in order that the district and its key towns can make the necessary transformation into modern attractive locations with all the quality services that are not expected in a 21st century community.

Not only do we have to continue our investment in infrastructure but we also need to make sure that the district's towns remain attractive and pleasant places in which to live, and that our Council will continue to advocate for the modern forms of infrastructure (such as broadband and mobile connectivity).

Funding Allocations

Activity	Funding Mechanism		
	General Rate	Fees	Capital Spend
Democracy	100%	Recoveries from triennial elections	Nil

Key Performance Indicators

Outcome	Policies/ Strategic Drivers of Objective	Current Level of service	Indicative Level of service (if changes during term of Draft LTP)	Performance Measure	Current Performance	Service Target			
						2015/2016	2016/2017	2017/2018	2019/2022
Co-ordination of annual budgeting and financial planning processes and preparation of Long Term Plan and Annual Plan.	Statutory compliance.	Adoption of Long Term Plan and Annual Plan within statutory timeframes with an unqualified audit opinion being gained.		Meet required statutory deadlines for adoption of required reports.	2013/2014: Council met required statutory deadlines for adoption of required reports (2012/2013: no change).	Continue to meet statutory deadlines for adoption of Council's Annual Plan and Long Term Plan.	Continue to meet statutory deadlines for adoption of Council's Annual Plan and Long Term Plan.	Continue to meet statutory deadlines for adoption of Council's Annual Plan and Long Term Plan.	Continue to meet statutory deadlines for adoption of Council's Annual Plan and Long Term Plan.
Customer satisfaction.		New measure		% of residents are satisfied with the information they receive from Council.	New measure (85%)	85%	85%	85%	85%
Transparency, accountability and accessibility to the public.		Provide opportunities for public forum at each Council meeting.		Full opportunity for public participation in Council meetings through availability of speaking rights and the public forum.	Achieved	Achieved	Achieved	Achieved	Achieved
		90%		Minimum % of Council businesses conducted in open forum.	90%	90%	90%	90%	90%
		New measure		% of residents are satisfied that Council consults with them on important issues.	New measure	90%	90%	90%	90%
Co-operation with other agencies.		New measure		Full participation in the West Coast Mayors/Chairs and CEO meetings.	100%	100%	100%	100%	100%

Governance Funding Impact Statement

	AP 2014/2015 \$000	LTP 2015/2016 \$000	LTP 2016/2017 \$000	LTP 2017/2018 \$000	LTP 2018/2019 \$000	LTP 2019/2020 \$000	LTP 2020/2021 \$000	LTP 2021/2022 \$000	LTP 2022/2023 \$000	LTP 2023/2024 \$000	LTP 2024/2025 \$000
Operating Funding											
Sources of Operating Funding											
General rates, Uniform Annual General Charge, Rates penalties	1,285	1,128	1,154	1,272	1,213	1,277	1,379	1,316	1,381	1,497	1,412
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringements fees & other receipts	0	0	34	0	0	40	0	0	48	0	0
Total Operating Funding	A	1,285	1,128	1,188	1,272	1,213	1,317	1,379	1,316	1,429	1,412
Applications of Operating Funding											
Payments to Suppliers and staff	278	495	539	607	547	549	595	512	602	648	554
Finance Costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	631	633	649	665	666	768	784	804	827	849	858
Other operating funding applications	376	0	0	0	0	0	0	0	0	0	0
Total Applications of Operating Funding	B	1,285	1,128	1,188	1,272	1,213	1,317	1,379	1,316	1,429	1,412
Surplus/ (deficit) of Operating Funding	A-B	0	0	0	0	0	0	0	0	0	0
Capital Funding											
Sources of Capital Funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase/(Decrease) in Debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump Sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
TOTAL Sources of Capital Funding	C	0	0	0	0	0	0	0	0	0	0
Capital Expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase/ (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase/ (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
TOTAL Applications of Capital Funding	D	0	0	0	0	0	0	0	0	0	0
Surplus/ (deficit) of Capital Funding	C-D	0	0	0	0	0	0	0	0	0	0
Funding Balance GOVERNANCE	((A-B)+(C-D))	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Support Services

What do we do?

The goal of Support Services is to be efficient, service orientated and accountable to Council and includes the following functions.

Customer Service functions in Westport and Reefton:

- Corporate planning
- Financial and accounting operations
- Generation of Annual Plans, Long Term Plans and Annual Reports
- Rating operations and rates overhaul project
- Human Resources management
- Information Technology management
- General administration
- Health and safety compliance and legal counsel
- Monitoring and compliance of all Council Controlled Organisations
- Guidance and monitoring of Holding Company performance
- Asset management
- Management functions

Why are we involved in these activities?

The activity supports the functioning of all Council's activities and service provision.

Assumptions

The current plan and rating is based on the current rating model.

Contributes to what Community Outcome?

Support Services covers all the community outcomes as it provides the administrative and operational capacity to achieve them.

Rating Impact of the closure of Holcim on the Port Operation

The loss of Holcim and its cement making activity in late 2016 will be a major blow to the economy. Not only will the District lose many direct jobs, but also many indirect jobs in enterprises that have supplied Holcim with services. Westport harbour will lose its major large boat customer and consequently the need to operate a dredge.

There are direct rating consequences as a result of the closure of Holcim. Council will need to reclassify the port in 2016/2017 and the loss of rating income from this sector will be redistributed across all other sectors.

We have anticipated that Holcim will continue to remediate the Cape Foulwind site for the duration of the 10 year draft Long Term Plan. When Holcim does fully withdraw from Westport, and its land is reclassified, there will also be direct rating consequences. Once again the loss of rating income from this sector will be redistributed across all other sectors.

Council has decided that when the port operations cease the rating impact will be fully absorbed across all sectors in the financial year that this change occurs. It is anticipated that this will increase rates across all sectors by approximately 1.15%.

Council was provided with an alternative option to smooth any rating transition across a period of years. This would have meant a gradual increase of 0.05% across 4 years.

Rates Overhaul

The 2012/2022 Long Term Plan noted that a Rating Review was long overdue. The existing system had been heavily modified over time and evolved into a complex structure with more than 40 different categories of ratepayers all being rated on a unique basis. This gave rise to questions about equity and fairness.

The newly elected Council commenced the long promised review in early 2014 and spent considerable time analysing the issues and considering the possibilities for change. In particular the Council noted that over the past decade the Council had shifted from relying on value based progressive rates for about 60% of its rates revenue to only 40%. At the same time Council had moved from 40% reliance on uniform or fixed target rates, to nearly 60%. The overall result was a regressive system that impacts significantly on low value urban properties where ability to pay is a concern.

A draft rating policy and methodology was adopted as a basis for consultation at the 29 October 2014 Council meeting, and minor amendments were adopted at a special Council meeting on 18 November 2014. This draft methodology was agreed as a tentative draft proposal to be put before the community for consultation. A series of four information packs were posted to every ratepayer. Follow up public meetings were held at Karamea, Ngakawau, Westport, Punakaiki and Reefton during December 2014.

A more detailed report on the proposal was made available on the Buller District Council website which also hosted a link to the proposed rating model, an online submission form and all of the information pack details. Written submissions closed on 14 January 2015. 449 submissions were received. Councillors heard those who wished to speak to their submissions on 29 and 30 January 2015.

The outcomes of the submission and community consultation process identified a number of areas which Councillors would like to address or revisit. As a result Council resolved to extend the Rates Overhaul Project so that any possible new rating system would be deferred until 1 July 2016. An email or letter was delivered to all submitters advising of the extended timeline, and the extension widely publicised.

Council will continue to work on this significant project through 2015 and 2016 and it is anticipated that a new rating system be developed for implementation on 1 July 2016.

While any new rating system may alter the way rates are assessed and collected, this has effect on the amount of rates to be collected, and therefore no impact on any figures in this Consultation Document, apart for the individual rating examples. For the purposes of both the draft Long Term Plan and this Consultation Document all rating examples have been calculated on the basis of the existing rating system.

Funding Allocations

Support Services are charged as an overhead across Council's activities.

Activity	Funding Mechanism		
	Operating	Fees	Capital Spend
Corporate Services	Overheads reallocated to other departments	Nil	Nil Special Funds

IT'S EASY TO WORK OUT YOUR RATES

RATES =

$$\begin{aligned} & \text{[Land Value/Capital Value]} \\ & \times \text{[% Value/Fixed Amount]} \\ & \times \left[\frac{\text{Differentials / No Differential}}{\text{Exacerbators/Benefits/Ability to Pay}} \right] \\ & \times \text{[General Rate/Targeted Rate]} \\ & + \text{[UAGC = \{UAGC}} \\ & + \text{Other Uniform Targeted Rates}} \\ & - \text{Water and Sewerage Targeted Rates}} \\ & < 30\% \times \text{Total Rates Revenue}\} \\ & = \$ \text{ TO PAY ?} \\ & \text{YEAH RIGHT!} \end{aligned}$$

Key Performance Indicators

Key Performance Indicators						Service Target			
Outcome	Policies/ Strategic Drivers of Objective	Current Level of service	Indicative Level of service (if changes during term of Draft LTP)	Performance Measure	Current Performance	2015/2016	2016/2017	2017/2018	2019/2022
Prioritise and manage operating expenditure and capital expenditure.	Accountability to provide sound governance and financial management. Compliance with stated strategies in Annual Plan and Long Term Plan.	To provide timely and accurate information to the Finance and Audit Committee on all key financial operations for further action.		Monthly reports to the Finance and Audit Committee to monitor and pro-actively address variances.	Reports provided in a timely and accurate manner.	Continue to provide.	Continue to provide.	Continue to provide.	Continue to provide.
To reduce the incidence of work related accidents and to ensure that Council complied with Health and Safety legislation.	Compliance with Health and Safety policies and legislation: Safety and Health in Employment Act 1992, Safety and Health in Employment Legislation 1995 and Employment Relations Act 2000.	Health and Safety	Setup systems procedures and policies to comply with legislation.	2013/2014: Lost time and decline in workplace injuries.	Nil	Nil	Nil	Nil	Nil
				Staff vacancy delayed the Accreditation Audit of the Workplace Safety Management Practices (WSMP) Programme.	Maintain accreditation.	Maintain accreditation.	Maintain accreditation.	Maintain accreditation.	

Support Services Funding Impact Statement

	AP 2014/2015 \$000	LTP 2015/2016 \$000	LTP 2016/2017 \$000	LTP 2017/2018 \$000	LTP 2018/2019 \$000	LTP 2019/2020 \$000	LTP 2020/2021 \$000	LTP 2021/2022 \$000	LTP 2022/2023 \$000	LTP 2023/2024 \$000	LTP 2024/2025 \$000
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Operating Funding

Sources of Operating Funding

General rates, Uniform Annual General Charge, Rates penalties	0	210	227	219	218	247	229	233	238	258	249
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	4,265	4,137	4,270	4,356	4,272	4,656	4,793	4,871	4,983	5,173	5,243
Local authorities fuel tax, fines, infringements fees & other receipts	0	74	76	87	98	90	84	87	90	106	96
Total Operating Funding	A	4,265	4,421	4,573	4,662	4,993	5,106	5,191	5,311	5,537	5,588

Applications of Operating Funding

Payments to Suppliers and staff	2,970	3,104	3,169	3,294	3,314	3,395	3,540	3,573	3,672	3,843	3,892
Finance Costs	154	152	150	147	147	155	156	154	151	149	146
Internal charges and overheads applied	875	920	967	965	928	1,269	1,269	1,327	1,348	1,399	1,401
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Operating Funding	B	3,999	4,176	4,286	4,406	4,819	4,965	5,054	5,171	5,391	5,439
Surplus/ (deficit) of Operating Funding	A-B	266	245	287	256	199	174	141	137	146	149

Capital Funding

Sources of Capital Funding

Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase/(Decrease) in Debt	4	(40)	(43)	(45)	123	38	(45)	(40)	(40)	18	(35)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump Sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other Dedicated Capital Funding	0	0	0	0	0	0	0	0	0	0	0
Total Sources of Capital Funding	C	4	(40)	(43)	(45)	123	38	(45)	(40)	(40)	18

Capital Expenditure

- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	117	253	118	137	215	171	114	104	71	163	75
Increase/ (decrease) in reserves	153	(48)	126	74	107	41	(18)	(7)	29	1	39
Increase/ (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of Capital Funding	D	270	205	244	211	322	212	96	97	100	114
Surplus/ (deficit) of Capital Funding	C-D	(266)	(245)	(287)	(256)	(199)	(174)	(141)	(137)	(146)	(149)
Funding Balance	((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0

Property Management, Amenities & Reserves

What do we do?

Amenities and Reserves

Council provides and maintains active and passive recreational facilities in the Buller District to meet community and environmental needs.

These include parks, reserves and sports facilities.

Public Toilets

Public toilet facilities are provided by Council at Westport, Reefton and Waimangaroa. Council assists in the provision of toilet facilities in Karamea, Granity, Carters Beach, Inangahua Junction, Springs Junction and Ikamatua.

Property Management

Council owns and manages a number of properties and buildings in the district for providing sites and buildings for community needs.

Cemeteries

Council operates the following cemeteries:

- Orowaiti
- Mokihinui
- Reefton - Suburban
- Reefton - Boatmans

Council provides adequate land and plots to meet the district's burial needs.

Housing for the Elderly

Council provides 46 housing units for the elderly:

- 4 in Karamea
- 16 in Reefton
- 26 in Westport

Why are we involved in these activities?

The provision and maintenance of parks and reserves create a pleasant environment in which to live, work and play, which is an important part of the vision for the district. Ownership of other Council buildings allows for cost effective provision of essential property. The provision of public toilet facilities assists with promoting the health and well being of the district and environment. Jointly funding facilities with other agencies allows the public access to facilities at an acceptable cost. Housing for the elderly assists ratepayers to remain in the district.

Assumptions

That current levels of service are maintained for sports ground maintenance.

That Kilkenny Park, part of Crampton Road, Brougham Street Domain and Raynor Park will be leased out for grazing or community use removing the need for Council to maintain.

Council will delay the construction of replacement or new pensioner units at Westport and Reefton.

Negative Effects

There are no negative effects

How we contribute to Strategic Goals and Community Outcomes

This activity supports the following community outcomes:

Community Outcomes	How the Council Contributes
Well-Being	By ensuring our parks and reserves are healthy and safe
	By providing areas for people to engage in healthy activities
Environment	By offering opportunities for people to contribute to projects that improve our district's environment
Learning	By providing the opportunity to learn through social interaction and recreation
Prosperity	By contributing to the district's image and attracting businesses, skills and tourism

Who we are

By organising community events and providing people with opportunity to interact with different communities and by creating a unique image of the district

Changes in Level of Service

Punakaiki

Council has provided \$100,000 in 2015/2016 as a Council contribution to development towards a facility that can be used by the Punakaiki community within the reserve area. This is currently leased to a camping ground operator. A development plan will need to be agreed with the camp operator. If the development plan provides a community benefit, Council has agreed that it will make a negotiated contribution taking into account the community and commercial benefit.

Housing for the Elderly

Increase in Rentals

Much of the pensioner housing was built some years ago at costs that were only a fraction of today's costs. As the Council has built new units, these have come into being at much greater costs thereby driving up the average costs. At the same time modern expectations are higher than the past and all maintenance costs such as painting have escalated. These factors increase the operating expenditure that must be funded by rentals.

Council has re-confirmed the funding policy in the 2014/2015 Annual Plan that operating costs associated with the provision of pensioner housing must be self-funding over time. This means that rentals now have to increase to cover the increased operating costs. The level of increase needed is more than any expected percentage increase in pensions.

To mitigate the effects of a large rent increase Council in the 2014/2015 Annual Plan agreed to isolate the costs associated with housing for the elderly in a separate account, so that the increased costs can be smoothed and recovered over time.

Despite this smoothing adjustment, rentals for the elderly still increase at a rate which is higher than the expected percentage increase in Superannuation. Fortunately Rental supplements are available from the Ministry of Social Development provided the tenant meets certain assets and income thresholds. Council cannot guarantee that every tenant will meet the criteria but expects that most will. If the tenant does qualify for these supplements, these will significantly lower the impact of the rental increases to the pensioner.

In the 2015-2025 Draft Long Term Plan Council has proposed that the planned construction of new units (as per the 2012-2022 Long Term Plan) is deferred as we await feedback on government policy. Council will also explore moving to a Council Trust to determine if this offers any financial advantages from a funding perspective.

This will mean the deferring the additional units planned to be constructed for Reefton (\$543,000) and Westport (\$642,000) until 2018/2019.

The existing units are maintained and the amount of depreciation is capped at the level required to meet loan principal repayments and minor capital renewals only. If no new units or replacement are planned then there is no purpose providing additional depreciation funds for that purpose.

Following is a summary of the increased pensioner rentals and rental supplements available (if the tenant qualifies):

Single:	(per week)	Couple:	(per week)
New Single	\$124	New Couple	\$162
less Subsidy	\$21	less Subsidy	\$14
Net Rent after subsidy (if tenant qualifies)	\$102	Net Rent after subsidy (if tenant qualifies)	\$149

Council will maintain all other assets to the same levels of service.

Funding Allocations

Activity	Funding Mechanism		
	General Rates	Fees	Capital Spend
Reserves	100%	Nil	Special Funds Loans
Public Toilets	100%	Nil	
Cemeteries	75%	25%	
Property - Community	95%	5%	
Elderly Persons Housing	Nil	100%	
Property - Private	Nil	100%	

Significant Capital Expenditure

Council has a large investment in property in both Westport and Reefton:

- Carnegie Library
- Sue Thomson Casey Memorial Library
- Clocktower Council Chamber
- Brougham House
- Reefton Service Centre
- Reefton Community Centre
- NBS Theatre

Council needs to be sure that it is getting best value from these significant assets. At present the utilisation of different buildings is patchy with some struggling to cope while others sit empty. For some time there has been a recognition that “lazy” assets need to be made to work or to be realised, if they are not being held for some future purpose. Council also needs to consider how it will deal with earthquake strengthening requirements. Council has an obligation both to its staff and to its community users to ensure that it is taking reasonable steps to address any buildings that do not meet current earthquake safety standards.

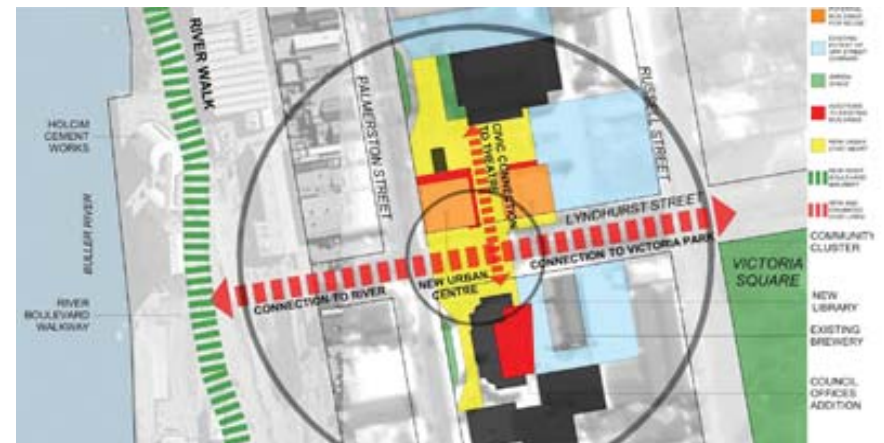
Under the new Better Local Government legislation Council has a statutory requirement to take a 30 year plus asset management approach. Good stewardship and prudent use of ratepayer money would suggest that there is no point in spending money unless the finished building is fit for purpose for at least the next 25 years. Overall there would also appear to be an opportunity to rationalise the building stock and to release some capital tied up in buildings that may not be required in the future.

There is also a need for urgency. Due to public health and staff safety, Council is required to deal with earthquake risks. The value of any earthquake expenditure can be significantly enhanced if it is undertaken with a renovation and rationalisation programme.



REDBOX ARCHITECTS

Evaluation & Concept Plans
Buller District Council Offices and Library Buildings
in Westport



TOWN HEART PROJECT:

Westport Buildings

Initially Council considered four options:

Option 1 Strengthening, modernising, and extending Brougham House to provide a long term solution for Council offices and Council Meeting Room.

Option 2 Modernising, and extending the Clocktower to provide a long term solution for Council offices and Council Meeting Room.

Option 3 Modernising, and extending the Clocktower to provide a long term solution for a Community Cluster Library.

Option 4 Modernising, and extending the Clocktower to provide a long term solution for a Community Cluster Library, and the Council offices and Council Meeting Room.

Council eventually decided that the best approach would be to adopt a staged approach based on Option 2 above.

This will only be addressed after completing water upgrades district-wide.

Stage 1: (2014/2015) ~ Immediate strengthening of **Brougham House** to bring it up to a minimum of 34% of the New Building Standard. (\$30,000).

Stage 2: (2018/2019) ~ Modernise and extend the **Clocktower Building** to provide a long term solution for Council offices and Council meeting room.
~ Sell Brougham House.
~ Minor strengthening of Victoria Square grandstand building.
~ Net cost of \$2.7m to be funded from debt.
~ The impact on rates is estimated to be an increase of 1.5% in total rates from 2018/2019.

Stage 3: (2019/2020) ~ Relocation of **Sue Thomson Casey Memorial Library** to the renovated and modernised **Carnegie Library** and neighbouring buildings (\$3m).
~ Net cost of \$3.0m to be funded from debt.
~ The impact on rates is estimated to be an increase of 1.5% in total rates from 2019/2020.

Stage 4: (2020/2021) ~ Civic Centre Urban Improvements. (\$570,000)
~ Net cost of \$0.6m to be funded from depreciation reserves.
~ The cost is to be funded from reserves and the additional depreciation cost will represent a 0.3% increase in total rates.

This staged approach was preferred because it means by the end of the draft Long Term Plan, the following will have been achieved:

- Creation of a "Westport Town Heart" as suggested by various consultants to council over past years. This solution will create a town square and focal central civic hub using the iconic Clocktower as the heart of the town centre. This will also integrate the Coaltown museum and *i*-Site into the central precinct. It will create links to the river front edge and proposed walking tracks. Westport will achieve a new image.
- Immediate earthquake risks managed by strengthening unsafe buildings to above 34% of NBS
- Long term earthquake risk is managed by upgrading and strengthening those buildings that are retained to above 67% of NBS
- Increased utilisation of the Clocktower and eventual recovery of the historic Carnegie building as a fully functioning component of a modern community cluster library
- Building stock rationalised and future of Clocktower and Carnegie assured

While the council was keen to address the immediate risk to staff and members of the public using Brougham House, it also took the view that the preferred option for the buildings should not take priority over the upgrading of water supplies. As a result the actual timing of the capital expenditure on the Westport buildings will follow the water works.



Key Performance Indicators

Key Performance Indicators						Service Target			
Outcome	Policies/ Strategic Drivers of Objective	Current Level of service	Indicative Level of service (if changes during term of Draft LTP)	Performance Measure	Current Performance – (Annual Report 2013/2014)	2015/2016	2016/2017	2017/2018	2019/2022
Parks and Reserves									
Provide parks and reserves that meet community and environmental needs.	Resource Management Act 1991. Reserves Act 1977.	% checks on contractor's standard of maintenance on active recreation area.		95%	2013/2014: 100% checks were undertaken on the maintenance contractor. Any defects were notified to the contractor who then remediated (2012/2013: 100%).	95% of checks to be undertaken on the maintenance contractor.	100% of checks to be undertaken on the maintenance contractor.	100% of checks to be undertaken on the maintenance contractor.	100% of checks to be undertaken on the maintenance contractor.
		Weekly safety and maintenance inspections on playground equipment.		100%	2013/2014: 100% of contractor weekly safety checks were completed on all playground equipment (2012/2013: 100%).				
Housing for the Elderly									
Provide affordable, well maintained elderly housing.	Tenancy Act	% of occupancy of elderly persons housing.		90%	2013/2014: 98.3% occupancy rate (2012/2013: 97%).	Occupancy rate of elderly persons housing to be 90% or greater.	Occupancy rate of elderly persons housing to be 90% or greater.	Occupancy rate of elderly persons housing to be 90% or greater.	Occupancy rate of elderly persons housing to be 90% or greater.
		% customer satisfaction on provision of elderly housing.		80%	2013/2014: 40 questionnaires were returned with a satisfaction rate of 83.3% (2012/2013: 71%).	Satisfaction rate of elderly housing provided to be at least 80%.	Satisfaction rate of elderly housing provided to be at least 80%.	Satisfaction rate of elderly housing provided to be at least 80%.	Satisfaction rate of elderly housing provided to be at least 80%.

Key Performance Indicators

Key Performance Indicators						Service Target			
Outcome	Policies/ Strategic Drivers of Objective	Current Level of service	Indicative Level of service (if changes during term of Draft LTP)	Performance Measure	Current Performance – (Annual Report 2013/2014)	2015/2016	2016/2017	2017/2018	2019/2022
Cemeteries									
Provide and manage cemeteries that meet community needs.	Burial and Cremation Act 1964.	Providing and managing cemeteries to provide for community health.		Maintain cemetery facilities to the appropriate national standard, with public records available on request.	2013/2014: Maintained cemetery facilities to the appropriate national standard, and public records were available on request (2012/2013: no change).	Continue to do the same.	Continue to do the same.	Continue to do the same.	Continue to do the same.
		To have sufficient burial plots available in all wards to meet current and future demands.		Providing adequate plots and land to meet the districts burial needs.	An extension of the Mokihinui Cemetery is planned for 2014/2015 to cater for 100 additional plots. No immediate extensions are required in the other areas.				
Public Toilets									
Provision of public toilets has health and economic benefits supporting local communities, businesses and visitor destinations.	Public health and safety.	Provide sufficient toilet facilities to meet needs.		Facilities are cleaned, inspected and maintained to serviceable standard.	2013/2014: Facilities were inspected, cleaned and maintained to an acceptable standard. The main toilets were inspected and cleaned daily, the other toilets are inspected and cleaned 2 or 3 times a week, depending on season and usage (2012/2013: no change).	Continue to clean, inspect and maintain toilet facilities to a serviceable standard.	Continue to clean, inspect and maintain toilet facilities to a serviceable standard.	Continue to clean, inspect and maintain toilet facilities to a serviceable standard.	Continue to clean, inspect and maintain toilet facilities to a serviceable standard.
Council Properties									
Managing Council property to enable service delivery and safety for its users.		Maintain and administer Council properties for its users.		100% of service requests responded to in 10 working days.	2013/2014: 100% (2012/2013: 100%).	Continue to do the same.	Continue to do the same.	Continue to do the same.	Continue to do the same.

Property Management, Amenities & Reserves Funding Impact Statement

AP 2014/2015 \$000	LTP 2015/2016 \$000	LTP 2016/2017 \$000	LTP 2017/2018 \$000	LTP 2018/2019 \$000	LTP 2019/2020 \$000	LTP 2020/2021 \$000	LTP 2021/2022 \$000	LTP 2022/2023 \$000	LTP 2023/2024 \$000	LTP 2024/2025 \$000
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Operating Funding

Sources of Operating Funding

General rates, Uniform Annual General Charge, Rates penalties	1,244	1,280	1,291	1,392	1,363	1,456	1,488	1,472	1,512	1,536	1,514
Targeted rates (other than a targeted rate for water supply)	0	0	0	0	0	0	0	0	0	0	0
Subsidies for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	376	384	383	402	450	681	843	885	878	911	885
Local authorities fuel tax, fines, infringements fees & other receipts	1,074	1,065	1,109	1,156	1,207	1,241	1,301	1,365	1,435	1,511	1,594
TOTAL Operating Funding	A	2,694	2,729	2,783	2,950	3,020	3,378	3,632	3,722	3,825	3,993

Applications of Operating Funding

Payments to Suppliers and staff	1,808	1,853	1,962	1,980	2,009	2,136	2,188	2,179	2,264	2,389	2,474
Finance Costs	71	74	70	66	61	267	406	425	409	392	375
Internal charges and overheads applied	357	348	361	387	369	397	430	412	418	459	437
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
TOTAL Applications of Operating Funding	B	2,236	2,275	2,393	2,433	2,439	2,800	3,024	3,091	3,240	3,286
SURPLUS / (DEFICIT) of Operating Funding	A-B	458	454	390	517	581	578	608	706	734	707

Capital Funding

Sources of Capital Funding

Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase/(Decrease) in Debt	(59)	(66)	(70)	(75)	3,929	2,812	301	(294)	(310)	(327)	(344)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump Sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
TOTAL Sources of Capital Funding	C	(59)	(66)	(70)	(75)	3,929	2,812	301	(294)	(310)	(344)

Capital Expenditure

- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	135	180	62	63	127	67	69	71	73	76	78
- to replace existing assets	331	240	74	183	4,133	3,001	572	12	40	36	11
Increase/ (decrease) in reserves	(67)	(32)	184	196	250	322	268	329	311	279	274
Increase/ (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
TOTAL Applications of Capital Funding	D	399	388	320	442	4,510	3,390	909	412	424	391
Surplus/ (deficit) of Capital Funding	C-D	(458)	(454)	(390)	(517)	(581)	(578)	(608)	(706)	(734)	(707)

Funding Balance

PROPERTY MANAGEMENT, AMENITIES & RESERVES	((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0
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Council Controlled Trading Organisations

1. Nature and Scope of Activities

Buller Holdings Limited

The nature and scope of Buller Holdings Limited is to provide a holding company structure for the ownership of selected Council assets and investments.

Buller Holdings provides a commercial focus in the governance and administration of Buller District Council's commercial assets, enabling more effective management of Council's commercial activities to achieve maximum returns on behalf of ratepayers.

WestReef Services Limited

Westreef Services Limited is 100% owned by Buller Holdings Limited.

The nature and scope of WestReef Services Limited activities is predominantly to provide contracting services for physical works in the Buller Region and the West Coast of the South Island. Its activities include maintenance and construction services for:

- Road and bridges - maintenance and construction
- Response for Road and Civil Defence Emergencies
- Park and reserves (including associated facilities) - maintenance and construction
- Utility services (water and sewerage reticulation) - maintenance and construction
- Rural fire emergency response
- Vehicle workshop repairs
- Response to road and civil defence emergencies
- Roadside vegetation control
- Property maintenance
- Septic waste disposal

Westport Harbour Limited

Westport Harbour Limited assumed responsibility for managing the delivery of port services from 1 September 2010 under a Harbour Management Agreement with the Buller District Council.

Westport Harbour Limited is involved in providing land, facilities, plant and labour for receiving, delivery, stockpiling, stacking and shipment of a wide range of products and raw materials; the control of land and facilities necessary to maintain the company's commercial assets; and the provision of dredging services.

For the purposes of this Long Term Plan, Council has assumed that port operations will cease when Holcim end operations at their Cape Foulwind plant. The port will lose this major customer and the need to operate the dredge. Council has assumed that the dredge will be sold in 2016/2017.

Buller Recreation Limited

Buller Recreation Limited owns and operates the Solid Energy Centre, a sports and leisure complex that was formally opened on 18 April 2009, and provides a range of leisure services to the district as summarised below:

- Recreational swimming and learn to swim programmes
- Aquatic sports events
- Indoor court sports competitions and events
- Fitness centre programmes and classes
- Outdoor turf sports
- Corporate, trade and social events

2. Significant Policies and Objectives

The principal objective of Buller Holdings Limited is to operate as a successful business while working for the benefit of its shareholders.

In pursuing these objectives the company is guided by the following key principles.

Financial Performance:

The company is committed to operating as a successful business and achieving a competitive rate of return on its investments while working for the benefit of the shareholders. It will be striving to minimise operating costs and manage the assets and liabilities in a prudent way. The definition of financial return takes into account social, economic and environmental needs of the community

Service:

The company recognises that the needs of the group's major customers are paramount and is committed to meeting those needs. It also recognises the need to develop its customer base to ensure sustainability of the business in the future.

Employee Relations:

The holding company values its employees and will recruit and retain employees with the skills necessary to run the business and will provide opportunities for staff training and development. It will ensure that employees are fairly treated and provided with good and safe working conditions.

The holding company, together with its employees, will create a culture that recognizes the importance of being competitive, the value of delivering a high quality of customer service and the mutual benefit of continued employment. This will involve effective internal communications.

Safety and Environment

The company has a zero tolerance to safety and environmental incidents. The company undertakes to comply with all Health and Safety legislation requirements.

3. Key Performance Targets

Buller Holdings Limited

Objective	Performance Measure	2015/2016 Targets
Financial Performance	a) Delivery of quarterly reports by 16 November, 16 February and 16 May an unaudited report consisting of a revenue statement, statement of position, cashflows and KPI's. Commentary on the results will also be provided.	Provision of quarterly reports to Council
	b) The Directors shall provide a Statement of Intent by 31 March for approval by Council	Statement of Intent
	c) Financial performance of the Group will be measured against the forecasts and KPI's in the approved Statements of Intent	Annual review
Service	a) The Board of Directors will meet with the Buller District Council Councillors on a formal basis.	Three times a year and at any other time by request.
	b) The General Manager will meet with the Buller District Council Chief Executive Officer on a formal basis.	Six times a year for a verbal update on issues and performance.

Buller Recreation Limited

Objective	Performance Measure	2015/2016 Targets
Financial Performance	a) Achieving budget revenue and expenditure	Operate within budget
Service Performance	a) Achieve fitness centre membership of circa 320pa with a retention rate of more than 75%	Membership of 320pa Retention rate of more than 75%
	b) Achieve regular patronage of aquatic services to an average of 4,000 visits per month	Average 4,000 visits per month
	c) Achieve swimming lesson students in programmes of 150 students (averaged over 12 months)	150 swimming students
	d) Ensuring compliance with legislation and industry best practice in health and safety management	Nil serious harm accidents to customers or staff 100% compliance with health and safety procedures
Employee Leadership, Development and Retention	a) Maintain a well qualified and committed workforce	Staff turnover less than 15% annually
	b) Maintain regular communication with all employees to ensure smooth transitions of the business	Regular and ongoing staff communication and meetings
Asset Management	a) Maintain a comprehensive asset management plan for the facility, plant and equipment	Asset management plan developed
	b) Complete maintenance and replacement in accordance with asset management plan	Monthly report on asset management

Westreef Services Limited

Objective	Performance Measure	2015/2016 Targets
Financial Performance	a) To achieve a pre tax operating profit of at least 10% on gross revenue (before any subvention payment) .	10% pre tax operating profit
	b) To grow revenue from competitively procured work.	Target 35% of gross revenue
Service Performance	a) To renew its TQS1 certification as required.	Renewal
	b) Meeting with major client, BDC engineers, to obtain feedback on specific contract performance.	Meet monthly
	c) Support activities involved with the social and environmental development in the community.	Support six activities
Employee Leadership, Development and Retention	a) Ensure succession plans are put in place for all senior management positions.	Succession plans in place
	b) Hold staff meetings to ensure effective communication with all staff.	Meetings to be held weekly with minutes kept
	c) Maintain a zero tolerance to loss time incidents.	LTI's to be no more than 5% of total hours

Westport Harbour Limited

Objective	Performance Measure	2015/2016 Targets
Financial Performance	a) To achieve a pre tax operating profit (prior to funding dredge slip maintenance) of at least 9% of gross revenue.	9% pre tax operating profit
	b) Pursue and all opportunities for growth in business with existing and new customers	Turnover growth
Service Performance	a) To safely maintain by dredging <ul style="list-style-type: none"> ■ a bar depth greater than 2.8 metres at chart datum ■ an average river depth in the main navigation channel of 3.8 metres at chart datum ■ the Cement berth depth to allow Milburn Carrier II to lie 'always afloat' loaded at a draft of 5.6 to 6.0m 	bar depth 2.8 + metres river depth 3.8 metres cement berth depth 5.6 to 6.0 metres
	b) To consistently deliver services to customers in accordance with contractual agreements.	Compliance with contract terms
	Safety and Environment	a) To maintain a comprehensive system of health and safety procedures involving all employees in identifying risks and hazards and striving to eliminate or mitigate these.
b) Promote a safety first - zero harm culture.		LTI target is zero
c) To avoid harm to the environment as a consequence of port operations		Compliance with legislation and resource consents
d) To maintain a high quality response to managing any environmental damage under the direction of the West Coast Regional Council.		Compliance with legislation and resource consents

Other Council Controlled Trading Organisations

Buller Health Trust

1. Nature and Scope of Activities to be Provided

The Buller Health Trust was established in May 1997. The purpose of the Trust is the preservation of public health and wellbeing in the Buller District. The Trust's current activities include the provision of low interest loans to medical professionals. The Trust also owns the Westport Dental Clinic following the departure of the previous Dentist in November 2005 and currently employs a dentist.

2. Significant Policies and Objectives

The Mayor and Chief Executive are appointed as Trustees. The objective of the Trust is to support the provision of the medical services in the Buller District. The Buller District Council provides funding to the Trust by way of loans.

3. Key Performance Targets

- To support the provision of appropriate medical services to the Buller community
- To operate on a breakeven basis

West Coast Rural Fire Authority

1. Nature and Scope of Activities to be Provided

The West Coast Rural Fire Authority is a rural fire management agency focusing on the West Coast of the South Island. The macro focus of the West Coast Rural Fire Authority is to co-ordinate and provide for a rural fire management capability within the region.

2. Significant Policies and Objectives

Council is represented on the West Coast Rural Fire Authority by the Environmental Services Manager whilst Council staff also contribute to the manning of fire fighting teams. Regular feedback on the activities of the Authority is given to Council and Council's future involvement and support of the West Coast Rural Fire Authority will depend on the success of the body in achieving its outcomes and the continuation of joint funding of the activity.

3. Key Performance Targets

- To manage the District with respect to legal and policy obligations
- To facilitate the co-ordination of Rural Fire control within the District
- To audit and monitor the state of readiness within the District

Tourism West Coast

1. Nature and Scope of Activities to be Provided

Tourism West Coast is the official Regional Tourism Organisation for the West Coast region. Out of a total board size of five, Council appoints one member of the board, along with the Westland District Council and Grey District Council who also appoint one member each. The industry also appoints one member.

Council currently provides annual funding to the organisation and has signalled in this document for this to continue.

2. Significant Policies and Objectives

- Enhance the West Coast's basic promotional capabilities
- Co-ordinate the work of development and promotional agencies
- Secure long term funding
- Provide advisory and support services for the local Tourism industry

3. Key Performance Targets

- The Chairperson of the Board or CEO of Tourism West Coast will address Council on an annual basis
- The Annual Report will be presented to Council within two months of adoption

Westport Airport

1. Nature and Scope of Activities to be Provided

Westport Airport is a joint venture between the Crown and Buller District Council, with each holding a 50% interest. Management and control of Westport Airport is vested in the Buller District Council.

The purpose of the joint venture is to operate Airport facilities at Westport. This includes the provision, maintenance, upgrading and enhancement of services and facilities to accommodate the landing of aircraft and the safe and efficient facilitation of passengers and cargo, having regard to the regulatory requirements of the Civil Aviation Authority of New Zealand

2. Significant Policies and Objectives

- To operate as close as possible to a commercial business in a cost effective and efficient manner.
- To maintain the Westport Airport assets
- To enter into any commercial undertakings that will complement the airport operations

3. Key Performance Targets

- To improve financial performance and to operate in a cost effective manner. Financial performance will be judged against projected income and expenditure.
- To systematically improve the quality and cost effectiveness of services provided to its customers.
- To operate the airport with due regard to sound cultural and environmental issues arising from the community.
- To comply with the Resource Management Act and undertake its activities in an environmentally sound manner having regard to the interest of the community.

Westport Airport Funding Impact Statement

AP 2014/2015 \$000	LTP 2015/2016 \$000	LTP 2016/2017 \$000	LTP 2017/2018 \$000	LTP 2018/2019 \$000	LTP 2019/2020 \$000	LTP 2020/2021 \$000	LTP 2021/2022 \$000	LTP 2022/2023 \$000	LTP 2023/2024 \$000	LTP 2024/2025 \$000
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Operating Funding

Sources of Operating Funding

General rates, Uniform Annual General Charge, Rates penalties	61	67	59	57	35	29	16	10	23	26	18
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringements fees & other receipts	61	95	98	100	103	106	109	112	116	120	124

Total Operating Funding	A	122	162	157	157	138	135	125	122	139	146	142
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Applications of Operating Funding

Payments to Suppliers and staff	54	92	87	88	90	97	97	94	105	96	98
Finance Costs	0	0	0	0	0	0	0	0	0	15	14
Internal charges and overheads applied	14	15	15	15	13	13	12	12	13	13	13
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0

Total Applications of Operating Funding	B	68	107	102	103	110	109	106	118	124	125
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Surplus/ (deficit) of Operating Funding	A-B	54	55	54	55	35	25	16	16	21	22	17
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Capital Funding

Sources of Capital Funding

Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase/(Decrease) in Debt	0	0	0	0	0	0	0	0	488	(13)	(14)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump Sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other Dedicated Capital Funding	0	0	0	0	0	0	0	0	0	0	0

TOTAL Sources of Capital Funding	C	0	0	0	0	0	0	0	488	(13)	(14)
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Capital Expenditure

- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	30	0	0	0	0	56	0	0	488	0	0
Increase/ (decrease) in reserves	24	55	55	54	35	(31)	16	16	21	9	3
Increase/ (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0

Total applications of Capital Funding	D	54	55	55	54	35	25	16	16	509	9	3
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Surplus/ (deficit) of Capital Funding	C-D	(54)	(55)	(55)	(54)	(35)	(25)	(16)	(16)	(21)	(22)	(17)
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Funding Balance WESTPORT AIRPORT	((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0	0
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Part 4: Financial Information



Forecast Statement Comprehensive of Revenue & Expenses

	Notes	AP 2014/2015 \$000	LTP 2015/2016 \$000	LTP 2016/2017 \$000	LTP 2017/2018 \$000	LTP 2018/2019 \$000	LTP 2019/2020 \$000	LTP 2020/2021 \$000	LTP 2021/2022 \$000	LTP 2022/2023 \$000	LTP 2023/2024 \$000	LTP 2024/2025 \$000
OPERATING REVENUE												
General Rates	1	7,942	7,939	8,015	8,293	8,336	8,576	8,909	8,769	8,870	9,287	9,261
Targeted Rates	2	5,407	5,332	5,551	5,758	5,970	6,148	6,415	6,647	6,744	6,933	7,116
Rates Penalties		230	170	170	175	175	175	180	180	180	190	190
Metered Water Charges		227	181	185	199	214	222	229	238	249	257	269
Subsidies & Grants	3	5,972	5,249	4,494	4,807	4,095	4,094	4,392	4,512	4,041	4,261	5,726
Fees & Charges	4	3,425	3,070	3,095	3,168	3,281	3,403	3,484	3,609	3,801	3,920	4,075
Development Contributions		100	100	103	105	108	111	114	118	122	126	131
Vested Assets		103	100	103	107	110	114	118	122	126	130	135
Profit on Sale of Assets		0	0	0	2,892	0	0	0	0	0	0	0
Revaluation of Investment Properties		263	213	233	244	256	278	291	304	327	342	357
Holding Company Distribution		875	875	910	0	928	952	977	1,005	1,035	1,067	1,103
Investment Income	7	560	746	830	878	900	848	751	852	1,011	1,109	1,203
TOTAL Operating Revenue		25,104	23,975	23,689	26,626	24,373	24,921	25,860	26,356	26,506	27,622	29,566
OPERATING EXPENDITURE												
Employee Benefit Expenses		4,490	4,445	4,549	4,657	4,749	4,854	4,966	5,086	5,214	5,350	5,495
Depreciation and Amortisation	9	5,655	5,518	5,756	5,760	5,969	6,005	6,201	6,186	6,495	6,462	6,729
Finance Costs	8	1,337	1,438	1,559	1,624	1,718	1,783	1,626	1,608	1,689	1,698	1,757
Other Expenses		11,645	10,690	10,952	11,264	11,504	11,892	12,306	12,361	12,830	13,480	13,750
Writeoff of Assets		350	350	356	364	374	383	394	406	418	432	447
TOTAL Operating Expenditure	6	23,477	22,441	23,172	23,669	24,314	24,917	25,493	25,647	26,646	27,422	28,178
Net Surplus (Deficit) Before Taxation		1,627	1,534	517	2,957	59	4	367	709	(140)	200	1,388
Income Tax Expense		0	0	0	0	0	0	0	0	0	0	0
Net Surplus (Deficit) After Taxation		1,627	1,534	517	2,957	59	4	367	709	(140)	200	1,388
COMPREHENSIVE REVENUE & EXPENSE												
Increase in Infrastructure Revaluation Reserve		0	7,141	0	11,279	0	14,716	0	17,136	0	19,828	0
TOTAL Comprehensive Revenue and Expense		1,627	8,675	517	14,236	59	14,720	367	17,845	(140)	20,028	1,388

Forecast Movements in Equity

	AP 2014/2015 \$000	LTP 2015/2016 \$000	LTP 2016/2017 \$000	LTP 2017/2018 \$000	LTP 2018/2019 \$000	LTP 2019/2020 \$000	LTP 2020/2021 \$000	LTP 2021/2022 \$000	LTP 2022/2023 \$000	LTP 2023/2024 \$000	LTP 2024/2025 \$000
EQUITY AS AT 1 JULY	323,779	319,482	328,157	328,674	342,910	342,969	357,689	358,056	375,901	375,761	395,789
Total Comprehensive Revenue & Expenditure	1,627	8,675	517	14,236	59	14,720	367	17,845	(140)	20,028	1,388
TOTAL Equity at End of Year	325,406	328,157	328,674	342,910	342,969	357,689	358,056	375,901	375,761	395,789	397,177
COMPONENTS OF EQUITY											
Accumulated Funds	172,553	172,801	172,649	175,024	174,470	173,729	173,707	173,946	173,357	173,125	174,137
Reserves	3,112	4,030	4,699	5,281	5,894	6,638	7,027	7,498	7,947	8,379	8,755
Asset Revaluation Reserve	149,741	151,326	151,326	162,605	162,605	177,322	177,322	194,457	194,457	214,285	214,285
TOTAL Equity at End of Year	325,406	328,157	328,674	342,910	342,969	357,689	358,056	375,901	375,761	395,789	397,177

Forecast Statement of Financial Position

	AP 2014/2015 \$000	LTP 2015/2016 \$000	LTP 2016/2017 \$000	LTP 2017/2018 \$000	LTP 2018/2019 \$000	LTP 2019/2020 \$000	LTP 2020/2021 \$000	LTP 2021/2022 \$000	LTP 2022/2023 \$000	LTP 2023/2024 \$000	LTP 2024/2025 \$000
CURRENT ASSETS											
Cash and Bank	1,851	887	2,152	1,431	1,602	1,736	1,756	1,834	1,736	1,437	1,135
Trade and Other Receivable	4,908	4,963	4,904	5,512	5,045	5,159	5,353	5,456	5,488	5,718	6,120
Inventories	17	14	14	15	14	14	14	15	15	16	17
Other Current Assets	12	20	20	21	21	21	21	21	21	21	21
Short Term Investments	10,972	10,972	11,972	12,972	13,500	13,000	11,000	13,000	15,500	17,500	19,500
TOTAL Current Assets	17,760	16,856	19,062	19,951	20,182	19,930	18,144	20,326	22,760	24,692	26,793
NON CURRENT ASSETS											
Investment In Council Controlled Organisations	19,835	19,890	19,932	19,967	19,465	19,523	19,530	21,056	22,721	22,910	24,221
Investment Properties	10,308	10,361	10,430	10,506	10,590	10,690	10,799	10,916	11,049	11,190	11,340
Infrastructural Assets	291,063	294,158	293,396	307,318	305,699	318,842	317,383	333,537	331,586	350,146	350,623
Other Non Current Assets	20,974	19,764	19,341	18,805	22,212	24,492	24,322	23,419	23,003	22,237	21,457
Intangible Assets	152	271	271	271	271	271	271	271	271	271	271
TOTAL Non Current Assets	342,332	344,444	343,370	356,868	358,237	373,818	372,305	389,198	388,630	406,754	407,912
TOTAL ASSETS	360,092	361,300	362,432	376,819	378,419	393,748	390,449	409,525	411,390	431,446	434,705

Forecast Statement of Financial Position

	AP 2014/2015 \$000	LTP 2015/2016 \$000	LTP 2016/2017 \$000	LTP 2017/2018 \$000	LTP 2018/2019 \$000	LTP 2019/2020 \$000	LTP 2020/2021 \$000	LTP 2021/2022 \$000	LTP 2022/2023 \$000	LTP 2023/2024 \$000	LTP 2024/2025 \$000
CURRENT LIABILITIES											
Trade and Other Payables	4,050	3,871	3,997	4,083	4,194	4,298	4,397	4,424	4,597	4,730	4,861
Derivative Financial Instruments	675	54	56	57	59	60	62	62	64	66	68
Employee Benefits	458	439	453	463	475	488	499	501	521	537	551
Current Portion of Term Debt	4,503	56	99	136	150	217	4,266	297	312	347	354
TOTAL Current Liabilities	9,686	4,420	4,605	4,739	4,878	5,063	9,224	5,284	5,494	5,680	5,834
NON CURRENT LIABILITIES											
Derivative Financial Instruments	0	250	250	250	250	250	250	250	250	250	250
Environmental Provisions	1,389	1,410	1,383	1,356	1,330	1,304	1,164	1,135	1,106	1,078	1,050
Bond Deposits	82	82	82	82	82	82	82	82	82	82	82
Employee Entitlement	286	280	280	280	280	280	280	280	280	280	280
Term Debt	23,243	26,701	27,158	27,202	28,630	29,080	21,393	26,593	28,417	28,287	30,032
TOTAL Non Current Liabilities	25,000	28,723	29,153	29,170	30,572	30,996	23,169	28,340	30,135	29,977	31,694
EQUITY											
Accumulated Funds	172,553	172,801	172,649	175,024	174,470	173,729	173,707	173,946	173,357	173,125	174,137
Reserves	3,112	4,030	4,699	5,281	5,894	6,638	7,027	7,498	7,947	8,379	8,755
Asset Revaluation Reserve	149,741	151,326	151,326	162,605	162,605	177,322	177,322	194,457	194,457	214,285	214,285
TOTAL Equity	325,406	328,157	328,674	342,910	342,969	357,689	358,056	375,901	375,761	395,789	397,177
TOTAL Equity and Liabilities	360,092	361,300	362,432	376,819	378,419	393,748	390,449	409,525	411,390	431,446	434,705

Forecast Statement of Cashflows

	AP 2014/2015 \$000	LTP 2015/2016 \$000	LTP 2016/2017 \$000	LTP 2017/2018 \$000	LTP 2018/2019 \$000	LTP 2019/2020 \$000	LTP 2020/2021 \$000	LTP 2021/2022 \$000	LTP 2022/2023 \$000	LTP 2023/2024 \$000	LTP 2024/2025 \$000
CASHFLOWS FROM OPERATING ACTIVITIES											
Cash will be provided from:											
Rates	13,580	13,441	13,735	14,226	14,480	14,898	15,504	15,596	15,793	16,411	16,567
Other Income	9,723	8,320	7,590	7,975	7,375	7,497	7,876	8,121	7,844	8,180	9,802
Interest Received	560	746	830	878	900	848	751	852	1,011	1,109	1,203
Dividend Income & Subvention Payments Received	875	1,156	1,198	304	1,250	1,285	1,321	1,361	1,406	1,450	1,502
	24,738	23,663	23,353	23,383	24,005	24,528	25,452	25,930	26,054	27,150	29,074
Cash will be applied to:											
Payments to Suppliers and Employees	16,613	15,854	15,327	16,460	15,685	16,768	17,495	17,549	17,911	18,939	19,529
Interest Paid	1,337	1,438	1,559	1,624	1,718	1,783	1,626	1,608	1,689	1,698	1,757
	17,950	17,292	16,886	18,084	17,403	18,551	19,121	19,157	19,600	20,637	21,286
NET CASH from Operating Activities	6,788	6,371	6,467	5,299	6,602	5,977	6,331	6,773	6,454	6,513	7,788
CASHFLOWS FROM INVESTING ACTIVITIES											
Cash will be provided from:											
Investments Realised	4,500	0	0	0	1,151	500	2,000	0	0	0	0
Sale of Fixed Assets		0	0	2,892	0	448	0	0	0	0	0
Sale of Investment Property	494	160	164	168	172	177	182	188	194	200	207
	4,994	160	164	3,060	1,323	1,125	2,182	188	194	200	207
Cash will be applied to:											
Purchase of Fixed Assets	9,186	8,495	4,825	8,125	8,020	7,429	4,848	4,586	4,421	4,728	6,737
Purchase of Equity Investments	0	55	41	35	177	57	7	1,526	1,665	189	1,311
Purchase of Investments	1,500	0	1,000	1,000	1,000	0	0	2,000	2,500	2,000	2,000
	10,686	8,550	5,866	9,160	9,197	7,486	4,855	8,112	8,586	6,917	10,048
NET CASH from Investing Activities	(5,692)	(8,390)	(5,702)	(6,100)	(7,874)	(6,361)	(2,673)	(7,924)	(8,392)	(6,717)	(9,841)

Forecast Statement of Cashflows

	AP 2014/2015 \$000	LTP 2015/2016 \$000	LTP 2016/2017 \$000	LTP 2017/2018 \$000	LTP 2018/2019 \$000	LTP 2019/2020 \$000	LTP 2020/2021 \$000	LTP 2021/2022 \$000	LTP 2022/2023 \$000	LTP 2023/2024 \$000	LTP 2024/2025 \$000
CASHFLOWS FROM FINANCING ACTIVITIES											
Cash will be provided from:											
Loans Raised	2,568	2,917	599	216	1,593	735	628	1,526	2,152	252	2,105
	2,568	2,917	599	216	1,593	735	628	1,526	2,152	252	2,105
Cash will be applied to:											
Repayment of Loans	4,503	56	99	136	150	217	4,266	297	312	347	354
	4,503	56	99	136	150	217	4,266	297	312	347	354
NET CASH from Financing Activities	(1,935)	2,861	500	80	1,443	518	(3,638)	1,229	1,840	(95)	1,751
NET INCREASE (Decrease) in Cash	(839)	842	1,265	(721)	171	134	20	78	(98)	(299)	(302)
OPENING CASH as at 1 July	2,690	45	887	2,152	1,431	1,602	1,736	1,756	1,834	1,736	1,437
CLOSING CASH as at 30 June	1,851	887	2,152	1,431	1,602	1,736	1,756	1,834	1,736	1,437	1,135

Notes to the Prospective Financial Statements

	AP 2014/2015 \$000	LTP 2015/2016 \$000	LTP 2016/2017 \$000	LTP 2017/2018 \$000	LTP 2018/2019 \$000	LTP 2019/2020 \$000	LTP 2020/2021 \$000	LTP 2021/2022 \$000	LTP 2022/2023 \$000	LTP 2023/2024 \$000	LTP 2024/2025 \$000
NOTE 1: REQUIRED FROM GENERAL RATES											
Democracy	1,285	1,128	1,154	1,272	1,213	1,277	1,379	1,316	1,381	1,497	1,412
Support	0	210	227	219	218	247	229	233	238	258	249
Community Services	3,592	3,750	3,817	3,851	4,095	4,109	4,083	4,161	4,301	4,423	4,485
Regulatory Services	992	969	977	1,007	977	1,076	1,054	1,110	1,100	1,154	1,143
Property Management, Amenities & Reserves	1,244	1,280	1,291	1,392	1,363	1,456	1,488	1,472	1,512	1,536	1,514
Roading & Urban Development	2,454	2,270	2,274	2,275	2,321	2,343	2,512	2,566	2,553	2,679	2,759
Water	0	0	0	0	0	0	0	0	0	0	0
Solid Waste	313	338	315	348	315	316	415	313	312	317	310
Wastewater	0	0	0	0	0	0	0	0	0	0	0
In House Professional Services	(59)	(72)	(78)	(87)	(100)	(106)	(120)	(112)	(120)	(126)	(135)
Airport	61	67	59	57	35	29	16	10	23	26	18
Stormwater	405	454	516	519	528	538	591	591	594	628	682
	10,287	10,394	10,552	10,853	10,965	11,285	11,647	11,660	11,894	12,392	12,437
LESS:											
Investment Income	(1,240)	(1,410)	(1,457)	(1,464)	(1,526)	(1,582)	(1,581)	(1,706)	(1,809)	(1,848)	(1,883)
Other Income - Dividends	(875)	(875)	(910)	-	(928)	(952)	(977)	(1,005)	(1,035)	(1,067)	(1,103)
Sale of Dredge Rates Subsidy	0	0	0	(921)	0	0	0	0	0	0	0
	(2,115)	(2,285)	(2,367)	(2,385)	(2,454)	(2,534)	(2,558)	(2,711)	(2,844)	(2,915)	(2,986)
Rates Penalties	(230)	(170)	(170)	(175)	(175)	(175)	(180)	(180)	(180)	(190)	(190)
TOTAL General Rates Requirement	7,942	7,939	8,015	8,293	8,336	8,576	8,909	8,769	8,870	9,287	9,261

Notes to the Prospective Financial Statements

	AP 2014/2015 \$000	LTP 2015/2016 \$000	LTP 2016/2017 \$000	LTP 2017/2018 \$000	LTP 2018/2019 \$000	LTP 2019/2020 \$000	LTP 2020/2021 \$000	LTP 2021/2022 \$000	LTP 2022/2023 \$000	LTP 2023/2024 \$000	LTP 2024/2025 \$000
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NOTE 2: TARGETED RATES

Water	2,152	2,259	2,382	2,492	2,622	2,703	2,834	2,912	2,962	3,100	3,235
Solid Waste	702	676	677	693	724	744	767	793	815	847	874
Wastewater	2,317	2,397	2,492	2,573	2,624	2,701	2,814	2,942	2,967	2,986	3,007
Community Services	236	0	0	0	0	0	0	0	0	0	0
TOTAL Targeted Rates	5,407	5,332	5,551	5,758	5,970	6,148	6,415	6,647	6,744	6,933	7,116

NOTE 3: SUBSIDIES AND GRANTS

Community Services	21	556	556	421	421	421	421	421	21	21	21
Roading & Urban Development	4,071	3,341	3,428	3,547	3,638	3,634	3,931	4,050	3,977	4,196	5,659
Water	1,851	1,317	474	802	0	0	0	0	0	0	0
Solid Waste	29	35	36	37	38	39	40	41	43	44	46
TOTAL Subsidies and Grants	5,972	5,249	4,494	4,807	4,095	4,094	4,392	4,512	4,041	4,261	5,726

NOTE 4: FEES AND CHARGES

Democracy	0	0	34	0	0	40	0	0	48	0	0
Community Services	785	526	438	450	462	475	489	505	521	539	558
Regulatory Services	1,242	1,040	1,066	1,093	1,123	1,155	1,190	1,227	1,267	1,311	1,358
Property Management, Amenities & Reserves	1,074	1,064	1,108	1,157	1,206	1,241	1,302	1,365	1,436	1,511	1,594
Roading & Urban Development	175	175	177	181	186	190	195	201	207	213	220
Water	0	0	0	0	0	0	0	0	0	0	0
Solid Waste	65	86	88	90	93	95	98	101	105	108	112
Wastewater	15	5	5	5	5	6	6	6	6	6	7
Support Activities	0	74	76	87	98	90	84	87	90	106	96
In House Professional Services	0	0	0	0	0	0	6	0	0	0	0
Stormwater	8	5	5	5	5	5	5	5	5	6	6
Airport	61	95	98	100	103	106	109	112	116	120	124
TOTAL Fees and Charges	3,425	3,070	3,095	3,168	3,281	3,403	3,484	3,609	3,801	3,920	4,075

Notes to the Prospective Financial Statements

	AP 2014/2015 \$000	LTP 2015/2016 \$000	LTP 2016/2017 \$000	LTP 2017/2018 \$000	LTP 2018/2019 \$000	LTP 2019/2020 \$000	LTP 2020/2021 \$000	LTP 2021/2022 \$000	LTP 2022/2023 \$000	LTP 2023/2024 \$000	LTP 2024/2025 \$000
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NOTE 5: INTERNAL RECOVERIES

Community Services	1	0	0	0	0	0	0	0	0	0	0
Regulatory Services	0	0	0	0	0	0	0	0	0	0	0
Amenities and Reserves	376	384	383	402	450	681	843	885	878	911	885
Support	4,265	4,138	4,270	4,356	4,271	4,655	4,793	4,870	4,983	5,174	5,242
In House Professional Services	785	795	813	832	852	874	897	922	949	977	1,008
TOTAL Internal Recoveries	5,427	5,317	5,466	5,590	5,573	6,210	6,533	6,677	6,810	7,062	7,135

NOTE 6: OPERATING EXPENDITURE AS PER ACTIVITY

Democracy	1,285	1,128	1,188	1,272	1,213	1,317	1,379	1,316	1,428	1,497	1,412
Community Services	4,752	4,292	4,273	4,307	4,558	4,585	4,570	4,661	4,814	4,947	5,024
Regulatory Services	2,254	2,066	2,092	2,132	2,127	2,260	2,258	2,342	2,370	2,465	2,493
Property Management, Amenities & Reserves	2,709	2,843	2,981	3,040	3,099	3,532	3,779	3,767	3,843	3,963	3,931
Roading & Urban Development	7,079	6,443	6,549	6,630	6,811	6,932	7,175	7,301	7,593	7,729	8,089
Water	2,289	2,279	2,556	2,640	2,911	2,947	3,054	3,081	3,197	3,248	3,374
Solid Waste	1,070	1,120	1,116	1,171	1,158	1,184	1,309	1,234	1,262	1,302	1,329
Wastewater	2,233	2,152	2,201	2,231	2,279	2,313	2,391	2,412	2,495	2,541	2,701
Support Services	4,255	4,412	4,563	4,652	4,578	4,983	5,096	5,180	5,300	5,525	5,577
In House Professional Services	727	723	734	745	752	767	782	810	829	851	874
Airport	122	162	157	157	138	135	125	122	139	146	143
Stormwater	459	452	498	505	516	523	545	545	566	577	600
	29,234	28,072	28,908	29,482	30,140	31,478	32,463	32,771	33,836	34,791	35,547

PLUS: Writeoff of Assets	350	350	356	364	374	383	394	406	418	432	447
LESS: Internal Interest	(680)	(664)	(626)	(587)	(627)	(734)	(831)	(853)	(798)	(739)	(679)
LESS: Internal Recoveries	(5,427)	(5,317)	(5,466)	(5,590)	(5,573)	(6,210)	(6,533)	(6,677)	(6,810)	(7,062)	(7,135)
TOTAL Operating Expenditure	23,477	22,441	23,172	23,669	24,314	24,917	25,493	25,647	26,646	27,422	28,178

Notes to the Prospective Financial Statements

	AP 2014/2015 \$000	LTP 2015/2016 \$000	LTP 2016/2017 \$000	LTP 2017/2018 \$000	LTP 2018/2019 \$000	LTP 2019/2020 \$000	LTP 2020/2021 \$000	LTP 2021/2022 \$000	LTP 2022/2023 \$000	LTP 2023/2024 \$000	LTP 2024/2025 \$000
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NOTE 7: INVESTMENT INCOME

Interest, Dividends & Subventions	1,240	1,410	1,456	1,465	1,527	1,582	1,582	1,705	1,809	1,848	1,882
LESS: Internal Interest	(680)	(664)	(626)	(587)	(627)	(734)	(831)	(853)	(798)	(739)	(679)
TOTAL Investment Income	560	746	830	878	900	848	751	852	1,011	1,109	1,203

NOTE 8: FINANCE COSTS

Interest Expenses	2,017	2,102	2,185	2,211	2,345	2,517	2,457	2,461	2,487	2,437	2,438
LESS: Internal Interest	(680)	(664)	(626)	(587)	(627)	(734)	(831)	(853)	(798)	(739)	(679)
TOTAL Finance Costs	1,337	1,438	1,559	1,624	1,718	1,783	1,626	1,608	1,689	1,698	1,757

NOTE 9: DEPRECIATION and AMORTISATION

Democracy	0	0	0	0	0	0	0	0	0	0	0
Community Services	415	336	311	307	309	301	277	267	266	245	234
Regulatory Services	74	86	76	52	49	50	31	23	23	23	16
Property Management, Amenities & Reserves	474	568	587	607	660	733	755	752	751	723	645
Roading & Urban Development	2,721	2,551	2,596	2,599	2,694	2,697	2,832	2,835	2,996	2,999	3,197
Water	682	706	838	875	964	965	1,031	1,034	1,111	1,111	1,200
Solid Waste	96	98	92	92	91	89	89	87	85	85	80
Wastewater	664	660	690	694	732	735	780	783	835	839	899
Support Services	256	236	277	246	189	165	131	126	129	134	138
In House Professional Services	13	12	7	6	6	4	4	8	8	8	8
Airport	54	55	54	54	35	25	16	16	20	23	18
Stormwater	206	210	228	228	240	241	255	255	271	272	294
TOTAL Depreciation and Amortisation	5,655	5,518	5,756	5,760	5,969	6,005	6,201	6,186	6,495	6,462	6,729

Forecast Statement of Capital Expenditure

Department	Project	AP 2014/2015 \$000	LTP 2015/2016 \$000	LTP 2016/2017 \$000	LTP 2017/2018 \$000	LTP 2018/2019 \$000	LTP 2019/2020 \$000	LTP 2020/2021 \$000	LTP 2021/2022 \$000	LTP 2022/2023 \$000	LTP 2023/2024 \$000	LTP 2024/2025 \$000	Refer to Section:
Support Services	Information Technology, Vehicle Replacement	117	253	118	137	215	171	114	104	71	163	75	
Regulatory Services	Vehicle Replacement, Rural Fire Equipment	0	0	0	54	38	39	0	0	0	0	0	
Community Services	Urban Streetscape Vision 2010 Projects	465	512	77	79	0	556	0	0	0	0	0	
	Theatres, Recreation Facilities and Libraries	293	252	479	166	106	92	221	86	89	92	95	
	Promotion & Development	0	25	26	0	0	0	0	0	0	0	0	
Amenities and Reserves	Reserves, Playgrounds and Camping Grounds	98	160	62	63	65	67	69	71	73	76	78	
	Cemetaries	37	33	0	8	62	9	0	9	0	10	0	
	Council Properties and Buildings, Public Toilets	304	225	0	81	2,898	2,989	570	0	0	23	8	
	Housing for the Elderly	26	3	74	94	1,236	3	3	3	40	3	3	
Roading	Roading	2,090	1,793	1,711	1,750	1,797	1,695	2,055	2,103	1,885	2,091	4,267	
	Footpaths, Security Cameras, Street Banners	251	213	216	221	226	232	238	245	252	260	268	
Solid Waste	Contracted Refuse (litter bins & transfer stn)	120	8	22	8	24	8	9	9	9	9	10	
Sewerage	Westport Sewer	373	442	446	445	406	516	477	583	471	638	484	
	Reefton Sewer	111	149	154	169	154	176	205	330	212	222	244	
	Little Wanganui Sewer	12	38	1	38	1	31	2	31	2	32	2	
Water	Westport Water	3,517	2,033	419	4,461	409	441	450	529	444	674	604	
	Reefton Water	133	119	112	132	118	120	113	214	121	148	265	
	District Water Supplies	1,068	1,642	692	8	46	8	8	9	9	10	10	
Stormwater	Stormwater Upgrades and Replacements	141	595	216	211	219	220	262	260	255	277	326	
Professional Services Business Unit	Vehicle Replacement	0	0	0	0	0	0	52	0	0	0	0	
Airport	Rock wall and Runway replacement	30	0	0	0	0	56	0	0	488	0	0	
TOTAL Capital Projects		9,186	8,495	4,825	8,125	8,020	7,429	4,848	4,586	4,421	4,728	6,737	

Forecast Funding Impact Statement

(All figures in this policy are GST exclusive.)

1. General Rates

General Rates includes both the general (differential) rate and a uniform annual general charge.

General Rates are used to fund or part fund Democracy, Economic Development, Community Services, Regulatory Services, Amenities and Reserves, Roading, Solid Waste Management, Stormwater and Airport activities.

1.1 General (Differential) Land Rate

The general rate is set and assessed on the land value of all rateable land in the district, on a differential basis based on location, area, land use, and the activities that are permitted, controlled or discretionary for the area in which the land is situated as per the District Plan.

The definition of the differential categories is set out in Section 5 of this Funding Impact Statement.

General Rates (exclusive of GST).

Table 1 – Differentials

General Rate Differential Categories	Percentage of Rate	General Rate (Cents per \$ Land Value)
Residential 101	0.942%	0.25299
Residential 102	0.178%	0.18317
Residential 103	0.655%	0.32462
Residential 104	0.823%	0.27968
Residential 105	0.361%	0.18822
Residential 106	19.298%	0.66636
Residential 107	1.438%	0.55495
Residential 108	1.148%	0.49524
Residential 109	0.641%	0.43082
Residential 110	0.459%	0.48890
Residential 111	0.215%	0.17697

General Rate Differential Categories	Percentage of Rate	General Rate (Cents per \$ Land Value)
Residential 112	0.483%	0.36910
Residential 113	0.398%	0.31055
Residential 114	1.041%	0.38248
Residential 115	2.599%	0.43229
Multi Residential 121	0.017%	0.91198
Multi Residential 122	0.008%	0.64203
Multi Residential 123	1.459%	1.42501
Multi Residential 124	0.064%	1.88761
Multi Residential 125	0.134%	0.90324
Multi Residential 126	0.150%	1.03537
Commercial 131	0.945%	1.32475
Commercial 132	0.246%	0.82957
Commercial 133	1.845%	1.64369
Commercial 134	10.284%	2.60249
Commercial 135	0.089%	1.21395
Commercial 136	0.329%	0.68016
Commercial 138	0.024%	0.11212
Commercial 139	1.192%	0.77313
Commercial 140	0.968%	1.08592
Rural 141	17.593%	0.17542
Rural 142	1.192%	0.16113
Rural 143	3.642%	0.13590
Rural Residential 151	3.921%	0.29291
Rural Residential 152	2.825%	0.27679
Rural Small Holding 161	1.385%	0.21027
Rural Small Holding 162	0.104%	0.13429
Rural Small Holding 163	0.196%	0.15029

General Rate Differential Categories	Percentage of Rate	General
		General Rate (Cents per \$ Land Value)
Rural Small Holding 164	0.052%	0.07036
Industrial 171	3.008%	5.71577
Industrial 172	9.784%	4.05727
Industrial 173	5.219%	1.28443
Industrial 174	2.646%	9.09544
	100.0%	

1.2 Uniform Annual General Charge (UAGC)

The Council will set and assess a uniform annual general charge (UAGC) as a fixed amount per SUIP of a rating unit.

The Uniform Annual General Charge will be \$413.04 (exclusive of GST) per SUIP of a rating unit.

1A Expected Yield (Collect)

The expected collect from the General Rates (both the general (differential) rate and the uniform annual general charge) is calculated to be \$7,936,753 (excluding GST).

2. Water

Targeted water supply rates are set for each rating unit connected or able to be connected within certain scheme areas, as follows.

The rates are set on a per connection basis with a differential applied for each rate based on the use of the rating unit.

A differential is also applied in some scheme areas based on the availability of the service. The categories applied are rating units connected to the supply, and rating units which are not connected but are able to be connected ('serviceable'). A rating unit is regarded as serviceable if the rating unit lies within 50 metres of the water reticulation system.

For the Westport, Reefton, Mokihinui, Ngakawau/Hector and Waimangaroa water supplies, only connected properties are rated (there is no differential for serviceable properties).

Refer to the definition of the differential categories set out in Section 5 of this Funding Impact Statement.

Table 2 – Unit rates

Water Supply Scheme Rates	Differential category (refers to use by number of connections)	Differential Factor	Targeted Rate (GST excl)
Westport: multi-residential only			
	1-2	1.00	\$630.43
	3	1.70	\$1,071.73
	4	2.30	\$1,449.99
	5	2.80	\$1,765.20
	6	3.20	\$2,017.38
	7	3.60	\$2,269.55
	8	4.00	\$2,521.72
	9	4.40	\$2,773.89
	10	4.80	\$3,026.06
	11	5.20	\$3,278.24
	12	5.60	\$3,530.41
Westport: all other rating sectors			
	1	1.00	\$630.43
	2	1.70	\$1,071.73
	3	2.30	\$1,449.99
	4	2.80	\$1,765.20
	5	3.20	\$2,017.38
	6	3.60	\$2,269.55
	7	4.00	\$2,521.72
	8	4.40	\$2,773.89
	9	4.80	\$3,026.06
	10	5.20	\$3,278.24
	11	5.60	\$3,530.41
	12	6.00	\$3,782.58

Water Supply Scheme Rates	Differential category (refers to use by number of connections)	Differential Factor	Targeted Rate
			(GST excl)
Reefton: multi-residential only			
	1-2	1.00	\$510.43
	3	1.70	\$867.73
	4	2.30	\$1,173.99
	5	2.80	\$1,429.20
	6	3.20	\$1,633.38
	7	3.60	\$1,837.55
	8	4.00	\$2,041.72
	9	4.40	\$2,245.89
	10	4.80	\$2,450.06
	11	5.20	\$2,654.24
	12	5.60	\$2,858.41
Reefton: all other rating sectors			
	1	1.00	\$510.43
	2	1.70	\$867.73
	3	2.30	\$1,173.99
	4	2.80	\$1,429.20
	5	3.20	\$1,633.38
	6	3.60	\$1,837.55
	7	4.00	\$2,041.72
	8	4.40	\$2,245.89
	9	4.80	\$2,450.06
	10	5.20	\$2,654.24
	11	5.60	\$2,858.41
	12	6.00	\$3,062.58
Reefton - major users			
1905006101	1+	2.00	\$1,020.86
1905023800	1+	2.00	\$1,020.86
1905043500	1+	2.00	\$1,020.86
1905044200	1+	2.00	\$1,020.86

Water Supply Scheme Rates	Differential category (refers to use by number of connections)	Differential Factor	Targeted Rate
			(GST excl)
1905050000	1+	2.00	\$1,020.86
1905036800	1+	40.00	\$20,417.20
Mokihinui			
Connected (excluding major users)	1	1.00	\$234.78
Major users*	1+	8.00	\$1,878.24
Ngakawau Hector			
Connected (excluding major users)	1	1.00	\$290.43
Major users*	1+	20.00	\$5,808.60
Waimangaroa			
Connected (excluding major users)	1	1.00	\$325.22
Major users*	1+	3.00	\$975.66
Punakaiki			
Connected	1	1.00	\$614.78
Serviceable	1	0.50	\$307.39
Little Wanganui			
Connected (excluding major users)	1	1.00	\$170.43
Serviceable	1	0.50	\$85.22
Major users*	1+	15.00	\$2,556.45
Inangahua Junction			
Connected (excluding major users)	1	1.00	\$240.00
Serviceable	1	0.50	\$120.00
Major users*	1+	3.00	\$720.00
Granity South			
Connected	1	1.00	\$240.00

Definition of major users' differential categories

Rate	Valuation Reference
Little Wanganui subdivision	1878035600
Mokihinui	1879001700
Ngakawau-Hector	1880006300
Waimangaroa	1883044300
Inangahua Junction	1901009300

2.1 Metered Water Supplies

2.1.1 Cape Foulwind Rural Water Supply

A targeted rate is set to fund the Cape Foulwind Rural Water Supply. Each farm connection is charged for consumption at a rate of \$0.55 (exclusive of GST) per m³.

2.1.2 Westport Metered Water Supply

The Council sets two rates for Westport Metered Water Supply.

A targeted rate is set for each connection to the Westport water supply through a meter. The rate is set as a fixed amount per connection of \$630.43 (exclusive of GST).

Each metered supply is then charged at a rate of \$1.6435 (exclusive of GST) per cubic metre (m³) for consumption over 400m³ per connection per annum.

2.1.3 Reefton Metered Water Supplies

Council is considering options to introduce Metered Water Supply for extraordinary users.

2.2 Punakaiki Water Supply

A targeted rate is set for each rating unit that is connected to the Punakaiki water supply.

The rate is set on a differential basis, based on use of the rating unit. The rate for differential factor 1.0 is \$614.78 per connection (excluding GST).

Table 2.2A –

General description of differential categories and differential factor

Differential category	Differential factor	Targeted Rate
		(GST Exclusive)
(A) Section Only	0.5	\$307.39
(B) Single Residential Dwelling (Including A Home-Based Business)	1.0	\$614.78
(C) Department Of Conservation Depot	1.0	\$614.78
(D) Two Residential Dwellings On One Rating Unit	2.0	\$1,229.56
(E) Motel complex of more than 4 units	2.0	\$1,229.56
(F) Three residential dwellings on one rating unit	3.0	\$1,844.34
(G) Hostel (backpackers)	4.0	\$2,459.12
(H) Tavern, motel complex, and dwelling	6.0	\$3,688.68
(I) Camping ground and dwelling	12.0	\$7,377.36

Table 2.2B – Categorisation of each property

The following table lists the properties (by valuation reference) that fall within each of the above categories:

Category	Valuation reference(s)
(A)	1886029000, 1886029001, 1886029003, 1886029007, 1886029013, 1886029014, 1886029015, 1886029019, 1886029029, 1886029030
(B)	1886016900, 1886016901, 1886017000, 1886017100, 1886017200, 1886017201, 1886017300, 1886017400, 1886017500, 1886017700, 1886017701, 1886017800, 1886017900, 1886018000, 1886018400, 1886018500, 1886018600, 1886018700, 1886018900, 1886019200, 1886019201, 1886019400, 1886019500, 1886019600, 1886019700, 1886019800, 1886019900, 1886028700, 1886028900, 1886029002, 1886029004, 1886029006, 1886029008, 1886029009, 1886029010, 1886029012, 1886029017, 1886029018, 1886029020, 1886029025, 1886029026, 1886029031, 1886029033, 1886029034, 1886029035, 1886029036, 1886031601, 1886031602, 1886031604, 1886031607, 1886031610, 1886031611, 1886031614, 1886031615
(C)	1886018001
(D)	1886029021, 1886029028, 1886031609
(E)	1886019000
(F)	1886029023
(G)	1886018100
(H)	1886031616
(I)	1886031200

Any future change to the use of any property within the Punakaiki water supply which results in a change to the use (as set out in Table 2.2A) will result in a change to the differential category the property is in, from the next rating year.

Council may require any user on the water supply to have a meter installed, if it deems it necessary to do so, in the interests of fairness within the supply area.

2A Expected Yield (Collect)

The expected collects for each of the Water Supply areas (GST exclusive) are:

Water Supply Area	Collect
Little Wanganui Subdivision	\$13,089
Mokihinui	\$11,739
Ngakawau-Hector	\$51,117
South Granity	\$9,360
Waimangaroa	\$45,205
Westport	\$1,727,076
Reefton	\$339,847
Punakaiki	\$55,945
Inangahua Junction	\$7,920

3. Sewage Disposal

Targeted sewage disposal rates are set for each rating unit connected or able to be connected within certain scheme areas, as follows.

The rates are set on a per pan basis with a differential applied for each rating unit based on the use of the rating unit.

A differential is also applied based on the availability of the service. The categories applied are rating units connected to the supply, and rating units within certain scheme areas which are not connected but are able to be connected ("serviceable"). A rating unit is regarded as serviceable if it is within 30 metres of the sewerage reticulation system.

For the Westport, Reefton, Mokihinui, Ngakawau/Hector and Waimangaroa water supplies, only connected properties are rated (there is no differential for serviceable properties).

Refer to the definition of the differential categories set out in section 5 of this Funding Impact Statement.

Table 3 – Unit rates

Sewerage Scheme Rates	Differential category (refers to use by number of connections)	Differential factor	Targeted Rate
			(GST exclusive)
Westport and Carters Beach - multi-residential only			
	1-2	1.00	\$810.43
	3	1.70	\$1,377.73
	4	2.30	\$1,863.99
	5	2.80	\$2,269.20
	6	3.20	\$2,593.38
	7	3.60	\$2,917.55
	8	4.00	\$3,241.72
	9	4.40	\$3,565.89
	10	4.80	\$3,890.06
	11	5.20	\$4,214.24
	12	5.60	\$4,538.41
Westport and Carters Beach - all other rating sectors			
	1	1.00	\$810.43
	2	1.70	\$1,377.73
	3	2.30	\$1,863.99
	4	2.80	\$2,269.20
	5	3.20	\$2,593.38
	6	3.60	\$2,917.55
	7	4.00	\$3,241.72
	8	4.40	\$3,565.89
	9	4.80	\$3,890.06
	10	5.20	\$4,214.24
	11	5.60	\$4,538.41
	12	6.00	\$4,862.58

Sewerage Scheme Rates	Differential category (refers to use by number of connections)	Differential factor	Targeted Rate
			(GST exclusive)
Reefton - multi-residential only			
	1-2	1.00	\$530.43
	3	1.70	\$901.73
	4	2.30	\$1,219.99
	5	2.80	\$1,485.20
	6	3.20	\$1,697.38
	7	3.60	\$1,909.55
	8	4.00	\$2,121.72
	9	4.40	\$2,333.89
	10	4.80	\$2,546.06
	11	5.20	\$2,758.24
	12	5.60	\$2,970.41
Reefton - all other rating sectors			
	1	1.00	\$530.43
	2	1.70	\$901.73
	3	2.30	\$1,219.99
	4	2.80	\$1,485.20
	5	3.20	\$1,697.38
	6	3.60	\$1,909.55
	7	4.00	\$2,121.72
	8	4.40	\$2,333.89
	9	4.80	\$2,546.06
	10	5.20	\$2,758.24
	11	5.60	\$2,970.41
	12	6.00	\$3,182.58
Little Wanganui			
Connected	1	1.00	\$610.43
Serviceable	1	0.50	\$305.22

3A Expected Yield (Collect)

The expected collects for each of the Sewerage areas (GST exclusive) are:

Sewerage Area	Collect
Little Wanganui Subdivision	\$37,114
Westport	\$2,034,353
Reefton	\$306,857

4. Waste Management (formerly Refuse & Recycling)

For the purposes of the cost of providing waste management (refuse and recycling) throughout the district, three zones have been established, each having its own level of service.

The localities of these zones are:

Zone	Locality
1.	All of the district except north of the Mokihinui River and east of Blacks Point to which the collection service is provided
2.	North of the Mokihinui River (Karamea)
3.	East of Blacks Point (Maruia)

The levels of service for each are:

Zone	Locality
1.	The provision of a collection service for bins and bags, plus the cost of the waste management disposal area(s) within the zone.
2.	The cost of the waste management disposal area(s) within the zone.
3.	The cost of the waste management disposal area(s) within the zone.

4.1 Waste Management - Zone 1

The cost of providing recycling and refuse collection is recovered from those properties that receive the service, in the form of a targeted annual waste management charge of a fixed amount per set of two bins (one wheelie bin and one crate) delivered to those properties within the Zone 1 area.

Thus, any property that has been delivered more than one set of bins, is deemed to be receiving the service for each of those sets of bins, and shall be liable for the fixed amount for each set of bins delivered to the property.

The bins are used for the fortnightly recycling collection, while bags are available for purchase at various district outlets for the use of weekly refuse collection.

The annual waste management charge for Zone 1 will be \$126.09 per set of two bins (excluding GST).

4.2 Waste Management - Zone 2

The cost of providing a waste management landfill activity within the Zone 2 area is recovered from those rating units within the area.

The annual waste management charge for Zone 2 will be \$85.22 per rating unit (excluding GST).

4.3 Waste Management - Zone 3

The cost of providing a waste management landfill activity within the Zone 3 area is recovered from those rating units within the area.

The annual waste management charge for Zone 3 will be \$85.22 per rating unit (excluding GST).

4A Expected Yield (Collect)

The expected collects for each of the Waste Management zones (GST exclusive) are:

Waste Management Area	Collect
Zone 1	\$621,104
Zone 2	\$45,932
Zone 3	\$9,715

Note: Lump sum contributions

The Council does not accept lump sum contributions in respect of any of the targeted rates.

5. Differential Categories

Note that the first five digits of any valuation reference comprises the valuation roll in which the reference is found.

Also note that subject to the rights of objection to the rating information database set out in Section 28 of the Local Government (Rating) Act 2002, the Council is the sole determiner of the categories applied to a rating unit.

Residential Categories:

Rating units, or parts of rating units, being less than 4,000 square metres in area, having no more than one residential dwelling, and being primarily used for, or able to be used for, residential living.

Residential 101 - includes residential rating units, or parts of rating units, within the valuation rolls numbered 18780 (but excluding the Little Wanganui Subdivision); 18800 (but excluding the township of Granity); 18820; 18830 (but excluding the townships of

Waimangaroa and Conns Creek); 18840 (but excluding the settlement of Snodgrass, and those properties in the greater Westport area to the west of the Orowaiti River); 19000; 19010; 19040; 19080; and 19081.

Residential 102 - includes residential rating units, or parts of rating units, within the valuation roll numbered 18810, plus the settlement of Snodgrass.

Residential 103 - includes the residential rating units, or parts of rating units, within the valuation roll numbered 18790 (but excluding the township of Hector), plus the Little Wanganui Subdivision, and Conns Creek.

Residential 104 - includes the residential rating units, or parts of rating units, on the inland side of the State Highway 67 in the townships of Hector, Ngakawau, and Granity, plus the township of Waimangaroa.

Residential 105 - includes the residential rating units, or parts of rating units, on the seaward side of the State Highway 67 in the townships of Hector, Ngakawau, and Granity.

Residential 106 - includes the residential rating units, or parts of rating units, within the valuation rolls numbered 18840, 18950, 18960, and 18970 (but not including any properties to the east of the Orowaiti River or south of Stafford Street, and those properties on Orowaiti Road, Morgans Lane, Forbes, Coates, and Shelswell Streets, and selected properties at the northern end of Derby Street).

Residential 107 - includes the residential rating units, or parts of rating units, on Orowaiti Road, Morgans Lane, Forbes, Coates, and Shelswell Streets, and selected properties at the northern end of Derby Street.

Residential 108 - includes the residential rating units, or parts of rating units, within the township of Carters Beach (but excluding those properties located on Marine Parade).

Residential 109 - includes the residential rating units, or parts of rating units, within the township of Carters Beach located on Marine Parade.

Residential 110 - includes the residential rating units, or parts of rating units, within the valuation roll numbered 18850 (but excluding the townships of Carters Beach, Omau, and Tauranga Bay and valuation reference 1885022301).

Residential 111 - includes the residential rating units, or parts of rating units, within the valuation roll numbered 18860 (but excluding the townships of Charleston and Punakaiki and the Ross Subdivision).

Residential 112 - includes the residential rating units, or parts of rating units, within the townships of Omau and Tauranga Bay, plus valuation reference 1885022301.

Residential 113 - includes the residential rating units, or parts of rating units, within the township of Charleston.

Residential 114 - includes the residential rating units, or parts of rating units, within the township of Punakaiki and the Ross Subdivision.

Residential 115 - includes the residential rating units, or parts of rating units, within the valuation roll numbered 19050.

Multi Residential:

Rating units that have more than the one dwelling, excluding farm properties and communal residences. Where practicable, Council may have the rating unit divided into each of its separate uses, so each division can be assessed for rates in a different differential category.

Multi Residential 121 - includes those rating units under valuation references 1878011803 and 1908009900.

Multi Residential 122 - includes the rating unit under valuation reference 1878037247.

Multi Residential 123 - includes the multi-residential rating units within the valuation rolls numbered 18840 (excluding 1884000500, 1884001900 and 1884001903); 18950; 18960; and 18970.

Multi Residential 124 - includes those rating units under valuation references 1884000500, 1884001900, 1884001903, and within the valuation roll numbered 18860.

Multi Residential 125 - includes those multi-residential rating units within the valuation roll numbered 18850.

Multi Residential 126 - includes those multi-residential rating units within the valuation roll numbered 19050.

Commercial:

Rating units, or portions of rating units, used primarily for, or able to be used in terms of the District Plan for, carrying out a commercial or trading enterprise, including retail and/or wholesale, community, personal, business and repair services, offices, hotels, motels, camps and air transport.

Commercial 131 - includes commercial rating units, or parts of rating units, within the valuation rolls numbered 18780; 18820; 19000; 19010; 19040; 19080; and 19081; and those rating units under valuation references 1884018600 and 1884018701.

Commercial 132 - includes commercial rating units, or parts of rating units, within the valuation rolls numbered 18790; 18800; 18810; and 18830.

Commercial 133 - includes commercial rating units, or parts of rating units, within the valuation rolls numbered 18840 (excluding 1884018600 and 1884018701); 18960; and 18970; and those rating units under valuation references 1895009100, 1895021600 and 1895032100.

Commercial 134 - includes commercial rating units, or parts of rating units, within the valuation roll numbered 18950 (excluding 1895009100, 1895021600 and 1895032100).

Commercial 135 - includes the rating units under valuation references 1885002400BB and 1885022400.

Commercial 136 - includes commercial rating units, or parts of rating units, within the valuation roll numbered 18850 (excluding 1885002400BB and 1885022400).

Commercial 138 - includes commercial rating units within the valuation roll 18860, north of the Fox River.

Commercial 139 - includes commercial rating units within the valuation roll 18860, south of the Fox River.

Commercial 140 - includes commercial rating units, or parts of rating units, within the valuation roll numbered 19050.

Rural:

Properties being 10 hectares or greater, used exclusively or principally for agricultural, horticultural, and/or pastoral purposes, including forestry, or vacant land that is able to be used for such purposes in terms of the District Plan.

Rural 141 - includes rural rating units, or parts of rating units, within the valuation rolls numbered 18780; 18810; 18820; 18830; 18840; 18950; 18960; 18970; 19000; 19010; 19040; 19050; 19080; and 19081.

Rural 142 - includes rural rating units, or parts of rating units, within the valuation rolls numbered 18790; and 18800.

Rural 143 - includes rural rating units, or parts of rating units, within the valuation rolls numbered 18850; and 18860.

Rural Residential:

Properties being greater than 4,000 square metres but less than 4 hectares, primarily used for the purpose of residential living.

Rural Residential 151 - includes rural residential rating units, or parts of rating units, within the valuation rolls numbered 18780; 18810; 18820; 18830; 18840; 18950; 18960; 18970; 19000; 19010; 19040; 19050; 19080; and 19081.

Rural Residential 152 - includes rural residential rating units, or parts of rating units, within the valuation rolls numbered 18790; 18800; 18850; and 18860.

Rural Small Holding:

Properties being greater than 4 hectares but less than 10 hectares, used exclusively or principally for agricultural, horticultural and/or pastoral purposes, including forestry.

Rural Small Holding 161 - includes rural small holding rating units, or parts of rating units, within the valuation rolls numbered 18780; 18810; 18820; 18830; 18840; 18850; 18950; 18960; 18970; 19000; 19010; 19040; 19050; 19080; and 19081.

Rural Small Holding 162 - includes rural small holding rating units, or parts of rating units, within the valuation rolls numbered 18790; and 18800.

Rural Small Holding 163 - includes rural small holding rating units, or parts of rating units, within the valuation roll numbered 18860 (but excluding those units within the valuation reference ranges 1886003000 to 1886003600 and 1886023800 to 1886027700).

Rural Small Holding 164 - includes rural small holding rating units, or parts of rating units, within the valuation reference ranges of 1886003000 to 1886003600 and 1886023800 to 1886027700.

Industrial Clay/Cement:

Clay-Cement properties used primarily in the extraction of lime or clay, and/or used in the manufacture, storage, and/or distribution of cement.

Industrial 171 - includes those industrial rating units, or parts of rating units, that fall within the definition of Industrial Clay-Cement above.

Industrial Coal:

Properties used primarily in the extraction, storage, and/or distribution of coal.

Industrial 172 - includes those industrial rating units, or parts of rating units, that fall within the definition of Industrial Coal above.

Industrial Other:

Properties used primarily in the following, as well as all associated land and buildings related to:

- transport (road, rail, sea), excepting those properties defined as Industrial Harbour;
- utility services (communications, electricity, gas, water, sanitation);
- the manufacture of food, drink, and tobacco;
- the processing of textiles, leather, and fur;
- the processing of timber products, including manufacturing and storage sites (ie sawmills and timber yards, wooden articles of manufacture such as furniture)
- all other types of mining, not included in the sectors defined as Industrial Clay-Cement or Industrial Coal;
- engineering, metalwork appliances, and machinery works;
- chemicals, plastics, rubber, and paper manufacture;
- other manufacturing industries not defined above;
- depots and yards of contractors, central and local government; demolition, and fumigation and pest control firms; and
- vacant land designated for the primary purpose of industrial use

Industrial 173 - includes those industrial rating units, or parts of rating units, that fall within the definition of Industrial Other above.

Industrial Harbour:

Properties owned or occupied by Westport Harbour Limited and used for harbour and associated activities.

Industrial 174 - includes those industrial rating units, or parts of rating units, that fall within the definition of Industrial Harbour above.

SUIP (Separately Used or Inhabited Part) of a Rating Unit - Definition

A separately used or inhabited part of a rating unit includes:

- any part or parts of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement, or
- any part or parts of a rating unit that is/are used or occupied by the ratepayer for more than one single use.

Examples of separately used or inhabited parts of a rating unit include:

- A residential property that contains two or more separately occupiable units, flats or houses, each of which is separately inhabited or is capable of separate habitation.
- A commercial, or other non-residential property containing separate residential accommodation in addition to its commercial, farming or other primary use.
- A commercial premise that contains separate shops, kiosks or other retail or wholesale outlets, each of which is operated as a separate business or is capable of operation as a separate business.
- An office block which contains several sets of offices, each of which is used by a different business or which is capable of operation as separate businesses.

Council recognises that there are certain instances where the above situations will occur, but in circumstances that do not give rise to separate uses or inhabitations. These specific instances are:

- Where a business, farm, orchard, vineyard or horticultural operation contains accommodation on a rent-free basis for the owner, staff or share-milkers associated with the enterprise's productive operation.
- Where a residential property contains not more than one additional separately inhabited part, or where members of the owners family inhabit the separate part on a rent-free basis.
- Where an orchard, vineyard or horticultural operation contains a staff for the sale of goods produced solely by the operation, a residence that provides accommodation on a rent-free basis for the owner and staff of the operation.

Council Funding Impact Statement

AP 2014/2015 \$000	LTP 2015/2016 \$000	LTP 2016/2017 \$000	LTP 2017/2018 \$000	LTP 2018/2019 \$000	LTP 2019/2020 \$000	LTP 2020/2021 \$000	LTP 2021/2022 \$000	LTP 2022/2023 \$000	LTP 2023/2024 \$000	LTP 2024/2025 \$000
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Operating Funding

Sources of Operating Funding

General rates, Uniform Annual General Charge, Rates penalties	7,942	7,939	8,015	8,293	8,336	8,576	8,909	8,769	8,870	9,287	9,261
Targeted rates	5,407	5,332	5,551	5,758	5,970	6,148	6,415	6,647	6,744	6,933	7,116
Subsidies and grants for operating purposes	2,761	2,065	2,120	2,192	2,244	2,300	2,362	2,427	2,500	2,576	2,661
Fees and charges	227	181	185	199	214	222	229	238	249	257	269
Interest and dividends from investments	1,435	1,621	1,740	878	1,828	1,800	1,728	1,857	2,046	2,176	2,306
Local authorities fuel tax, fines, infringements fees & other receipts	3,655	3,240	3,264	3,343	3,456	3,578	3,664	3,789	3,981	4,110	4,265

Total Operating Funding	A	21,427	20,378	20,875	20,663	22,048	22,624	23,307	23,727	24,390	25,339	25,878
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Applications of Operating Funding

Payments to Suppliers and staff	15,244	14,667	15,061	15,501	15,834	16,325	16,851	17,024	17,620	18,405	18,817
Finance Costs	1,337	1,438	1,559	1,624	1,718	1,783	1,626	1,608	1,689	1,698	1,757
Other operating funding applications	892	468	440	418	419	420	422	423	424	426	428

Total Applications of Operating Funding	B	17,473	16,573	17,060	17,543	17,971	18,528	18,899	19,055	19,733	20,529	21,002
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Surplus/ (deficit) of Operating Funding	A-B	3,954	3,805	3,815	3,120	4,077	4,096	4,408	4,672	4,657	4,810	4,876
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Capital Funding

Sources of Capital Funding

Subsidies and grants for capital expenditure	3,211	2,650	1,841	2,215	1,450	1,395	1,631	1,685	1,543	1,684	3,065
Development and financial contributions	100	100	103	105	108	111	114	118	122	126	131
Increase/(Decrease) in Debt	(2,387)	2,861	499	80	1,443	518	(3,637)	1,230	1,840	(95)	1,752
Gross proceeds from sale of assets	494	160	164	3,060	172	625	182	188	194	200	207
Lump Sum contributions	0	535	535	400	400	400	400	400	0	0	0
Other Dedicated Capital Funding	0	0	0	0	0	0	0	0	0	0	0

Total Sources of Capital Funding	C	1,418	6,305	3,142	5,860	3,573	3,049	(1,310)	3,621	3,699	1,915	5,155
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Capital Expenditure

- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	5,158	4,645	1,405	4,723	701	966	798	777	545	769	2,815
- to replace existing assets	4,028	3,851	3,420	3,402	7,319	6,463	4,050	3,809	3,876	3,959	3,922
Increase/ (decrease) in reserves	192	1,399	1,927	(1,320)	(720)	(966)	(1,940)	1,993	2,076	1,608	1,776
Increase/ (decrease) in investments	(4,006)	215	205	2,175	350	682	190	1,714	1,859	389	1,518

Total applications of Capital Funding	D	5,372	10,110	6,957	8,980	7,650	7,145	3,098	8,293	8,356	6,725	10,031
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Surplus/ (deficit) of Capital Funding	C-D	(3,954)	(3,805)	(3,815)	(3,120)	(4,077)	(4,096)	(4,408)	(4,672)	(4,657)	(4,810)	(4,876)
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Funding Balance	((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0	0
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Rating Examples

SECTOR Location	Res 101 Karamea	Res 103 Little Wanganui	Res 103 Mokihinui	Res 103 Seddonville	Res 104 Hector	Res 104 Waimangaroa
Land Value	\$48,000	\$57,000	\$76,000	\$40,000	\$53,000	\$55,000
General Rates	121.43	185.03	246.71	129.85	148.23	153.83
UAGC	413.04	413.04	413.04	413.04	413.04	413.04
Targeted Water Rate	0	170.43	234.78	0	290.43	325.22
Targeted Sewer Disposal Rate	0	610.43	0	0	0	0
Targeted Solid Waste Rate	85.22	85.22	126.09	126.09	126.09	126.09
NET RATES	\$619.69	\$1,464.16	\$1,020.62	\$668.98	\$977.80	\$1,018.17
GST	\$92.95	\$219.62	\$153.09	\$100.35	\$146.67	\$152.73
TOTAL RATES	\$712.65	\$1,683.79	\$1,173.72	\$769.32	\$1,124.47	\$1,170.90
Comparison to Previous Year	\$722.72	\$1,647.41	\$1,172.89	\$778.47	\$1,121.77	\$1,163.25
% Change	(1.39%)	2.21%	0.07%	(1.17%)	0.24%	0.66%
KEY: Res (Residential)	Com (Commercial)	RR (Rural Residential)	Rur (Rural)			

SECTOR Location	Res 106 Westport (Brougham)	Res 106 Westport (Russell)	Res 108 Carters Beach	Res 113 Charleston	Res 114 Punakaiki	Res 101 Ikamatua
Land Value	\$86,000	\$83,000	\$99,000	\$77,000	\$210,000	\$48,000
General Rates	573.07	553.07	490.29	239.12	803.22	121.43
UAGC	413.04	413.04	413.04	413.04	413.04	413.04
Targeted Water Rate	630.43	630.43	630.43	0	614.78	0
Targeted Sewer Disposal Rate	810.43	810.43	810.43	0	0	0
Targeted Solid Waste Rate	126.09	126.09	126.09	126.09	126.09	126.09
NET RATES	\$2,553.07	\$2,533.07	\$2,470.29	\$778.26	\$1,957.13	\$660.56
GST	\$382.96	\$379.96	\$370.54	\$116.74	\$293.57	\$99.08
TOTAL RATES	\$2,936.03	\$2,913.04	\$2,840.83	\$894.99	\$2,250.70	\$759.65
Comparison to Previous Year	\$2,903.07	\$2,879.90	\$2,807.14	\$905.10	\$2,237.76	\$768.72
% Change	1.14%	1.15%	1.20%	(1.12%)	0.58%	(1.18%)
KEY: Res (Residential)	Com (Commercial)	RR (Rural Residential)	Rur (Rural)			

SECTOR Location	Res 115 Reefton	Res 101 Springs Junction	Com 131 Karamea	Com 134 Westport	Com 140 Reefton	Rur 141 Karamea
Land Value	\$48,000	\$38,000	\$105,000	\$235,000	\$90,000	\$810,000
General Rates	207.50	96.13	1,390.99	6,115.85	977.33	1,420.90
UAGC	413.04	413.04	413.04	413.04	413.04	413.04
Targeted Water Rate	510.43	0	0	630.43	510.43	0
Targeted Sewer Disposal Rate	530.43	0	0	810.43	530.43	0
Targeted Solid Waste Rate	126.09	85.22	85.22	126.09	126.09	85.22
NET RATES	\$1,787.50	\$594.40	\$1,889.25	\$8,095.85	\$2,557.33	\$1,91.16
GST	\$268.13	\$89.16	\$283.39	\$1,214.38	\$383.60	\$287.87
TOTAL RATES	\$2,055.63	\$683.55	\$2,172.64	\$9,310.23	\$2,940.93	\$2,207.03
Comparison to Previous Year	\$2,013.45	\$680.40	\$3,048.62	\$10,070.27	\$3,135.77	\$2,228.53
% Change	2.09%	0.46%	(28.73%)	(7.55%)	(6.21%)	(0.96%)
KEY: Res (Residential)	Com (Commercial)	RR (Rural Residential)	Rur (Rural)			

SECTOR Location	Rur 143 Cape Foulwind	Rur 141 Grey Valley	RR 151 Karamea	RR 152 Granity	RR151 Fairdown	RR152 Alma Road
Land Value	\$1,550,000	\$1,870,000	\$131,000	\$125,000	\$160,000	\$180,000
General Rates	2,106.42	3,280.35	383.71	345.99	468.65	498.22
UAGC	413.04	413.04	413.04	413.04	413.04	413.04
Targeted Water Rate	0	0	0	0	0	0
Targeted Sewer Disposal Rate	0	0	0	0	0	0
Targeted Solid Waste Rate	126.09	126.09	85.22	126.09	126.09	126.09
NET RATES	\$2,645.56	\$3,819.48	\$881.97	\$885.12	\$1,007.78	\$1,037.35
GST	\$396.83	\$572.92	\$132.30	\$132.77	\$151.17	\$155.60
TOTAL RATES	\$3,042.39	\$4,392.40	\$1,014.26	\$1,017.88	\$1,158.95	\$1,192.95
Comparison to Previous Year	\$3,068.92	\$4,429.25	\$1,026.64	\$1,028.93	\$1,171.07	\$1,205.33
% Change	(0.86%)	(0.83%)	(1.21%)	(1.07%)	(1.04%)	(1.03%)
KEY: Res (Residential)	Com (Commercial)	RR (Rural Residential)	Rur (Rural)			

Assumptions

The Buller District Plan is based on a number of significant forecasting assumptions. These assumptions include assessments of a number of factors that might impact on Council and the community including a consideration of how the population may change over the next 10 years, funding of Council services, and the financial environment.

The assumptions are the best reasonable assessment based on current information, but actual results may differ and these differences could be large. Council has therefore, included an assessment of how likely the actual may vary from the assumptions and what impact the variances would have on Council and the community. These are overarching assumptions relating to Council's activities. In addition to these assumptions, activity specific assumptions are found within each of the activity sections.

	Assumption	Description of Risk	Level of Uncertainty	Impact
1.	<p>Population growth:</p> <p>In the prior Long Term Plan for 2012-2022, the Council predicted that Buller was set for growth the impending growth in mining activities and consent permitting. The growth in mining that was anticipated in the 2015 to 2025 Long Term Plan has not eventuated.</p> <p>The March 2013 census recorded a total of 10,473 persons as being normally resident in the district. Anecdotally the District's population climbed above 11,000 persons during the peaks of economic activity experienced prior to the census date. Since that time world coal prices have plummeted. Coal prices remain at historically low figures. As a result coal mining activity in the District has contracted rather than expanded as was anticipated in the 2012-2022 Long Term Plan. With the loss of jobs the District has lost population.</p> <p>For the purposes of this draft Long Term Plan we have assumed that the normally resident population as at 1 July 2015 is in the region of 10,000 persons and that there will be further declines in population to a base level of about 9,500 persons post the Holcim closure. We then expect the normally resident population to stabilise and start to rise as coal prices begin to recover as the Districts economic diversity slowly expands. By the end of the 10 years covered by this plan we expect population levels to have recovered to about 10,500 persons.</p>	<p>The recovery in population may take longer dependent on economic activity within the District.</p>	<p>Medium</p>	<p>Council will need to reassess the growth rates and whether its projects need to be brought forward or delayed as part of each years Annual Plan or Long Term Plan</p>
2.	<p>Inflation/Price Changes:</p> <p>In preparing the Long Term Plan Council has utilised the inflation factors as provided by Business and Economic Research Limited (BERL) to be the inflation factors uses to escalate expenses.</p> <p>Refer to page xx</p>	<p>That inflation is higher or lower than predicted.</p>	<p>Medium to low</p>	<p>There is likely to be some variation in the actual rates of inflation from those assumed and this will impact on the financial results of Council.</p> <p>If the variances are significant, Council may need to consider either increasing or decreasing rates and charges or the levels of services for activities. This would be considered through the Annual Plan process. Council plans to spend \$259 million in operating expenditure and \$62.2 million in capital over the term of the plan. A 1% movement in inflation could increase or decrease costs by an average of approximately \$321,000 p.a. There would also be an impact on debt levels.</p> <p>Therefore escalation has been undertaken using the BERL indices.</p>

	Assumption	Description of Risk	Level of Uncertainty	Impact
3.	<p>New Zealand Transport Agency Funding:</p> <p>The New Zealand Land Transit Authority has recently completed a review of its financial assistance rate provide to Councils roading programmes. Prior to the review the general rate of assistance was limited to 58%, with Special Purpose Road 100% assistance for the Karamea Highway. The review has established a new general financial assistance rate of 61% for the 2015/16 year and this rate will increase by 1% each year thereafter until it reaches 63%. The Special Purpose Road 100% assistance rate is guaranteed for the 2015/16, 2016/17 and 2017/18 years only. At the same time the review requires all financial assistance for roading programmes to be judged in terms of the new One Network classifications.</p> <p>This draft Long Term Plan assumes that once the 63% general financial assistance rate is reached it will continue at that rate for the rest of the term of the draft Long Term Plan. A similar assumption is made that the Special Purpose Road 100% financial assistance rate will continue for the full term of the draft Long Term Plan or that the road will revert to be part of the State Highway network. The draft Long Term Plan also assumes that the present levels of service applied to the District's roads will not be materially different from any new levels established by the One Network classifications. The consequence of these assumptions is that (before inflation) the cost of roading to the ratepayer will marginally decrease during the first three years of the draft Long Term Plan before stabilising.</p>	That the Government will reduce the subsidy available to Councils	Medium	<p>Any decrease in NZTA funding will require Council to make a decision of whether to increase funding from rates, reduce service levels, remove projects from the Long Term Plan or apply a mix of these options.</p> <p>This means levels of funding will not increase to take account of rising costs of providing the service. Therefore service levels in roading will reduce, this will be particularly evident in higher road roughness levels, maintenance of low volume rural roads and a reduction in vegetation control including mowing.</p>
4.	<p>Karamea Special Purpose Road</p> <p>Recently NZTA have indicated to the Buller District Council that it is proposed that the Karamea Special Purpose Road will lose its designation and revert from 100% subsidy to the Buller District Council's financial assistance rate of 63%, with a three year phase-in period.</p> <p>In examining the unquantifiable risk associated with the long term maintenance of the Karamea Special Purpose Road, the financial risks associated with this proposal are considered be to beyond the financial resources of Buller District Council's ratepayers to fund.</p> <p>At this stage we have assumed that funding for the Karamea Highway will continue at 100%. If this does not eventuate Council has assumed that the Karamea Highway will revert to a State Highway.</p>	Financial assistance rate may reduce	High	If the financial assistance rate reduces Karamea Highway will revert to a State Highway.

	Assumption	Description of Risk	Level of Uncertainty	Impact
5	<p>One Network Rooding Classification</p> <p>A joint initiative between the New Zealand Transport Agency and Local Government New Zealand has introduced a road classification system for all roads in New Zealand. The classification system aims:</p> <ul style="list-style-type: none"> ■ to deliver similar driving experience across New Zealand. ■ to support more consistent asset management across the Country. ■ to make collaboration and prioritisation between those organisations responsible for the planning, delivery, operation and maintenance of the nation's roading network, leading to a more efficient and safer network and improved value for money. <p>This will introduce different levels of service across roads of different classification.</p> <p>Council has assumed that there will be no change in the levels of service currently provided. If a change in service levels does eventuate during the term of the Plan, our</p>	Financial assistance rate may reduce depending on the levels of funding agreed to be provided by NZTA.	Medium	<p>Council will be faced with two choices:</p> <ol style="list-style-type: none"> 1. Change the current level of service provided to that set by NZTA 2. Fund the difference between the current service level and that proposed by NZTA from ratepayer contributions
6.	<p>Useful lives of significant assets:</p> <p>Council has made a number of assumptions about the useful life of its assets. These assumptions affect the depreciation charge contained within the Plan. The detail for each asset category is reflected in the Statement of Accounting Policy on pages xx of this document. Council's assets depreciation rates are contained within of the Statement of Accounting Policies.</p>	That the lives of assets are materially different from those contained within the Plan	Low	<p>If the life of the assets are materially different from those contained within the Plan, the asset values stated in the prospective balance sheet and the profit contained in the prospective statement of financial performance would be affected. If the life was shorter than expected then Council might need to replace the asset sooner than planned and this would need to be funded. Council has a long history of managing assets and has asset management practices in place which reduce the likelihood of assets being very different to projections.</p>
7.	<p>Significant Asset Condition:</p> <p>Council understanding of condition of its assets underpins the renewal forecasts in the Long Term Plan (and also the significant lives of assets discussed above). Council has sufficient information about the condition of its assets to forecast their probably replacement periods. However, further more detailed information is desirable to further reduce the risk that actual condition varies from the assumed condition.</p>	That condition information is not a sufficiently accurate representation of the actual condition of assets	Medium	<p>If the asset condition is substantially worse than expectations then there is an increased risk of unexpected asset failure and the increased costs of repairing assets would need to be funded. These costs are not in the Long Term Plan and Council would need to consider how they should be funded - higher rates, use of cash reserves or debt would be options.</p>
8.	<p>Vested Assets:</p> <p>Council will receive \$100,000 vested assets per annum (escalated with BERL inflation indices). Vested assets are engineering assets such as roads, sewers and water mains paid for by developers and vested to Council in completion of the subdivision.</p>	That Vested Assets may vary from budget.	Medium	<p>Vested assets must be maintained by Council, so if growth is higher than forecast Council will need to increase its budget to maintain those assets. The impact of higher or lower growth is not considered significant.</p>
9.	<p>Insurance Costs:</p> <p>It has been assumed that insurance premiums will continue at the current level paid for 2014/2015, plus inflation, using the BERL adjustors. Council has also made an assumption that it will be able to obtain insurance cover.</p>	That premiums may decrease as a result of a shared service approach undertaken by Council.	High	<p>Any decrease in premiums will have an impact on rates or the level of cover that Council adopts. If insurance costs decrease by 10% then this would translate into a 0.2% increase in Rates.</p>

	Assumption	Description of Risk	Level of Uncertainty	Impact
10.	Return on Investments: It is assumed that the return on investments, including dividends from Council Controlled Organisations and retained earnings on subsidiaries will continue at current level for Buller Recreation and Westreef Services Limited. Given the impending withdrawal of Holcim from the port operations and the loss of the ports major customer, we have assumed that the port operations will cease. Council has assumed it will sell the dredge in the 2016/2017 financial year.	The Harbour may continue operating but in a downsized capacity or there may be a future for an dredging venture at other ports.	Low	Higher or lower returns will impact on rates as the income will need to be raised from other sources.
11.	Interest Rates - External Borrowings: Council has assumed an interest rate of 6% across the 10 years of the plan	The prevailing interest rate may differ significantly from those estimated.	Medium	Increases in interest rates flow through to higher debt servicing costs and higher rates funding requirements. Council has mitigated these risks with a prudent hedging programme developed within the limits of Council's Treasury Management Policy.
12.	External Borrowings - Renewability: It has been assumed that Council will be able to renew existing external loan facility.	Higher interest rates or delay of capital projects	Medium	If the loan could not be renegotiated with the current bank, a change in provider could alter finance costs
13.	Interest Rates - Term Deposits: Council has assumed an interest rate of t% across the 10 years of the plan	The prevailing rate may differ from those estimated	Medium	Decreases in term deposit interest rates would lower investment income which would ultimately lead to increased General Rates
14.	Rates and Rate Increases: Limits on rates and rate increases, as required by the Local Government Act 2002, are set out in the Financial Strategy on pages 51 to 63. This plan assumes that Council will remain within these limits.	That rate increases are above the limits set by Council	Low	Annual Plan - reality check and rates will change but this will not happen without consultation as required by the Local Government Act
15.	Disasters: It is assumed that there will be limited events during the term of this Plan, but that these events will not be significant.	That there is a significant natural disaster in the District, such as flooding, earthquake or fire	Low	Council had adequate insurance to cover natural disasters. However, in the event of a significant event Council will need to re-evaluate its work programme and implement disaster recovery plans.
16.	Climate Change: Council uses the Ministry for the Environment (MFE) guidelines set out in "Preparing for Climate Change, March 2009" for estimating Sea Level Rise (SLR).	Climatic events might lead to increased costs for Council in both responding to events and building greater resilience into infrastructure	Medium	Climate change is likely to increase the magnitude of some hazards, therefore it is important to incorporate risk management in the design of infrastructure supporting new developments to maintain the same level of service throughout the design lifetime. The design of infrastructure for land development and subdivision needs to provide for the impact of sea level rise and the increased frequency of extreme weather events. Council has not made any provision for climate change in this plan

	Assumption	Description of Risk	Level of Uncertainty	Impact
17.	Resource Consents: It is assumed that 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.	That conditions of Resource Consents are significantly altered and there are accordingly significant new compliance costs or consents cannot be renewed	Low	Budgets are in place for renewal of resource consents. Any increased compliance costs will be managed through the Annual Plan process. If Resource Consents are not renewed then Council will need to consider how it delivers these services. These costs could be significant, for example if water extraction rights are not approved.
18.	Potential Impact of Societal Changes: Council assumes population will grow faster than the national average due to the expansion in mining activities.	Most significant societal change is an increasing population, and demand for housing.	Medium	The Plan has assumed a population decline followed by a gradual recovery. Council has allowed for further development of the Town Heart Plan and District Plan Review to assist with the creation of a vibrant civic hub. Revenue has also decreased to allow for depressed economic activity.
19.	External Assumptions - Government Legislation: It is assumed that there will be no material changes to existing legislation or additional activity or compliance requirements imposed by Central Government, that has not already been allowed for in this document.	That Central Government requires Council to undertake further activities, without corresponding funding or imposes additional compliance costs on Local Government.	Medium	If changes in legislation require Council to provide further services, or significantly increase levels of compliance or operating costs then this will need to be offset by increases in fees and charges, and/or in increases in rates. It is unlikely that Government will reduce compliance or legislative costs incurred by Council, but if there was a reduction this would enable Council to reduce rates or fees and charges.
20.	Repayment of Loans: It has been assumed that the loan from Council to Buller Holdings Limited will not be repaid over the term of the Plan.	Inability to service the loan	Low	Debt will be rolled over on an annual basis.
21.	Westport Water: The upgrades to the Westport drinking water supply (stage 2) is based on an assumption that the Ministry of Health subsidy that has not been approved will be approved.	There is a risk that the project may not proceed if funding is not received	Low	Provision of safe, clean water may not eventuate if no subsidy is received.
22.	Capital Projects: Capital projects are based on an assumption that they will occur when they have been identified in the Long Term Plan and for the costs have been identified. However, this assumption has a high level of uncertainty as projects may cost more or less due to more or less work needing to be done and/or a project may need to be delayed.	There is a risk of deferral of projects to later years of the Long Term Plan.	High	This will lower capital expenditure, loans and finance costs. Depreciation would be lower than rated for.

Price Adjustments for Inflation

The Council is required to provide a 10 Year Plan adjusted for inflation. The figures within the plan have been adjusted for price movements. The price adjusters used have been derived from those recommended to Local Government from Business and Economic Research Limited (BERL).

The following adjustors have been applied at an activity level based on the nature of the input costs for that activity:

BERL Adjustors: % Per Annum Change

Year ending	Jun-16	Jun-17	Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25
Expense Type										
Roading	1.012	1.014	1.022	1.024	1.025	1.027	1.028	1.030	1.031	1.033
Property	1.022	1.024	1.025	1.026	1.028	1.029	1.030	1.032	1.033	1.034
Water	1.052	1.038	1.030	1.032	1.033	1.035	1.037	1.038	1.040	1.042
Energy	1.035	1.038	1.039	1.041	1.043	1.045	1.047	1.049	1.051	1.053
Staff	1.018	1.019	1.020	1.021	1.022	1.023	1.024	1.025	1.026	1.027
Other	1.023	1.025	1.026	1.027	1.029	1.030	1.031	1.033	1.034	1.036
Earthmoving	1.018	1.026	1.024	1.020	1.021	1.023	1.024	1.025	1.029	1.031
Pipelines	1.021	1.025	1.026	1.028	1.029	1.031	1.032	1.034	1.035	1.036
Private Sector Wages	1.017	1.018	1.019	1.020	1.021	1.021	1.022	1.023	1.024	1.025
	1.027	1.026	1.027	1.029	1.030	1.032	1.033	1.035	1.036	1.038

Source : Business and Economic Research Limited

BERL Adjustors: Cumulative % change from June 2017

Year ending	Jun-16	Jun-17	Jun-18	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25
Expense Type										
Roading		1.014	1.036	1.061	1.088	1.117	1.148	1.183	1.219	1.260
Property		1.024	1.050	1.077	1.107	1.139	1.173	1.211	1.251	1.293
Water		1.038	1.069	1.103	1.140	1.180	1.223	1.270	1.321	1.376
Energy		1.038	1.078	1.123	1.171	1.224	1.281	1.344	1.413	1.487
Staff		1.019	1.039	1.061	1.085	1.109	1.136	1.165	1.195	1.227
Other		1.025	1.052	1.080	1.111	1.145	1.180	1.219	1.261	1.306
Earthmoving		1.026	1.051	1.072	1.094	1.119	1.146	1.175	1.209	1.246
Pipelines		1.025	1.052	1.081	1.112	1.147	1.184	1.224	1.267	1.312
Private Sector Wages		1.018	1.037	1.058	1.080	1.103	1.127	1.153	1.181	1.210

Source : Business and Economic Research Limited

Forecast Reserve Funds

Reserve	Activity that the Reserve relates to	Purpose of Reserve	Projected Opening Balance 2015/2016	Transfer to Reserves	Transfer from Reserves	Balance 2024/2025
Amenities Reserve	various not specified	Proceeds from general ratepayer to fund various infrastructure where there was no government subsidy available	365	0	0	365
Community Development - Other	various not specified	Funds from depreciation used for the upgrade and construction of replacement Council assets	2,141	60,148	55,560	6,729
Reserve Contributions	Regulatory	Proceeds from subdivision for public reserve upgrades	1,154	1,138	783	1,509
Miles Bequest	Property Management, Amenities & Reserves	Funds set aside for the purchase of engraved seats at the Westport cemetery	2	0	0	2
Powell Bequest	Property Management, Amenities & Reserves	Funds bequested to Council for the purchase of public seating in Westport	3	0	0	3
Mayor's Relief Fund	Democracy	Funds for providing grants for relief at the discretion of the Mayor	1	0	0	1
Boiler Replacement Fund	Property Management, Amenities & Reserves	Funds set aside to go toward replacement of boiler at Brougham Street offices	7	0	0	7
Development Contributions	Regulatory	Proceeds from commercial and industrial development to provide for social and recreation need of the area	118	0	0	118
Sale of Gifted Property	various not specified	Funds set aside from the sale of property gifted to Council	11	0	0	11
Infrastructure Contributions	Regulatory	Funds set aside for upgrading infrastructure where appropriate	10	0	0	10
TOTAL Reserves only			3,812	61,286	56,343	8,755
Karamea Solid Waste	Solid Waste	Separates all funding and expenditure and surpluses or deficits for each solid waste activity	9	635	635	9
Maruia Solid Waste	Solid Waste	Separates all funding and expenditure and surpluses or deficits for each solid waste activity	1	123	123	0
Contracted Refuse/ Recycling Operations	Solid Waste	Separates all funding and expenditure and surpluses or deficits for each solid waste activity	1	7,636	7,538	98
Westport Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(401)	23,636	23,326	(90)
Reefton Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(109)	3,541	3,373	59
Little Wanganui Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	47	750	730	66
Mokihinui Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	42	197	132	107

Reserve	Activity that the Reserve relates to	Purpose of Reserve	Projected Opening Balance 2015/2016	Transfer to Reserves	Transfer from Reserves	Balance 2024/2025
Ngakawau Hector Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	255	1,052	896	410
Waimangaroa Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	10	725	782	(46)
Cape Foulwind Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	439	928	617	749
Punakaiki Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	32	882	688	226
Inangahua Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	8	283	320	(29)
South Granity Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	21	364	432	(47)
Karamea Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	40	0	0	40
Westport Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	(1,386)	21,237	19,927	(76)
Reefton Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	269	3,183	3,321	131
Little Wanganui Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	3	448	540	(88)
Punakaiki Camp	Property Management, Amenities & Reserves	Separates all funding and expenditure and surpluses or deficits for the Punakaiki Camp Activity	(281)	406	279	(154)
Pensioner Housing	Property Management, Amenities & Reserves	Separates all funding and expenditure and surpluses or deficits for Pensioner Housing	(159)	4,376	4,181	36
Dog Control	Regulatory	Separates all funding and expenditure and surpluses or deficits for the dog control activity	(119)	1,975	2,073	(216)
Total Separate Balances Only			(1,278)	72,377	69,916	1,184
TOTAL RESERVES and SEPARATE BALANCES			2,534	133,664	126,259	9,939



Volume II

Part 5: Policies



Statement of Accounting Policies

Statement of Responsibility & Cautionary Note

The Draft 2015/2025 Long Term Plan was authorised for issue by Council on 22 April 2015.

The purpose of this Long Term Plan is to consult with the community on the planned activities and expenditure of Council over the next 10 years. The use of this information for other purposes other than for which it was prepared may not be appropriate.

Council is responsible for the prospective financial statements presented, including the appropriateness of the underlying assumptions and related disclosures. Actual financial results achieved for the period covered may vary from the information presented, and the variations may be material.

The prospective financial statements comply with Tier 1 PBE Accounting Standards (including PBE FRS 42 – Prospective Financial Statements and PBE FRS 46 – First Time Adoption of PBE Standards by Entities Previously Applying NZ IFRSs). The prospective financial statements have been prepared using the best information available at the time they were prepared.

Reporting Entity

The Buller District Council is a territorial local authority governed by the Local Government Act 2002.

The financial prospectives do not include the consolidated prospectives of Council Controlled Organisations, except for Westport Airport Authority which is a joint venture.

The primary objective of Buller District Council is to provide goods and services for the community or social benefit, rather than making a financial return. Accordingly, Buller District Council has designated itself and the group as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

Basis of Preparation

Statement of Compliance

The prospective financial statements of Buller District Council have been prepared in accordance with the requirements of the Local Government Act 2002: sections 95, 100, 101, 111 and Part 1 of Schedule 10 which includes the requirement to comply with Generally Accepted Accounting Practice in New Zealand (NZ GAAP).

These prospective financial statements are the second set of prospective financial statements prepared under Public Benefit Entity Accounting Standards. The Council is a Public Benefit Entity (PBE) and has elected to report as a Tier 1 Public Sector PBE and required to apply Tier 1 PBE Accounting Standards with effect from 1 July 2014.

These prospective financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities. The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

Measurement Base

The prospective financial statements have been prepared on a historical cost basis, modified by the revaluation of certain infrastructural assets, investment property and financial instruments.

Functional And Presentation Currency

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$1,000) unless stated. The functional currency of Buller District Council is New Zealand dollars.

Changes in Accounting Policies

As a result of applying the new accounting standards, there have been no significant changes in the Council's accounting policies.

Standards, Amendments and Interpretations issued that are not yet effective and have not been early adopted

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

PBE's are subject to a Tier structure which determines the level of disclosure requirements. Council is classified as a Tier 1 entity by virtue that it is medium sized (expenses are between \$2 million and \$30 million) and is not publicly accountable. The power to levy rates does not make an entity publicly accountable, however if Council issued financial instruments it would be publicly accountable and would be classified as Tier 1. Being classified as Tier 2 entitles Council to apply the new Public Benefit Entity Accounting Standards Framework but with reduced disclosure requirements. These reduced disclosure requirements have been applied where applicable.

Subsidiaries

Subsidiaries are those entities where Buller District Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where Buller District Council controls the majority voting power of the governing body or where such policies have been irreversibly predetermined by Buller District Council.

The subsidiaries of Buller District Council are Buller Holdings Limited, WestReef Services Limited, Westport Harbour Limited, Buller Recreation Limited, Buller Health Trust and Buller Arts and Recreation Trust (BART).

Buller District Council measures the cost of a business combination as the aggregate of the fair values at the date of exchange, of assets given, liabilities incurred or assumed, in exchange for control of the subsidiary plus any costs attributable to the business combination.

Any excess of the cost of the business combination over Buller District Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, is recognised as goodwill. If Buller District Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the difference will be recognised immediately in the surplus or deficit.

The purchase method of consolidation has been used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line by line basis. All significant intragroup balances, transactions, income and expenses are eliminated on consolidation.

Buller District Council's investment in its subsidiaries is carried at cost in the Buller District Council's own "parent entity" financial statements.

The prospective financial statements only include prospectives for the parent entity (Buller District Council).

Associates

An associate is an entity over which Buller District Council has significant influence and that is neither a subsidiary nor an interest in a joint venture.

Buller District Council accounts for an investment in an associate using the equity method. The investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the share of the surplus or deficit of the associate.

The Council has two associates, Tourism West Coast and Denniston Heritage Trust. There is no equity investment and therefore no forecast results are equity accounted for in these prospective financial statements.

Joint Ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

Buller District Council has a 50/50 joint venture interest in the Westport Airport Authority with Ministry of Transport.

Buller District Council recognises in its prospective financial statements the assets it controls, the liability and expenses it incurs, and the share of income that it earns from the joint venture.

2015-2025 Long Term Plan

Revenue

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

Rates Revenue

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

Other Revenue

Buller District Council receives Government Grants from the New Zealand Transport Authority, which subsidises part of Buller District Council's costs in maintaining the local roading infrastructure. Grants are received from the Ministry of Health for eligible sewerage and water schemes. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure are fulfilled.

Sales of goods are recognised when a product is sold to a customer. Sales are usually in cash. The recorded revenue is the gross amount of the sale.

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

Rental income is recognised on a straight line basis.

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive the payment has been established.

Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Grant Expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure at the time when such application has been received.

Discretionary grants are those grants that Buller District Council has no obligation to award and are recognised as expenditure when a successful applicant has been notified of the Buller District Council's decision.

Income Tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

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

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

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

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

Deferred tax is recognised on taxable temporary differences arising from investments in subsidiaries and associates, and interests in joint ventures, except where the Council can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

Current tax and deferred tax is shown against the surplus or deficit for the period, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

Leases

Finance Leases

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

At the commencement of the lease term, Buller District Council recognises finance leases as assets and liabilities in the Prospective Statement of Financial Position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

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

Operating Leases

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

Cash & Cash Equivalents

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

Bank overdrafts are shown as current liabilities in the Prospective Statement of Financial Position.

Trade & Other Receivables

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

Loans, including loans to community organisations made by Buller District Council at nil, or below market interest rates, are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset / investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and the present value of the expected future cash flows of the loan is recognised in the surplus or deficit.

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

Inventories

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost and current replacement cost.

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

The write down from cost to current replacement cost or net realisable value is recognised in the prospective surplus or deficit.

Non Current Assets Held for Sale

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

Any impairment losses for writedowns of non current assets held for sale are recognised in the prospective surplus or deficit.

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

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

Financial Assets

Buller District Council classifies its financial assets into the following four categories:

- Financial assets at fair value through surplus or deficit;
- Held-to-maturity investments;
- Loans and receivables; and
- Fair value through other comprehensive revenue and expense.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

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

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

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Buller District Council uses a variety of methods and makes assumptions that are based on market conditions existing at balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

Financial Assets at Fair Value through Surplus or Deficit

This category has two sub-categories:

- Financial assets held for trading
- Those designated at fair value through surplus or deficit at inception.

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the prospective surplus or deficit.

Currently Buller District Council recognises derivative financial instruments in this category.

Held to Maturity Investments

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that Buller District Council has the positive intention and ability to hold to maturity.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the prospective surplus or deficit.

Currently Buller District Council does not hold any financial assets in this category.

Loans and Receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the prospective surplus or deficit. Loans and receivables are classified as "trade and receivables" and short and long term investments in the Prospective Statement of Financial Position.

Investments in this category include loans to subsidiaries and other companies and term deposits.

Fair Value Through Other Comprehensive Revenue and Expense

Financial assets at fair value through other prospective comprehensive revenue and expense are those that are designated into this category at initial recognition or are not classified in any of the other categories above.

This category encompasses:

- Investments that Buller District Council intends to hold long-term but which may be realised before maturity.
- Shareholdings that Buller District Council holds for strategic purposes. Buller District Council's investments in its subsidiary and associate companies are not included in this category as they are held at cost whereas this category is to be measured at fair value.

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

Gains and losses are recognised directly in other comprehensive revenue and expenses except for impairment losses, which are recognised in the prospective surplus or deficit.

Investments in this category include shares in other companies.

Impairment of Financial Assets

At each balance sheet date Buller District Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

Any cumulative losses previously recognised in equity will be removed from equity and shown in the surplus or deficit.

Derivative Financial Instruments

Buller District Council uses derivative financial instruments to hedge exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, Buller District Council does not hold or issue derivative financial instruments for trading purposes. However derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date.

The gain or loss on re-measurement to fair value is recognised immediately in prospective surplus or deficit. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of interest rate swaps is the estimated amount that Council would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

Buller District Council has not adopted hedge accounting to account for its derivative financial instruments.

Property, Plant and Equipment

Property, plant and equipment consist of:

Council Assets – These include land, buildings, plant and machinery, motor vehicles, office equipment, library books and the Airport runway.

Infrastructure Assets – These include roads, footpaths, traffic facilities, street lights, bridges, culverts, water reticulation, storm water reticulation, sewerage reticulation and landfill.

Harbour Assets – These include land, buildings, wharves, plant and machinery, office equipment, motor vehicles and harbour vessels.

WestReef Assets – These include leasehold improvements, plant and equipment, office equipment, office furniture, fittings and computer equipment.

Buller Health Trust Assets – These include plant and equipment and furniture and fittings.

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

Additions

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

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the prospective surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the prospective surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Subsequent Costs

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

Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment, other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

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

Council Assets	Depreciation Rate (%)	Useful Life (Years)
Motor vehicles	15%	7
Office Equipment	10% to 50%	2 - 5
Plant and machinery	3.33% to 15%	7 - 30
Buildings	1% to 10%	10 - 100
Library Books	10%	10
Airport runway:		
Basecourse	1.3%	75
Seal	5%	20

Harbour Assets	Depreciation Rate (%)	Useful Life (Years)
Wharves	1.67%	60
Buildings	2.5%	40
Plant and Machinery	3.3% to 10%	10 - 30
Office Equipment	20% to 33.5%	3 - 5
Motor Vehicles	10% to 20%	5 - 10
Harbour Vessels	5% to 6.7%	15 - 20

WestReef Services Limited Assets	Depreciation Rate (%)	Useful Life (Years)
Leasehold Improvements	6.5% to 15%	6.7 - 15
Plant and Equipment	5.5% to 40%	2.5 - 18
Vehicles	8% to 29%	3 - 12
Office Equipment	8% to 40%	2.5 - 12.5
Office Furniture and Fittings	8% to 24%	4 - 12.5
Computer Equipment	18% to 36%	3 - 5.5

Buller Health Trust Assets	Depreciation Rate (%)	Useful Life (Years)
Plant and Equipment	7% to 50%	2 - 10
Furniture and Fittings	7% to 13.5%	7.4 - 14.3
Furniture and fittings	16.2% to 48%	2.1 - 6.2

Infrastructure Assets	Depreciation Rate (%)	Useful Life (Years)
Roads:		
Formation	Not Depreciated	
Basecourse- unsealed roads	Not Depreciated	
Basecourse – sealed roads	1% to 2%	50 - 100
Seal	4% to 12.5%	8 - 25
Footpaths:		
Basecourse	Not Depreciated	
Pavement	1.25% to 10%	10 - 80
Traffic facilities	5% to 10%	10 - 20
Street lights	3.33%	30
Bridges	2% to 6.67%	50 - 100
Culverts	1.11% to 1.25%	80 - 90
Water Reticulation:		
Drains	Not depreciated	
Kerb and Channelling	1.25%	80
Pipes	1.10% to 4.10%	25 - 100
Valves, hydrants	1.67%	60
Intake structures	1.11% to 2%	50 - 90
Reservoirs	1.25%	80
Resource Consents	2.85%	35
Pump stations	2% to 6.67%	15 - 50
Treatment Equipment	2% to 6.67%	15 - 50
Tunnels	0.7% to 4%	25 - 150
Stormwater Reticulation:		
Pipes	1% to 1.54%	65 - 100
Sewerage Reticulation:		
Pipes	1% to 1.42%	70 - 100
Treatment Plants	1.11% to 6.67%	15 - 90
Pump Stations	1.11% to 6.67%	15 - 90
Manholes	1.11%	90

Capital work in progress is not depreciated. The total cost of the project is transferred to Property Plant and Equipment on its completion and then depreciated.

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

Revaluation

Those asset classes that are revalued are valued on a basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

Council Land - The Airport land was revalued to fair value as determined by market based evidence by an independent valuer. The most recent valuation was performed by Quotable Value with an effective date as at 30 June 2005. Council land is recognised at deemed cost.

Harbour Land - The Harbour land was revalued to fair value as determined by market based evidence by an independent valuer. The most recent valuation was performed by Quotable Value with an effective date as at 30 June 2005. Harbour land is recognised at deemed cost.

Infrastructural Assets – The infrastructural assets are valued on a two yearly valuation cycle at fair value determined on a depreciated replacement cost basis by an independent valuer. At balance date Buller District Council assesses the carrying values of its infrastructural assets to ensure that they do not differ materially from the assets fair value. The most recent valuation was performed by GHD Limited and the valuation is effective as at 30 June 2014. All infrastructural asset classes carried at valuation were valued. The total value of infrastructural assets valued by GHD Limited on 30 June 2014 was \$253,270,000.

Accounting for Revaluation

Buller District Council accounts for revaluations of property, plant and equipment on a class of assets basis.

The results of revaluing are credited or debited to an asset revaluation reserve. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the prospective surplus or deficit. Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the prospective surplus or deficit, will be recognised first in the prospective surplus or deficit up to the amount previously expensed, and then credited to the revaluation reserve.

Intangible Assets

Goodwill

Goodwill is initially measured at its cost, being the excess of the cost of the acquisition over Buller District Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Goodwill on acquisition of subsidiaries is included in intangible assets by applying the purchase method.

Goodwill arising in business combinations is not amortised. Instead, goodwill is tested for impairment annually. After initial recognition, Buller District Council measures goodwill at cost less any accumulated impairment losses. An impairment loss recognised for goodwill will not be reversed in any subsequent period.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The

allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination, in which the goodwill arose.

Investment Property

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

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

After initial recognition, Buller District Council measures all investment property at fair value as determined annually by an independent valuer. The most recent valuation of investment property was carried out by Quotable Valuations with an effective date as at 30 June 2014.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit

Impairment of Non Financial Assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the assets fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of an 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 of service potential.

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

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

For assets not carried at a revalued amount, the total impairment loss is recognised in the prospective surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss was previously recognised in the prospective surplus or deficit, a reversal of the impairment loss is also recognised in the prospective surplus or deficit.

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

Employee Entitlements

Short Term Benefits

Employee benefits that Buller District 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, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

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

Buller District Council recognises a liability and expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Long Term Benefits

- Long Service Leave and Retirement Leave

Entitlement that are payable beyond 12 months, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement and the likelihood that staff will reach the point of entitlement : and
- The present value of the estimated future cashflows. A discount rate of 5.7%, and a inflation factor of 2.5% were used. The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long term increase in remuneration for employees

Superannuation Schemes

- Defined Contributions Schemes

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

Provisions

Buller District 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.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market

assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Borrowings

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

Equity

Equity is the communities interest in Buller District Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Retained earnings;
- Restricted reserves; and
- Asset revaluation reserve.

Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

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

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

Commitments and contingencies are disclosed exclusive of GST.

Cost Allocation

Buller District Council has derived the cost of service for each significant activity using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using an appropriate cost driver.

Critical Accounting Estimates & Assumptions

In preparing these prospective financial statements Buller District Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that form a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Landfill Aftercare Provision

The Landfill Aftercare Provision Note discloses an analysis of the exposure of Buller District Council in relation to estimates and uncertainties surrounding the landfill aftercare provision.

Infrastructural Assets

There are a number of assumptions and estimates used when performing valuations over infrastructural assets which include:

- The physical deterioration and condition of an asset, eg Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible such as stormwater, wastewater and water supply pipes that are underground. The risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by local conditions, eg weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit. To minimize the risk, Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructure Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modeling are also carried out regularly as part of Council's Asset management planning activities, which gives Council further assurance over its useful

Experienced independent valuers prepare Council's infrastructural asset revaluations. The last valuation was prepared by GHD Limited on 30 June 2014.

Revenue and Financing Policy

Background

Section 102(4)(a) of the Local Government Act 2002 states that a local authority must adopt a revenue and financing policy. The revenue and financing policy must state:

- a) The local authority's policies in respect of funding operating expenses from the sources listed below
- b) The local authority's policies in respect of funding capital expenditure from the sources listed below

Changes to Funding Mechanisms

The only significant change in the policy was to change the funding source for the Promotion and Tourism Rate.

Council agreed to not continue with the targeted rate for District Promotion and Tourism. All activities associated with district development, promotion and museum funding will be funded through the general rate, especially the commercial differentials.

Alternative funding sources (S(103(2)):

The Funding Impact Statement from **pages 139-151** provides detailed definitions, description and rating sectors for each of the targeted rates.

- General rates: which includes both a general (differential) rate and Uniform Annual General Charge (UAGC).
- The general rate is set and assessed on the land value of all rateable land in the district, on a differential basis based on location, area, land use and the activities that are permitted, controlled or discretionary for the area in which the land is situated as per the District Plan.

The definition of the differential categories is set out in Section 6 of the Funding Impact Statement.

- Targeted rates
- Fees and charges: refers to pages 140 - 156
- Interest and income from investments
- Borrowings
- Proceeds from asset sales
- Development contributions
- Financial contributions under the Resource Management Act
- Grants and subsidies
- Any other sources

In considering which funding sources are appropriate for each activity, Council has considered (S(101(3)) of the Local Government Act:

- a) The promotion of community outcomes
- b) User/beneficiary pays – the distribution of benefits between the community as a whole, any identifiable part of the community and individuals
- c) Intergenerational equity – the period in or over which those benefits are expected to come
- d) Exacerbator pays – the extent to which the actions or inaction of particular individuals or groups contribute to the need to undertake the activity
- e) The costs and benefits of funding an activity in a different manner to the way other activities are funded, including consequences for transparency and accountability
- f) The overall impact on the current and future social, economic, environmental and cultural well-being of the community

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 01 July 2015
						General Benefits	Private Benefits	
Governance	Democracy	Elected Representatives	Statutory requirement Local Government Act 2002	- All	Ongoing	All can be involved in democratic representation	Inangahua community benefits through separate board of Four members plus two Councillors	Operating: 100% General rates Capital: No capital spend
			Local Electoral Act 2001 and regulations			Social cohesion and community focus		
		Community Planning and Consultation	The need for the Inangahua Community Board is created by the Inangahua Community			Liaison with central government		
			Governance Structure for effective leadership, advocacy and accountable stewardship of the Council's assets and resources			Equal access for all		
Community Services	Libraries	Library service	Supports lifelong literacy and learning for different ages and needs. Council's provision of services allows all residents the opportunity for information, knowledge, recreation and leisure at a community facility.	- Learning - Who we are	Ongoing	Library facilities are provided for the entire community and enhance wellbeing.	Individuals who directly benefit from the service taking out books	Operating: 90-95% General rates 5-10% Fees Land valuation Capital: Loans Investments Depreciation Reserves Grants
		Information service			Long term: Library books Library buildings	Better informed and educated community	Researchers	
					Equal access to all			
Community Services	Economic Development and Marketing	Grants District Marketing Economic Development	District Promotion and Marketing Agencies and Businesses Economic Development	- Prosperity - Wellbeing	Ongoing	Improved economic benefit of district	Local business	Operating: 100% General rates Capital: Loan Depreciation Reserves

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 01 July 2015
						General Benefits	Private Benefits	
Community Services	Museum Funding	Museums	Funding for Museums and Heritage operations.	Wellbeing	Ongoing	Preserves important cultural history.	Community	Operating: 100% General rates Capital: Loan Depreciation Reserves
	Recreation Facilities	Swimming Pool at Reefton	Users of facilities benefit from personal fitness and competition	Wellbeing Learning Who are we	Ongoing	Community benefits in providing options for people to exercise and relieve the pressure on the health system	Users of pool Users of gym, pool and sports recreational facilities.	Operating: 100% General rates Capital: Loans Investments
		Community Centre at Reefton which provides an indoor community and sports venue, and gym facilities				Community benefits in providing options for people to exercise and relieve the pressure on the health system.		
		Solid Energy Centre in Westport, which provides gym, pool and sports facilities	The Solid Energy Centre can be used to attract regional and national sporting events			Enhanced health and well-being of community. Opportunities for recreation and leisure. Controlled safe environment for younger community.		

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 01 July 2015
						General Benefits	Private Benefits	
Community Services	Theatre	Live performance	Theatre groups who use the theatre for performances	Wo are we	Ongoing	Facility that can be used by all and enhances cultural well-being of district.	Groups who need a venue for live performances.	Operating: 35-45% Fees - user pays 55-65% General rates Land valuation Capital: Loans Depreciation Reserves Grants Investments
	Movies	Movie goers			Long Term: - Theatre Venue	Overall public benefit.	Residents who want to watch movies.	
		School groups who use the theatre for performances						
	Reefton Service Centre	Council Services	Reefton residents who require access to services	Who are we	Ongoing Long Term: - building	Reefton residents and visitors to the area	Individuals and businesses requiring information or transaction processing	Operating: 100% General Rates Capital: Depreciation Reserves
Reefton Post Office	Postal Services	Reefton residents who require access to services	Who are we	Ongoing Long Term: - building	Reefton residents and visitors to the area	Individuals and businesses requiring postal agency information or transaction processing	Operating: 85-95% Fees 5-15% General rates Capital: Depreciation Reserves	
Community Services	Community Development and Support	Provision of grants	Volunteer organisations and individuals who want funding due to financial pressures	Who we are Learning	Ongoing	Grants paid to organisations benefit the whole community through improved facilities and cultural opportunities	Users of the services or facilities provided by grant recipients	Operating: 90-100% General rates 0-10% Grants Capital: No capital spend
		Vision 2010 rural projects	Council recognises that our rural communities face particular challenges in continuing to provide community services and facilities to their local populations. The Vision 2010 projects are designed to support local community initiatives to improve community facilities and projects that benefit residents.	Prosperity Who we are	Ongoing	The Vision 2010 projects are designed to support local community initiatives to improve community facilities and projects that benefit residents	Users of the community facilities	Operating: 100% General rates

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 01 July 2015
						General Benefits	Private Benefits	
Regulatory Services	Resource Management Planning	District Plan - framework, regulation and control of subdivisions and land use.	Council administers the responsibilities imposed under the Resource Management Act (RMA) relating to the use of land, air and water. This function requires the administration of the operative District Plan. The RMA Act places specific statutory functions on territorial authorities to promote the sustainable development of natural and physical resources.	Sustainable environment	Ongoing Long Term: District Plan	Entire district - Regulations Monitoring benefits Contributes to the sustainable management and development of the district resources and of benefit to district as a whole	Applicants for Resource Consents	Operating: 90% General Rates 10% Fees Capital: Depreciation Reserves Loans
	Resource Management Consents	Resource Consents	Legislation - RMA	Sustainable environment	Ongoing	Entire district - Regulations Monitoring benefits.	Applicants for Resource Consents	Operating: 100% Fees Capital: Depreciation Reserves Loans
			Resource Consent Applicants	Wellbeing		There is also an element of benefit to the whole district by ensuring planning and development is done in a co-ordinated and not haphazard way.		
Monitoring enforcement of land use.				Environment safeguards				

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 01 July 2015
						General Benefits	Private Benefits	
Regulatory Services	Building Control	Building consents	The Building Act 2004 places substantial statutory function requirements on territorial authorities. The activity ensures buildings meet the requirements of the New Zealand Building Code.	Prosperity Wellbeing	Ongoing	Benefit to the entire district of having buildings that comply with regulations.	Individuals who are building	Operating: 85-100% Fees 0-15% General Rates Capital: Depreciation Reserves Loans
			To provide high quality safe solutions to the community for their building needs					
	Animal Control - Dogs	Dog licensing	Legislation below requires territorial authorities to enforce certain statutory functions regarding dog control: - Dog Control Act 1996 - Impounding Act 1955	Wellbeing	Ongoing Long Term: Dog pounds	Entire district: - Complaint service - Public safety	Those with dogs cause the problems.	Operating: 15% General rates 85% Fees Capital: Depreciation Reserves Loans
			Animal control activities promote public welfare and safety					
Animal Control - Stock	Stock control	Legislation below requires territorial authorities to enforce certain statutory functions regarding stock control. - Impounding Act 1955	Wellbeing	Ongoing	Entire district - Complaint service - Public safety	Those with stock cause the problems	Operating: 70-80% General rates 20-30% Fees Capital: No capital spend	
		Stock control activities promote public welfare and safety.						
Environmental Health - Food Premises	Licensing of premises	Legislation - Food Hygiene Regulations 1974 - Health Act 1956 The activity ensures the enforcement of safety legislation to protect members of our community from potential risk.	Wellbeing Sustainable Environment	Ongoing	Entire district benefits from health and safety in business meeting standards. The community as a whole benefits through control of infectious diseases and monitoring of environmental standards. The community includes local residents and visitors to the district.	Individuals who require certification of their businesses	Operating: 75-80% Fees 20-25% General Rates Capital: No capital spend	

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 01 July 2015	
						General Benefits	Private Benefits		
Regulatory Services	Environmental Health - Liquor Licensing	Licensing of Premises	Sale and Supply of Alcohol Act 2012.	Wellbeing	Ongoing	Entire district - Regulated opening times / venues	Individuals who require certification of their businesses	Operating: 80-90% Fees 10-20% General rates Capital: No capital spend	
			Gambling Act 2003			Public health and safety			
			The activity ensures the enforcement of safety legislation to protect members of our community from potential harm.						
	Environmental Health - Noise	Noise complaints serviced	This is driven by legislation via the Resource Management Act (RMA). People are not allowed to make 'excessive' noise and must ensure that noise from their property does not reach an 'unreasonable' level. Address nuisance activities.	Wellbeing	Ongoing	Health benefits from reduced noise levels	Promotion of a pleasant environment for the community.	Operating: 90-95% General rates 5-10% Fees Capital: No capital spend	
							No hazards from excessive noise levels		
	Environmental Services - Rural Fire	Fires Attended	There is a requirement for this activity as per the Forest and Rural Fires Act (1977). It ensures public safety and ensures that there are adequate plans to respond to hazards, risks and emergencies. It also ensures that there are sufficient trained personnel and response measures in place during an emergency.	Wellbeing	Ongoing Long Term: - vehicles	Entire district as fire is contained / prevented	Individuals exposed to fire risk to safety and property	Operating: 100% General rates Fire attendance on cost recovery Capital: Loans Depreciation Reserves	
									Training of locals
									Rural fire fighting capability
	Emergency Services - Civil Defence	Training of locals	This activity is fundamental to achieving community preparedness for emergencies. There is a requirement for this activity as per the Civil Defence and Emergency Act. It ensures public safety and ensures that there are adequate plans to respond to hazards, risks and emergencies. It also ensures that there are sufficient trained personnel and response measures in place during an emergency.	Wellbeing	Ongoing	Provides certainty and assurance to public Council prepared to meet impact of natural disaster	Individuals requiring assistance during an emergency	Operating: 100% General rates Capital: Loans Depreciation Reserves Investments	
									Civil Defence preparedness

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 01 July 2015
						General Benefits	Private Benefits	
Property Management, Amenities & Reserves	Reserves	Parks	Provides the community with recreation facilities and relaxation areas	Wellbeing	Ongoing	Use of parks is public	Users of parks and reserves facilities	Operating: 90-100% General rates 0-10% Fees Capital: Reserve Contributions Loans Depreciation Reserves Investments
		Sports grounds	Create a pleasant environment for the community.		Long Term: - Land - Playground Equipment	Promotion of a pleasant environment for the community.		
		Reserves				Beauty and image of Buller district is enhanced		
		Playgrounds				Enhanced health and wellbeing		
		Beach areas						
	Public Toilets	Toilet facilities	The provision of toilet facilities promotes the health and wellbeing of the district and environment.	Wellbeing	Ongoing Long Term: buildings	Public - non-exclusivity Health and wellbeing of community	Individuals using facilities	Operating: 100% General rates Capital: Loans Depreciation Reserves Investments
		Cemeteries	Interment facilities	Burial and Cremation Act 1974	Wellbeing	Ongoing	Community as a whole benefits from availability of interment facilities	Benefit for family of person interned
	Cemetery reserve		Long Term: land			Availability of heritage records		
	Records enquiry service							

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 01 July 2015
						General Benefits	Private Benefits	
Property Management, Amenities & Reserves	Property - Community	Community halls	Community and civic buildings provide for a diverse range of community activities	Wellbeing Who we are	Ongoing Long Term: buildings	All benefit from public buildings	Groups using halls	Operating: 90-100% General rates 0-10% Fees Capital: Loans Depreciation Reserves Investments
	Elderly Persons Housing	Housing for the Elderly	Provision of housing for the elderly assists our senior citizens to maintain their independence and remain in the community	Wellbeing Who we are	Ongoing Long Term: buildings	Retaining the elderly within the community which retains our social character and mix	Tenants renting	Operating: 100% Fees Capital: Loans Depreciation Reserves Investments
	Property - Private	Property Management of leased property	Management of leased land assists in the effective maintenance of Council's assets and facilities	Who we are	Ongoing Long Term: - buildings	All benefit from return on investment	Leasehold tenants	Operating: 100% Fees Capital: Loans Depreciation Reserves Investments
	Punakaiki Camping Ground	Holiday park accommodation for visitors	Provision of an area for both passive and active recreation and enjoyment	Wellbeing Who we are	Ongoing Long Term: - buildings	All benefit from extra visitors and economic gain	Customers using the facility	Operating: 90-100% Fees 0-10% General rates Capital: Loans Depreciation Reserves Investments

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 01 July 2015
						General Benefits	Private Benefits	
Roading & Urban Development	Roading	Roads	Local Government Act 2002 Road Controlling Authority This activity ensures property access and freedom of travel and supports the sustainability of the community.	Wellbeing Prosperity	Ongoing Long Term: - road construction and renewals	Sustainability of the community	Individuals using the transport network	Operating: 37-39% General rates 61-63% NZTA Subsidy 100% NZTA Subsidy for special purpose roads. Capital: General rates NZTA Subsidy Investments Loans
		Street lighting						
		Footpaths						
		Car parking spaces						
	Urban Development	Improving street and landscape in towns	More pleasant environment for our communities by use of planting, street treatment and decorative measures	Who we are	Ongoing Long Term: - landscaping	Promotion of a pleasant environment for the community	Improved environment to residents and tourists	Operating: 100% General rates Capital: General rates Loans Investments
Water Supplies	Community Water Supplies	Supply of water	Community health, safety and development. Provision of water supplies is a core function of Local Government	Wellbeing	Ongoing Long Term: - new schemes / renewals	Supply of water for public toilets.	Residents able to be connected to supply.	Operating: 100% Targeted rates Metered water charges for major users Capital: Targeted rate Subsidies Loans Investments Depreciation Reserves
						Fire fighting supply.		

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 01 July 2015
						General Benefits	Private Benefits	
Solid Waste	Refuse Collection & Recycling, Litter and Landfill Operations	ZONE 1 - Westport	Necessary for the health and quality of life in the community. Ensure that refuse is managed and disposed of in an efficient and sustainable manner.	Wellbeing	Ongoing	Better environment	Those using collection the service	Operating: 90-95% Targeted rates 5-10% Other Income (Fees and Charges) Capital: Loans Depreciation Reserves Investments
		Provide waste management disposal facilities				Public health		
		ZONE 2 - Karamea	Necessary for the health and quality of life in the community. Ensure that refuse is managed and disposed of in an efficient and sustainable manner.	Wellbeing	Ongoing	Better environment	Those using collection the service	
		Provide waste management disposal facilities				Public health		

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 01 July 2015
						General Benefits	Private Benefits	
Solid Waste	Refuse Collection & Recycling, Little and Landfill Operations	<p>ZONE 3 - Maruia</p> <p>Provide waste management disposal facilities</p>	Necessary for the health and quality of life in the community. Ensure that refuse is managed and disposed of in an efficient and sustainable manner.	Wellbeing	Ongoing	<p>Better environment</p> <p>Public health</p>	Those using collection the service	<p>Operating:</p> <p>90-100% Targeted rates</p> <p>0-10% Fees and Charges</p> <p>Capital:</p> <p>Loans</p> <p>Depreciation Reserves</p> <p>Investments</p>
	Landfill Operation	Landfill development and monitoring	Ensure that capacity exists for residual waste and recycling if it cannot be disposed at the Nelson facility.	Wellbeing	Ongoing	Community facilities for rubbish disposal.	Residents able to dispose of unwanted rubbish	<p>Operating:</p> <p>100% General rates</p> <p>Capital:</p> <p>Loans</p> <p>Depreciation Reserves</p> <p>Investments</p>
		Close landfills, monitor and rehabilitate	Ensure that refuse is managed and disposed of in an efficient and sustainable manner that maintains the districts natural and aesthetic values	Wellbeing	Long Term - Buildings - Land	<p>Better environment.</p> <p>Public health</p>		
	Litter	Litter collection	Necessary for health and quality of life in communities, and disposed of in an efficient manner	Wellbeing	Ongoing			

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 01 July 2015
						General Benefits	Private Benefits	
Wastewater/Stormwater	Sewerage	Disposal of sewerage	Necessary for health and quality of life in the community	Wellbeing	Ongoing	Community health and wellbeing	Residents able to be connected to sewer	Operating: 100% Targeted rates Trade waste Fees Capital: Depreciation Reserves Investments Loans
		Disposal of trade waste			Long Term - New schemes / renewals	Maintains sanitation	Those disposing of trade water	
Wastewater/Stormwater	Stormwater	Collect and transport land drainage from property	Protection of property Health and safety as it reduces danger from flooding	Wellbeing	Ongoing	Public health benefit	Urban properties benefit due to density of roading and footpaths	Operating: 100% General rates Capital: Loans
					Long Term - New schemes / renewals	Continuity of access to property		
							Open drains in rural area	
Support Services	Corporate Services	General staff and administration services	Implement and support of all Council activities	All	Ongoing Long Term - Office Equipment	Benefits community at large		Overheads reallocated to other departments. Capital: Depreciation Reserves Loans Investments
	Information Systems	Computer systems Tele-communication networks	Availability of information and systems to support all Council activities and enable sound decision making.	All	Ongoing Long Term - Computer systems	Benefits community at large	Individuals accessing databases and information	Overheads reallocated to other departments. Capital: Depreciation Reserves Loans Investments

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 01 July 2015
						General Benefits	Private Benefits	
In-House Professional Services		Engineering Services	Council access to engineering services on a cost effective basis.	All	Ongoing	Benefits community at large		Overheads Internal charges reallocated to other departments Capital: Depreciation Reserves Loans Investments
Airport	Westport Airport	Airport Services	Public Transportation	Prosperity	Ongoing Long Term - Buildings - Land	Economic benefit to all Social and heritage value	Commercial / individual users benefit	Operating: 100% Fees 50% Funded by Crown Remainder from General rates Capital: Loans Depreciation Reserves 50% funded by the Crown

Ratepayers are currently rated on a system that uses Land Values as the basis for General Rates

User charges are used for those services where there is a benefit to an individual. If it is possible to efficiently impose a charge the Council does so, on the basis of either recovering the full cost of the service or a rate that the market will pay. The market rate can limit the potential for charging in circumstances where the Council believes that a charge set too high will adversely reduce use.

General rates are used to fund those services where the council believes there is a public benefit even though it may not be to the whole community. It typically funds “public goods” for which there is no practical method for charging individual users as the benefit is wider than just specific users. General rates fund a range of services which are used by individual ratepayers to varying extents. The council uses the general rate rather than a number of targeted rates in order to achieve a simpler rating structure. That simpler structure makes it easier for ratepayers to understand how they are being rated and it is also simpler and cheaper to administer. Rates are regarded as a tax which funds the collective community benefit rather than be any form of proxy for use of a service. Differentials are only used to ensure that other rates mechanisms do not alter the incidence in rates between the major rate payer groups

Targeted rates are also used to fund community benefits and wider public goods. A targeted rate means a rate to be used exclusively to pay for that operating expense. It is used in circumstances where the council believes that the benefits from the services are such that the principles of a general rate approach (noted above) are not sufficient and that they should be targeted to a particular beneficiaries group. It is also used where the council considers that the level of charge is outside council’s control and the extent of the rate should be clear to the community.

Grants and subsidies are used where they are available.

Borrowing is not generally used to fund operating expenses, but is used as a tool to smooth out major lumps in the capital replacement and acquisitions programme. The council may choose to borrow for an operating expense to give a grant to a community organisation that is building a community facility.

Income from dividends, interest and net rental income is used to offset the cost of provision of other services. Income from interest and dividends is included as revenue in the investments and governance activity. This revenue is utilised to reduce Council’s general rates income stream.. Income from rental of property is applied to the activity which is the primary user of a facility, if the property does not have a primary use but is held for commercial or strategic purposes the rental is included investments and governance activity, and is applied to general purposes.

Licence fees are charged where they are available as a mechanism. They are set as for user charges but may have constraints on the level of the fee. These constraints are established under various legislation.

Enforcement fees are charged when possible. The purpose of the fee is to promote compliance rather than to raise revenue, at times enforcement fees will recover the full cost and at other times it will not depending on the level of compliance and also the extent to which the charges are limited by statute or the courts.

Funding of Capital

Rates in all forms will be used to fund an ongoing replacement programme and may be used to fund a portion of capital acquisition work. This will be balanced against the affordability for the current ratepayers and the extent to which a capital replacement or acquisitions programme is even over the period of the plan. Over the period of the plan the council will get to the point where asset renewals are being met from operating revenue, and also a contribution is being made to levels of service and growth capital.

Borrowing will be applied to capital works subject to the preceding statement on the use of rates. The council views debt as a smoothing mechanism and a means of achieving equity between time periods, however the council does not have an unlimited capacity to borrow and the community does not have unlimited capacity to service those loans into the future. Therefore, the council adopts a prudent approach to debt and its capital programme to ensure that the burden of debt and the interest cost does not place an impossible burden on the community. In doing so the council is conscious of its peak debt and its ongoing funding stream for debt servicing and work programme.

In the early years of the plan the council is borrowing to fund asset renewals. This is being done to achieve a balance between the level of rates rises and the sustainability of service levels. In the later years of the plan the council achieves sustainable funding and borrows for part of the level of service and growth capital works. This is outlined in the Funding Impact Statement (**page 139**).

Proceeds from asset sales may be used to fund capital works or repay debt. The preferred option will be for debt repayment with any new works funded from new debt draw down. This method is favoured due to its transparency and the neutral effect it has on rating. There is no major planned asset sales programme over the period of this plan, but assets which are no longer required for strategic or operational purposes may be sold.

Treasury Management Policy

INTRODUCTION

Purpose of Policy

The purpose of the Treasury Management Policy is to outline approved policies and procedures in respect of all treasury activities to be undertaken by Buller District Council (BDC). The formalisation of such policies and procedures will enable treasury risks within BDC to be prudently managed. As circumstances change, the policies and procedures outlined in this policy will be modified to ensure that treasury risks within BDC continue to be well managed.

Changes to Treasury Management Policy

Inclusion in this policy is the ability to borrow from or invest in the Local Government Financing Agency.

1. Policy Objective

Council has Treasury risks arising from raising of debt, investments and associated interest rate management activity.

Council's broad objectives in relation to its Treasury activity are:

- Prudence - to ensure long term financial stability
- Manage the overall cash position of Council's operations
- Invest surplus cash in liquid and creditworthy investments
- Raise appropriate finance, in terms of both maturity and interest rate
- Minimise any risks

2. General Approach

Council is a risk-averse entity and does not wish to increase risk from its Treasury activities.

Activity which may be construed as speculative in nature is not permitted.

Loans are repaid to the Treasury activity, six monthly, based on standard loan lives, depending on the useful life of the asset. The maximum term of any loan shall be 30 years.

3. Delegation of Authority and Authority Limits

Council has the following authorities in place for the Treasury functions.

Activity	Delegated Authority	Limit
Approving & changing policy	Council	Unlimited
Borrowing limits	Council	Borrowings limits are approved in the Long Term Plan by Council
Approving and setting up borrowing arrangements	Manager: Corporate Services	Subject to the limits approved in the draft Long Term Plan or Annual Plan
Drawing down debts & Re-financing existing debt	Chief Executive Officer Corporate Services Manager	Subject to Council set limits
Approving transactions outside policy	Council	Unlimited (Subject to Council resolution)
Approving credit counterparty limits	Chief Executive Officer	Subject to Council set limits
Adjust interest rate risk profile on borrowing	Chief Executive Officer	Fixed/floating ratio between 55% and 95%
		Fixed rate maturity profile limit as per risk control limits
Managing funding maturities in accordance with Council approved facilities	Chief Executive Officer and Corporate Services Manager	Per risk control limits
Authorising lists of signatories	Chief Executive Officer	Unlimited and reviewed as and when required
		Annual letter to lender
Opening/closing bank accounts	Chief Executive Officer	Unlimited
Approval of policy	Finance & Audit Committee	Ongoing
Ensuring compliance with policy	Corporate Services Manager	Ongoing
Review key performance measures	Finance and Audit committee	Quarterly Reports

4. Liability Management Policy

Section 102(4) (c) of the Local Government Act 2002 states that a local authority must adopt a liability management policy. The liability management policy must state the local authorities policies in respects of both borrowings and other liabilities.

4.1 Council raises borrowing for the following purposes:

Council raises borrowing for the following purposes:

- To fund assets with inter-generational qualities
- General debt to fund Council's Balance Sheet
- Specific debt associated with "special one-off projects and capital expenditure

4.2 Council approves borrowings by resolution during the annual planning process:

A resolution of Council is not required for hire purchases, creditor or deferred purchase of goods.

- The period of indebtedness is less than 91 days; or
- The goods or services are obtained in the ordinary course of operations on normal terms for amount not exceeding in aggregate, an amount determined by resolution of Council, subject to Chief Executive approval.

4.3 Specific borrowing limits:

In managing borrowing, Council will adhere to the following limits which are consistent with its external financing agreements:

- The gross interest expense of all borrowings will not exceed 15% of total annual revenues
- Debt to total income ratio of not more than 2.5 times
- Term of loans is not to exceed a maximum term of 30 years

"Total Revenue" is defined as earnings from rates, government grants and subsidies, user charges, interest and other revenue.

"Rates" is defined as all income under the Local Government Rating Act 2002.

4.4 Risk recognition

Council has identified the following risks:

- Local government risk is priced to a higher fee and marginal level
- The Council's own credit standing, or financial strength as a borrower, deteriorates due to financial, regulatory or other reasons
- A large individual lender to the Council experiences their own financial/exposure difficulties, resulting in the Council not being able to manage their debt portfolio as efficiently as desired.
- New Zealand investment community experiences a substantial "over supply" of Council investment assets.

A key factor of funding risk management is to spread and control the risk to reduce the concentration of risk at one point in time. This is so that if any of the above events occur, the overall borrowing cost is not unnecessarily increased, and the desired maturity profile is not compromised due to market conditions.

4.5 Credit risk management

Council's ability to readily attract cost-effective borrowings is largely driven by its ability to maintain a strong balance sheet, as well as its ability to rate, manage its image in the market and its relationships with bankers. Council is able to borrow through variety of market mechanism including stock and bank borrowings. Council will ensure that borrowings are only sought from the approved list of registered banks and the Local Government Funding Agency.

4.6 Liquidity risk control limits (borrowings)

To minimise the risk of large concentrations of debt maturing or being reissued in periods where credit margins are high for reasons within or beyond Council's control, Council ensures debt maturity is spread widely over a band of maturities. Council manages this specifically by ensuring that:

- No more than 35% of total borrowings is subject to refinancing in any financial year. Total borrowing includes any forecast borrowing.
- Council will manage the maturity profile of the total committed funding in respect to all loans and committed facilities by avoiding the concentration of debt maturity dates.

4.7 Interest rate risk management

Council's borrowing gives rise to direct exposure to interest rate movements. Generally, given the long-term nature of Council's assets, projects and inter-generational factors, and Council's preference to avoid an adverse impact on rates, there is a general tendency to have a high percentage of long-term fixed rate or hedged borrowing.

Council debt/borrowings and financial risk management instruments must be within the following fixed/floating interest rate risk control limit:

Master Fixed/Floating Risk Control Limited

Minimum Fixed Rate	Maximum Fixed Rate
40%	95%

4.7.1 "Fixed Rate" is defined as an interest rate repricing date beyond 12 months forward on a continuous rolling basis.

4.7.2 "Floating Rate" is defined as an interest rate repricing within 12 months.

4.7.3 Loan Repayments

Debt will be repaid as it falls due usually by refinancing with new debt. External loans are repaid on due date. The length of external loans are based on projected internal loans and cash requirements.

4.8 Approved financial instruments

Dealing in interest rate products must be limited to financial instruments approved by Council.

Cash management and Borrowing	Bank overdraft, Committed cash advance and bank accepted bill facilities (term facilities) Uncommitted money market facilities (call accounts) Stock/Bond issuance.
Interest rate risk management	Forward rate agreements ("FRA's") on: - Bank bills - Government Bonds. Interest rate swaps including: - Forward start swaps (start date <24 months) - Amortising swaps (whereby notional principal amount reduces). Interest rate options on: - Bank bills (purchased caps and one for one collars) - Government bonds. Interest rate swaptions (purchased only).

Any other financial instrument must be specifically approved by Council on a case-by-case basis and can only be applied to the one singular transaction being approved.

4.9 Security

The Council normally will secure its borrowings against its rates revenue. Generally, Council does not offer assets or deemed rates as security for general borrowing programmes.

In some circumstances, with prior Council approval, security may be offered:

- On borrowing by granting a special deemed rate and floating charges over general rates.
- By providing a charge over one or more of the Council's assets.

4.10 Internal Funding

Council operates an internal borrowing system for funding infrastructural improvements as well as funding current accounts. The internal borrowings will be permitted to a maximum of investments or as restricted by the banking covenant.

Internally funded projects will be charged interest at the market rate of investments deposit at the time the funds are drawn down.

4.11 Contingent Liabilities

The Council from time to time provides financial guarantees to recreation and service organisations. Where possible Council shall obtain cross guarantees. Management ensures that the business plan of the guaranteed party furthers the strategic objectives of Council and that financial statements are received on a regular basis. Should the guarantee be called up, Council will take immediate steps to recover the money.

4.12 New Zealand Local Government Financing Agency (LGFA)

Despite anything earlier in this Liability Management Policy, Council may borrow from the New Zealand LGFA and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA;
- Commit to contributing additional equity (or subordinated debt) to the LGFA if required'
- Subscribe for shares and uncalled capital in the LGFA; and
- Secure its borrowing from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over Council's rates and rates revenue.

5. Investment Policy

Section 102(4) (c) of the Local Government Act 2002 states that a local authority must adopt an investment policy. The investments policy must state the local authority's policy in respect of its investments.

Investments and loan advances	Treasury Investments
	Loan advances to Charitable trusts and incorporated societies – eg sporting and community organisations.
Equity investments and loan advances	Investments include shareholding in trading and service enterprises and loan advances to charitable trusts, incorporated societies, residential and rural housing which are consistent with Council's Long Term Plan, eg Council's shareholding in Buller Holdings Limited
	Advances and loans are only provided to organisations where Council has significant interest. In default, the assets of the organisation may not revert to Council, however personal guarantees are obtained from the principals of the organisation.
Property Investments	Council's overall objective is to only own property that is necessary to achieve its outcomes. Council reviews property ownership through assessing the benefits of continued ownership in comparison to other arrangements which could deliver the same results. Council from time to time may own property solely for investment purposes.
	Council holds a number of residential leasehold properties and endowment land, from the time of amalgamation in 1989. These are freeholded, subject to Council policy, at the resident's request.
Other Investments	Forestry investments

5.1 Disposition of Revenue

- Proceeds from investments are applied to the general revenue of Council.
- Net income from other residential leases is used as a source of operating revenue for the "Property & Housing" activity.
- Net proceeds from freeholding or asset sales are transferred to special funds.

5.2 Treasury Investments Rationale

Council maintains treasury investments for the following primary reasons:

- Provide ready cash in the event of a natural disaster. This cash is intended to bridge the gap between the disaster and the reinstatement of normal income streams and assets.
- Invest amounts allocated to cover Council created restricted reserves, sinking funds and other reserves.
- Invest funds allocated for approved future expenditure.
- Invest proceeds from the sale of assets.
- Invest surplus cash, and working capital funds.

5.3 Treasury Investment Objectives

Council's primary objective when investing is the protection of its investment. Accordingly, only creditworthy counterparties are acceptable.

Council also seeks to:

- Maximise investment return.
- Preserve the capital base of the Council.
- Council gives preference to conservative investment policies and avoids speculative investments.

Council will consider as part of the annual plan process each year, any allocation of income to the capital base to offset inflation.

5.4 Credit risk is minimised by limiting investments to registered banks, strongly rated SOE's, and corporates within prescribed limits.

5.5 Liquidity risk is minimised by ensuring that all investments must be capable of being liquidated in a regularly available secondary market. Where practical, Council maintains at least \$1 million of its investments with a maturity less than one year

5.6 Interest Rate Risk Management

Council's investments give rise to a direct exposure to a change in interest rates, impacting the return and capital value of its fixed rate investments.

Interest rate risk will be managed by reviewing rolling cash flow forecasts and using risk management instruments to protect investment returns and or to change interest rate and maturity profile.

5.7 Sinking Funds

Under the Local Government Act 2002, the Council is not required to use specific borrowing mechanisms and therefore Council uses its discretion in determining whether a sinking fund mechanism is appropriate.

5.8 Aquisition and Disposal of Assets

Any disposal of assets requires the approval of Council except those assets within delegated authority. Disposal of assets signalled in the Annual Plan or Long Term Plan process is approved by resolution on adoption of those plans.

5.9 Counterparty Credit Risk

Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where Council is a party. The credit risk to Council in a default event will be weighted differently depending on the type of instrument entered into.

Council will regularly review credit risk. Treasury related transactions would only be entered into with organizations specifically approved by Council.

Counterparties and limits can only be approved on the basis of long term credit ratings (Standard and Poor's or Moody's) being A- and above.

5.10 The following matrix guide will determine limits:

Authorised Asset Class	Limit as a percentage of the Total Portfolio	Approved Financial Market Investment Instruments	Credit Rating Criteria	Limit for each issuer
New Zealand Government or Government Guarantee	100%	Treasury Bills (mature within 6 months)	Not Applicable	No limit
Local Authorities where rates are used as security	60%	P/Notes (mature within 6 months)	Not Applicable	\$3 million
New Zealand Registered Banks	100%	Call/Deposits/ Bank Bills/Promissory Notes Bonds/MTNs/ FRNs	Short term S&P rating of A1 or better	\$10 million
			Long term S&P rating of A- to A+	\$2 million
			Long term S&P rating of A+ or better	\$5 million
State Owned Enterprises and District Health Boards	50%	P/Notes (mature within 6 months) Bonds/MTNs/ FRNs	Short term S&P rating of A1 or better	\$ 3 million
			Long term S&P rating of BBB to A+	\$ 1 million
			Long term S&P rating of A+ or better	\$2 million
Corporate and other rated issues	50%	P/notes (mature within 6 months)	Short term S&P rating of A1 or better	\$2 million
			Long term S&P rating of A to AA-	\$1 million
			Long term S&P rating of AA or better	\$3 million

Authorised Asset Class	Limit as a percentage of the Total Portfolio	Approved Financial Market Investment Instruments	Credit Rating Criteria	Limit for each issuer
Building Societies	10%	Call/Deposits (mature within 6 months)	Not Applicable	The lesser of \$1 million or a maximum of 4% of total assets of Society

The following investments by Council Resolution only:

Australasian Equities:

Common shares, unit trusts, investment trusts, convertible notes, warrants, rights contributory shares.	15%	NZSX50 Gross Index – ASX 200 Index A minimum of 80% must be NZSE 40 or top 50 companies on NZSE 40X or ASX 200 Index Maximum 20% in ASX SCI Index or NZ SCL	Not applicable	15% of total investments
Council also has strategic share holding (NZLG Investment Corp.)				

International Equities:

Common shares, unit trusts, investment trusts, warrants, rights, contributory shares <i>*Recommended hedging between 0-65% of the International Exposure.</i>	15%	New York SE Hong Kong SE London SE Tokyo SE Singapore SE West European SE	Not applicable	The lesser of \$1 million or 15% of total investments
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Council is currently in breach of the policy as Council has exceeded the \$1 million. The breach will be rectified when the sponsorship agreement ends in 2019.

5.11 Repayment

The Council repays borrowings from the specific sinking fund allocated to that borrowing or from general funds.

5.12 External Advisors

The Council may appoint Investment Managers to continually monitor the Council's portfolio and provide recommendations within the scope of the Prudential Guidelines which safeguard the portfolio against risk and maximize its performance.

5.13 New Zealand Local Government Financing Agency (LGFA)

Despite anything earlier in this Investment Policy, Council may invest in shares and other financial instruments of the New Zealand LGFA, and may borrow to fund that investment. Council's objective in making any such investment will be to:

- Obtain a return on the investment; and
- Ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for Council.

Because of this dual objective, Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments.

If required in connection with the investment, Council may also subscribe for uncalled capital in the LGFA.

6. Foreign Exchange Policy

Council may have foreign exchange exposure through the occasional purchase of foreign exchange denominated plant, equipment and services.

Generally, all significant commitments for foreign exchange are hedged using foreign exchange contracts, once expenditure is approved. Council uses both spot and forward foreign exchange contracts. All commitments for foreign exchange over \$10,000 are to be hedged.

The use of other foreign exchange risk management products is not permitted.

7. Performance Measurement

Measuring the effectiveness of Council's treasury activities is achieved through a mixture of subjective and objective measures. The predominant subjective measure is the overall quality of treasury management information. The Finance and Audit Committee has prime responsibility for determining this overall quality. Objective measures are as follows:

Borrowing:

- Adherence to policy
- Unplanned overdraft costs
- Number and cost of processing errors
- Comparison of actual monthly and year to date interest costs vs budget borrowing rate
- Council to use competitive tendering for its borrowing from time to time.

Equity Investments:

- Adherence to policy
- Comparison of financial ratios to budgeted benchmark levels.
- Comparison of actual and budget return.

Property Investments:

- Adherence to policy
- Comparison of actual rental costs to budgeted costs

Treasury Investments:

- Adherence to policy
- Number and cost of processing errors

Council measures the performance of the investments portfolio on a quarterly basis by benchmarking the performance of the portfolio against the following indicators evenly weighted.

- 12 month rolling average of the official cash rate
- 12 month rolling average of the investor 90 day bank bill rate
- 12 month rolling average of the 3 year investor swap rate

8. Reporting

The following reports are produced.

Report Name	Frequency	Prepared by	Reviewer	Recipient
Cash Position	Daily	Financial Accountant	Corporate Services Manager	Corporate Services Manager
Investment reconciliation	Monthly	Financial Accountant	Corporate Services Manager	Corporate Services Manager
Bank Reconciliation	Monthly	Financial Accountant	Corporate Services Manager	Corporate Services Manager
Review of investments and borrowings	Monthly	Financial Accountant	Corporate Services Manager	Monthly review by Council Finance and Audit Committee

Significance and Engagement Policy

Background

A significance and engagement policy is a tool for advising the public what decisions or matters the Council considers:

- to be important
- how the Buller Council will go about assessing the importance of matters and how and when the community can be expected to be consulted.

A new policy is required to replace and extends the Significance policy formerly required under section 90 of the Local Government Act and the new policy is required to be adopted by Council by 1 December 2014.

Purpose of Policy

Community input is essential to the success of Council. Council considers the community's views in making any decision and communicates these decisions to the community. However, it is not possible to engage with the community on every matter before a decision is made.

The aim of this Policy is to set out when the Council will undertake consultation and engage with the community before making its final decision, and how far this engagement will go.

To do this Council has to consider how important the matter is (the significance) and how much community engagement is needed to make a good decision.

Generally, the higher the level of significance the greater the level of community engagement sought. Over a certain level of significance, the Council will consult with the community before making a decision.

The purpose of this Policy is to provide guidance to the Council and the community when determining the significance of decisions, proposals and other matters and the corresponding level of community engagement to be expected.

Definitions

“Significant” and “Significance”

The Local Government Act 2002 (LGA 2002) section 76AA defines the terms “significant” and “significance”.

Significance as defined by the Act 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:

- the district
- any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter
- the capacity of the local authority to perform its role, and the financial and other costs of doing so.



Significance is a continuum.

The term significant has not changed and is defined as:

“Significant in relation to any issue, proposal or decision or other matter, means that the issue, proposal or matter has a high degree of significance”.

Community engagement

In relation to the Policy, community engagement is the process of involving the community in Council decisions. This may involve providing and seeking information to inform and assist decision making. There can be a range of community involvement; it is not confined to a specific form.

“Consult” and “Consultation”

Consultation is only one form of community engagement. For the purposes of this Policy, consultation is the genuine exchange of information and points of view between decision-makers and people affected by or interested in a matter, before a decision is made. It is expected to be a two-way interaction; it may be undertaken in a variety of ways.

Strategic Asset

A list of the Strategic Assets of the Buller District Council is listed in Appendix 1 of this Policy.

For the purposes of the Policy, the Council considers its strategic assets as a whole, because it is the asset class that delivers the service.

Significant Activity

A list of the Significant Activities of the Buller District Council is reflected in Appendix 2 of this Policy. Significant activities are activities in total and not the separate elements of the activities.

PART A – Significance

How will Council determine Significance

General Approach to Determining Significance

To determine if a proposal or decision is significant the Council will make judgements about the likely impact of that proposal or decision on:

- a) The District;
- b) The persons who are likely to be particularly affected by, or interested in, the proposal or decision; and
- c) The financial impact of the proposal or decision on the Council's overall resources
- d) The capacity of, the Council to perform its role and carry out its activities, now and in the future.

Thresholds for Determining Significance

The following thresholds will be used as a guide to determine whether the proposal or decision being considered by the Council is significant.

Each threshold will be tested independently of the other thresholds and criteria. Where any individual threshold is exceeded, the matter will be determined to be significant.

- a) Issues or matters that incur more than 5% of Council's asset base or 5% of Council's budgeted turnover.
- b) Any proposal or decision to transfer ownership or control of a Strategic Asset to or from the Council (a list of the Strategic Assets is contained in Appendix 1 of this Policy).
- c) Any proposal or decision to alter significantly the intended level of service provision for any significant activity (a list of the Significant Activities is contained in Appendix 2 of this Policy). A proposal is only considered significant if it relates to the activity as a whole.
- d) Any proposal or decision to alter significantly the intended level of service provision for any significant activity (a list of the Significant Activities is contained in Appendix 2 of this Policy). A proposal is only considered significant if it relates to the activity as a whole.

Criteria for Determining Significance

The following criteria will be used to determine whether the proposal or decision being considered by the Council is significant.

If any of the following criteria are met, the proposal or decision may be significant. However, the criteria should be considered collectively to make this determination. The majority of these criteria could be considered to fall on a continuum rather than being an absolute determination. They may be considered as being of low, medium or high significance rather than significant or not significant.

Where the significance of a proposal or decision is unclear against any of the criterion, then the Council will treat that criterion as being more rather than less significant.

- a) The proposal or decision affects all or a large portion of the community.
- b) The impact or consequences of the proposal or decision on the affected persons (being a number of persons) will be substantial.
- c) The financial implications of the proposal or decision on the Council's overall resources are substantial.
- d) The proposal or decision is likely to generate a high degree of controversy in terms of number of people affected, the area affected or the duration of the effect.

Implications

Observe the decision making provisions of the LGA 2002:

Where a proposal or decision is considered significant under this Policy, the Council must have greater regard for the decision-making provisions of the LGA 2002 (set out in sections 76-82). In particular this includes:

- a) The extent to which different options are to be identified and assessed.
- b) The degree to which benefits and costs are to be quantified.
- c) The extent of the detail of the information to be considered.
- d) The extent and nature of any written record to be kept of a manner in which it has complied with these considerations.

PART B – Community Engagement

How Council will determine the level of community engagement

The Council will give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter, for all decisions. However, the level of community engagement that is directly undertaken will vary, depending on the level of significance attached to the matter.

In general, the more significant an issue, the greater the need for, and level of, community engagement. If the matter is considered by Council to be significant, under this Policy, then the Council may carry out a consultation process; again the extent of this will depend on the level of significance. This is outlined in Appendix 3 where some examples have been provided.

Consideration will also be given to appropriate levels of engagement for those issues that, while of community interest, do not exceed the significance criteria and thresholds.

When the Council will consult

- a) When legislation requires that consultation be undertaken: The Council will consult when it is a legal requirement (as set out by the LGA 2002, Resource Management Act 1991 and other Acts). The Council will undertake these consultation processes in accordance with the legislative requirements guiding them, as a minimum.
- b) When a significant proposal or decision is being considered: Subject to consideration of factors under section 4.2 of this Policy, the Council will consult whenever a 'significant decision' needs to be made. A significant decision is one which has been identified as such by the thresholds, criteria and approach identified in this Policy. A 'significant' decision will not automatically trigger the application of the Special Consultative Procedure (SCP).
- c) For some matters that are not considered significant: In general, where a matter is not considered significant under this Policy, consultation will not be undertaken.

In some cases, where a decision is close to, but does not exceed, the significance test, under this Policy, the Council may decide that consultation is appropriate.

When the Council may not carry out consultation

Information is always necessary for the decision making process. However, there are times when it is not necessary, appropriate or possible to consult the community on a proposal or decision, even if it is considered significant under this Policy. The Council will still carry out community engagement, eg. inform and educate. Notwithstanding the foregoing sections of the policy, the Council may choose not to carry out consultation and if so will make this determination in accordance with the criteria below, notwithstanding any legislative requirements.

The Council may decide not to consult when:

- a) The matter is not of a nature or significance that requires consultation (LGA 2002, s82(4)(c)); or
- b) The Council already has a sound understanding of the views and preferences of the persons likely to be affected or interested in the matter (s82(4)(b) LGA 2002); or
- c) There is a need for confidentiality or commercial sensitivity (s82(4)(d) LGA 2002); or
- d) The costs of consultation outweigh the benefits of it (s82(4)(e) LGA 2002); or
- e) The matter has already been addressed by the Council's policies or plans, which have previously been consulted on; or
- f) An immediate response is necessary because of emergency or in the interests of health and safety; or
- g) There are no other practicable alternative options to choose from; or
- h) Works are required unexpectedly as a consequence of a policy, or following further investigations on projects, already approved by the Council; or
- i) The works required are related to the maintenance of a Council asset and responsible management requires the maintenance works to take place.

Where the above listed circumstances apply and consultation is not to be undertaken, the Council is still required to give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter (LGA 2002 section 78 (1)). The LGA 2002 requires that this consideration be in proportion to the significance of the matters affected by the decision (section 79 (1)).

How will Council undertake community engagement

Where the Council undertakes community engagement, the level of engagement, and the tools and techniques to be applied, will be tailored to the nature and significance of the matter being considered and to the target audience, notwithstanding legislative requirements.

There are a variety of tools and techniques that the Council may apply when undertaking community engagement. Appendix 3 illustrates the level of community engagement that will be undertaken depending on the degree of significance and provides examples of the types of tools the Council will use. The greater the degree of significance of any particular matter, the greater the level of engagement sought. In carrying out consultation the Council will be cognisant of the requirements of section 82 and 82A of the LGA 2002.

Review of the Policy

Council's Policy on Significance and Engagement Policy will be reviewed every three years to coincide with each Long Term Plan review process.

APPENDIX 1

Register of Buller District Council's Strategic Assets

For the purposes of section 76AA of the LGA 2002 the Council considers the following assets to be strategic assets:

- Recycling Park and Transfer Stations
- Wastewater reticulation and treatment systems:
 - Includes land, pipes, pump stations and sewage ponds.
- Stormwater reticulation systems
- Roading system
 - Includes the land, carriageway, footpaths, bridges, street lighting and off-street parking.
- Water reticulation, storage and treatment systems
 - Includes the land, pipes, pumps, reservoirs and treatment plants.
- Westport Airport
 - Section 5 of the Local Government Act 2002 requires this asset to be included in the list as a Strategic Asset.
- Shareholding in Buller Holdings

APPENDIX 2

Register of Buller District Council's Significant Activities

The following is a full list of Council's activities. Those that are considered as significant activities for the purposes of sections 76AA and 97(1) of the LGA 2002, are marked with a tick. These have been determined because of their strategic importance in the delivery of service to the community.

Activity Group	Significant Activities
Governance	✓
Roading and Urban Development	✓
Water Supplies	✓
Wastewater/ Sewerage	✓
Solid Waste	✓
Stormwater	✓
Community Services	✓
Property Management, Amenities & Reserves	✓
Professional Business Unit	✓
Support Services	✓

APPENDIX 3

Examples of Community Engagement

	HIGH	SIGNIFICANCE		LOW
Degree of significance	Is considered 'significant' according to Council's Significance and Engagement Policy		Is not considered 'significant' according to Council's Significance and Engagement Policy	
Level of community engagement	<ul style="list-style-type: none"> ■ Greater level of engagement is needed 	<ul style="list-style-type: none"> ■ Community engagement is needed 	<ul style="list-style-type: none"> ■ Lower level of community engagement may be needed 	<ul style="list-style-type: none"> ■ Limited community engagement needed
Example of Proposals/ Decisions	<ul style="list-style-type: none"> ■ Development of the Long Term Plan ■ Adopt a bylaw which will significantly impact on the community ■ A significant change to the level of service of a significant activity ■ Sale of strategic assets ■ Review of the District Plan 	<ul style="list-style-type: none"> ■ Adopt an Annual Plan with material differences from the Long Term Plan. ■ Developing the Rates Remission Policy 	<ul style="list-style-type: none"> ■ Exemptions under bylaws 	<ul style="list-style-type: none"> ■ Notification of temporary road closure ■ Conducting emergency repair works to Council infrastructure ■ Adoption of the Annual Report
Application of the Special Consultative Procedure (SCP)	<ul style="list-style-type: none"> ■ The SCP should be considered as a minimum. 	<ul style="list-style-type: none"> ■ The SCP should be considered but may not always be appropriate. 	<ul style="list-style-type: none"> ■ The SCP is not likely to be considered but may be used where efficiencies can be achieved by consulting alongside another process. 	<ul style="list-style-type: none"> ■ The SCP is not required as consultation is not being undertaken.

Policy on Partnerships with the Private Sector

Premise

Buller District Council recognises the value of forming partnerships with private sector entities when appropriate and the assistance that these partnerships can provide in enhancing community well being and achieving community outcomes.

Policy Objective

To enable Council's consideration of partnership arrangements with the private sector for the provision of infrastructure and services where such a partnership is likely to deliver better value for money or enhanced community well being based on cost, time and financial arrangements.

Legislative Requirement

In accordance with Section 102 (1) and Section 107 of the Local Government Act 2002 (Act) the Council has adopted and shall comply with this policy in relation to partnerships with the private sector.

Section 107 Policy on Partnerships With Private Sector

1. Policy adopted under Section 102 (4)(e) -

- (a) must state the local authority's policies in respect of the commitment of local authority resources to partnerships between the local authority and the private sector; and
- (b) must include -
 - (i) the circumstances (if any) in which the local authority will provide funding or other resources to any form of partnership with the private sector, whether by way of grant, loan, or investment, or by way of acting as a guarantor for any such partnership; and
 - (ii) what consultation the local authority will under-take in respect of any proposal to provide funding or other resources to any form of partnership with the private sector; and
 - (iii) what conditions, if any, the local authority will impose before providing funding or other resources to any form of partnership with the private sector; and
 - (iv) an outline of how risks associated with any such provision of funding or other resources are assessed and managed; and
 - (v) an outline of the procedures by which any such provision of funding or

other resources will be monitored and reported on to the local authority; and

- (vi) outline of how the local authority will assess, monitor, and report on the extent to which community outcomes are furthered by any provision of funding or other resources or a partnership with the private sector

2. In this section, partnership with the private sector means any arrangement or agreement that is entered into between 1 or more local authorities and 1 or more persons engaged in business; but does not include

- (a) any such arrangement or agreement to which the only parties are -
 - (i) local authorities; or
 - (ii) 1 or more local authorities and 1 or more Council organisations; or
- (b) a contract for the supply of any goods or services to, or on behalf of, a local authority.

Policy

Definition

For the sake of clarity this policy refers to partnerships with private business only. Contracts for the supply of goods and service to the local authority, as well as agreements with community organisations, charitable trusts and other community groups, government departments, not-for-profit-organisations, other local authorities and council controlled organisations are outside the parameters of this policy.

Scope

Without limiting the scope of Council's commitment and by way of example, commitment of Council resources to partnerships will generally be in the form of grant, loan, investment, or loan guarantee.

Funding or Other Resources

The circumstances, which Council will provide funding or other resources to any form of partnership with the private sector, will generally be the following:

- The core function or functions of the partnership are identified as satisfying a specific community need or a community need as identified in the Long Term Plan;
- The partnership is structured so as to efficiently and effectively deliver enhanced service levels;
- The partnership will be assessed against the public interest in terms of effectiveness, accountability, and transparency, together with the need to ensure equity for disadvantaged groups, public access, consumer law, and security and privacy rights.

Consultation

Council will not be required, but may elect, to consult with the community in respect of any proposal to provide funding or other resources to any form of partnership with the private sector unless the partnership or the services provided relate to a matter that is defined as significant in Council's policy on significance.

Conditions

Council may impose conditions before providing funding or other resources to any form of partnership with the private sector. These will generally include:

- An emphasis on transparency and disclosure of processes and outcomes, acknowledging the need to protect commercial confidentiality where appropriate;
- Risk allocation between the partners being clear and enforceable, with consequential financial security when loans or grants have been made to the partner;
- Outputs will be clearly specified including measurable performance standards;
- Council's responsibilities for the monitoring of outcomes will be clearly articulated;
- Mechanisms for delivering ongoing value for money will be included;
- All private sector parties will be fully accountable to Council for the delivery of the specified project and/or services;
- Clear processes for dispute resolution between Council and the partner will be included in any formal partnership agreements.

Risks

Any risks associated with any such provision of funding or other resources shall be assessed and managed in the following manner:

- There will be a process of risk identification between the parties to the partnership;
- Council may wish to transfer risk to whoever is best able to manage it taking into account public interest considerations;
- The part allocated risk shall have the freedom to choose how to handle and minimise any risk, but not in such a manner as to increase Council's or the community risk

Monitoring and Reporting on Progress

Monitoring and reporting on the progress of the partnership with regards to the objectives and attainment of required performance standards will be a requirement of the private sector partner. The frequency of reporting will vary but will in no case be less than once a year. Transparency and disclosure of the processes and outcomes will be key elements in the design and operation of partnership arrangements.

Assess, Monitor and Report

Council will assess, monitor, and require reports on the extent to which community outcomes are furthered under the partnership with the private sector. Progress on partnership arrangements will be monitored and reported in accordance with the Council's financial programme and reporting regime.

Policy for Development and Financial Contributions

Background

Sections 102 of the Local Government Act 2002 requires Council to adopt a policy on development and financial contributions. Financial contributions are derived from the provisions of the Resource Management Act 1991 and development contributions from the Local Government Act 2002.

Council's policy on financial contributions is contained within Part 8 of the Buller District Plan (BDP) and is summarised below.

Council has considered the incorporation of a policy for development contributions and decided in May 2004 that the Council does not at this time, wish to introduce development contributions in terms of the Local Government Act 2002. The adoption of this policy has been reconfirmed by Council.

It should however be noted that when levies are being considered for a specific development, Council may only apply one of the policies.

Financial Contributions (Part 8 BDP)

Financial contributions as outlined in Part 8.3 of the BDP may be required on land use and subdivision consents for controlled, discretionary and non-complying activities. Financial contributions under 8.2 of the BDP may be required for permitted activities, which are developments. Esplanade reserves and strips are not defined as financial contributions in terms of Section 108 of the Act where they relate to subdivision consents, and are subject to the provisions of the Act relating to subdivisions. However esplanade reserves and strips can be required as financial contributions on land use consents.

For the purposes of this rule, "development" means:

- the construction, erection or alteration of any non-residential building; or
- the fencing, draining, excavation, filling or reclamation of land or the making of retaining walls in relation to such work; or
- the removal or destruction of vegetation; or
- the arresting or elimination of erosion or flooding; or
- the construction of any tramway or railway.

Permitted activities which involve considerable financing have the potential to greatly benefit the District, but also lead to a strain on resources. Accordingly only activities which are substantial (as determined by their value) require a financial contribution for the development of reserves and facilities. Any development that is defined as a network utility shall be exempt from the development contributions.

Developments of a value of over \$500,000 shall be subject to a financial contribution of up to 0.5% of the value of the development. The financial contribution shall only be spent by Council on the provision and development of reserves, recreational facilities and community facilities within the District.

Financial contributions (whether cash, land, works or services) may be required as conditions of land use and subdivision consent. The contribution being the full and actual cost of ensuring the following:

- Provision of new roads, private ways, access lots, service lanes and accessways.
- Provision for the upgrading and/or widening of existing roads.
- The provision of off-street parking or cash-in-lieu of car parking.
- The carrying out of earthworks including excavation, filling and compaction.
- The carrying out of landscaping, including the revegetation of modified or cleared land and the planting of trees and shrubs, and the provision of street furniture.
- The provision of fencing or screening.
- Provision of water supply.
- Provision for sewerage, drainage or the disposal of sewage.
- Provision for control and disposal of stormwater, including during construction of any works.
- Provision for electricity supply.
- Provisions for street lighting.
- Provision for telephone systems.
- Covenants or caveats for the protection of individual trees or areas of bush.
- Contributions of land for esplanade reserves or an interest in land as an esplanade strip.

Provision of Open Space, Public Recreation or other Reserves

Part 8.4.1.14 of the BDP provides for financial contributions to upgrade public recreational space and other reserves with facilities for public recreation and enjoyment or the protection of conservation values where a subdivision results, or will result, in an increase or an intensification of the use of land, whether by increased resident population or by commercial or industrial activities.

Maximum amount of contribution:

- (i) Where over 10 allotments are created land suitable for development into a reserve to serve the expected population.
- (ii) For each additional allotment of less than 1ha, the amount of a financial contribution shall be 7.5% of the land value.
- (iii) For each additional allotment of 1ha to 5ha, the amount of a financial contribution shall be 5% of the land value.
- (iv) For each additional allotment over 5ha, the amount of a financial contribution shall be 2.5% of the land value of no greater than 10ha of each allotment

Development Contributions

Part 8.4.1.16 of the BDP provides for financial contributions as conditions of land use and subdivision consent for activities which involve considerable financing as these have the potential to greatly benefit the District, but also lead to a strain on resources. Where a development (as defined above) occurs, additional contribution over and above the financial contributions detailed above may be required to provide for the social and recreational needs of the area around which the development is located.

Maximum amount of contribution:

Developments of a value of over \$500,000 shall be subject to a financial contribution of up to 0.5% of the value of the development. The financial contribution shall only be spent by Council on the provision and development of reserves, recreational facilities and community facilities within the District. The value of other financial contributions conditional on the development will be considered with regard to the amount of development contribution required.

Policy Review

This policy is contained within the Buller District Plan and will be considered as part of the District Plan Review. Any policy to be developed must be based on a fair and equitable system of obtaining contributions from developers towards the extension of facilities and services and/or the utilisation of existing facilities and services.

Section 106 of the Local Government Act requires Development and Financial Contributions Policies to:

- Summarise and explain the capital expenditure identified in the long term plan that Council expects to incur to meet the increased demands for community facilities resulting from growth.
- State the proportion of capital expenditure that will be funded by development contributions, financial contributions and other sources of funding.
- Explain why these funding sources are being used (Section 101 (3) of the Act).
- Identify separately each activity or group of activities for which a development or financial contribution will be required and the total amount of funding to be sought by contributions in relation to each group of activities.
- If development contributions will be required, comply with Sections 201 and 202 of the Act
- If financial contributions will be required, summarise the provisions that relate to financial contributions in the District Plan
- If development contributions are required, the full methodology demonstrating how the calculation for those contributions were made must be kept available for public inspection
- If financial contributions are required the provisions of the District Plan relating to financial contributions must be kept available for public inspection

Rates Remission Policy

Remission of Rate Penalties

Objectives of the Policy

To enable Council to act fairly and reasonably in its consideration of penalties on rates which have not been received by Council by the due date.

Conditions and Criteria

Automatic remission of the penalty incurred on instalment one will be made where the ratepayer pays the total amount due for the year on or before the penalty date of the second instalment provided the ratepayer has not incurred any other penalties in the previous 12 months.

Remission of any one penalty will be considered in any rating year where payment has been late due to circumstances outside the ratepayer's control.

Where a suitable payment arrangement is in place to clear an outstanding rates balance within a certain time-frame (agreed to in writing by both parties), instalment penalties (only) incurred during the term of the repayment arrangements may be remitted after a set period (usually after each 12 months), provided the terms of the repayment arrangement are being adhered to.

The authority to consider and approve penalty remissions other than that specified above will be delegated to the Corporate Services Manager and the Operational Accountant.

Each application will be considered on its merits and remission will be considered where it seems just and equitable to do so.

Rates Remission Policy

Policy for Rates Relief on Maori Freehold Land

Background

Maori freehold land means land whose beneficial ownership has been determined by the Maori Land Court by freehold order. Maori freehold land may be managed on behalf of the owners by a Maori Land Incorporation such as the Mawhera Incorporation.

A majority of Maori freehold land in the Buller district is owned by the Mawhera Incorporation with income generated from the leasing of these properties.

Schedule 11 of the Local Government Act 2002 identifies the matters which must be taken into account by Council when considering rates relief on Maori Freehold Land.

The matters that the local authority must consider are:

- (a) the desirability and importance within the district of each of the objectives below; and
- (b) whether, and to what extent, the attainment of any of those objectives could be prejudicially affected if there is no remission of rates or postponement of the requirement to pay rates on Maori freehold land; and
- (c) whether, and to what extent, the attainment of those objectives is likely to be facilitated by the remission of rates or postponement of the requirement to pay rates on Maori freehold land; and
- (d) the extent to which different criteria and conditions for rates relief may contribute to different objectives.

The objectives referred to above are:

- (a) supporting the use of the land by the owners for traditional purposes:
- (b) recognising and supporting the relationship of Maori and their culture and traditions with their ancestral lands:
- (c) avoiding further alienation of Maori freehold land:
- (d) facilitating any wish of the owners to develop the land for economic use:
- (e) recognising and taking account of the presence of waahi tapu that may affect the use of the land for other purposes:
- (f) recognising and taking account of the importance of the land in providing

economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere):

- (g) recognising and taking account of the importance of the land for community goals relating to:
 - (i) the preservation of the natural character of the coastal environment:
 - (ii) the protection of outstanding natural features:
 - (iii) the protection of significant indigenous vegetation and significant habitats of indigenous fauna:
- (h) recognising the level of community services provided to the land and its occupiers:
- (i) recognising matters related to the physical accessibility of the land.

Policy

As a general policy the Buller District Council will not remit or postpone rates in relation to Maori freehold land.

However it should be noted the owners may still apply to Council under its general remissions policy if applicable.

Rates Remission Policy

Policy on Remission of non-contiguous farmland

Objective of the Policy

This policy aims to provide relief from uniform charges for rural farm land which is non-contiguous, farmed as a single entity and owned by the same ratepayer.

Principles

- Rating units that meet the criteria under this policy may qualify for a remission of the uniform annual general charge and any particular targeted rates set on the basis of a fixed dollar charge per rating unit.
- Rating units that receive a remission must be held in identical ownership with each other and operated as a single farming or horticultural unit.
- Applications for remissions must be in writing to the Council.
- Rating staff have delegated authority to consider and approve applications to Council officers.
- In the event of any doubt or dispute arising, the application is to be referred to the Corporate Services Manager for a decision.

Rates Remission Policy

Policy on Uneconomic Balances

Objectives of the Policy

To avoid collecting rates which are not economic to collect.

Conditions and Criteria

- The policy will apply to rating units which are charged total annual rates, excluding metered water rates, of \$20.00 or less.
- Council will notify affected ratepayers that it has decided not to collect the rates.
- No application for the remission of uneconomic balances will be necessary in order to qualify for the remission.
- The authority to consider and approve remissions will be delegated to the Corporate Services Manager.
- This policy is made under section 54 of the Local Government (Rating) Act 2002.

Rates Remission Policy

Policy on Remission on General Rates - land used and/or occupied by community, sporting and other organisations

Objective of the policy:

To support the provision of sporting, cultural, and recreational activities for the residents and ratepayers of the district, through the financial assistance to such non-profit community organisations by the granting of general rates remissions.

Conditions and Criteria

1. A rating unit that is owned or used by any society or association that has formerly been granted a 50% remission through prior resolution of the Council, shall now fall within the "Land 50% non-rateable" category of Schedule 1, Part 2, of the Act.
2. Any rating unit that has been granted a 100% remission of the rates prior to the establishment of this policy shall continue to receive such until such time that the organisation or the rating unit becomes ineligible. The total amount(s) of remission for any one organisation in any one rating year shall be no more than \$5,000.
3. Any application received after 1 July 2003, from a community organisation for a remission of rates shall be considered by the Manager Corporate Services, in terms of either paragraph 1 or 2 above, and shall be treated for rating purposes in line with similar or like organisations. If the new applicant has no similar or like organisation to be gauged against, then the application will be considered on its merits by the Council.
4. Any rating unit that is owned or used by any sporting organisation, for which a club liquor licence is in force, shall have the rating unit apportioned into "divisions" for the various uses within the unit, in terms of commercial, residential, and "remainder" (as appropriate).
 - a) The divisions of the rating unit classified as Commercial and/or Residential shall be rated fully in terms of the applicable rating sector. The remainder of the rating unit will be rated as if in the Rural sector, irrespective of the area.
 - b) Where the rating unit is liable for more than the one charge for any service provided (eg water supply, sewage disposal, refuse collection), then only one set of such service charges shall be charged;
 - c) The rating unit will be liable for only one full set of uniform charges, whether or not these are apportioned over the divisions of the unit.

The above shall apply to any rating unit that has in the past had apportionments made for this very purpose, or to any new application from an organisation that has a rating unit with a similar use or uses.
5. The practice of the Karamea Aerodrome being rated at twice the Rural 14 rate for the property shall continue, unless otherwise revoked by a resolution of the Council.

Rates Remission Policy

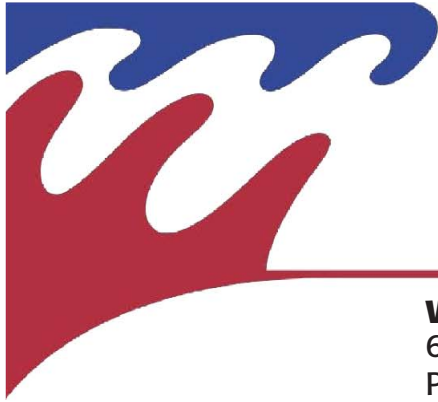
Policy on Remission for rates and charges in times of extenuating circumstances

Objective

To provide relief from general and/or targeted rates on properties affected by circumstances beyond the normal status of everyday life.

Conditions and Criteria

In times of extreme circumstances when a natural disaster or other phenomenon beyond the "control of man" affects the normal day-to-day activities of any ratepayer or affects (or changes) the use of any land for an extended period, Council may remit all or part of any general or targeted rate for a specified time, each case to be considered "on merit".



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