

2012 - 2022

LONG TERM PLAN

Central Otago District Council



DECISIONS
made today
can last a lifetime

Time to put our Plan into Action

Good planning is essential for a district to develop sustainability, so that it can provide for its people today as well as for the long term. Every three years Central Otago District Council (CODC) develops a Long Term Plan, which is the principal expression of Council's intentions for the next 10 years.

Our plan states the vision for the district, the outcomes sought by the community, the activities CODC will undertake to contribute to those outcomes, and the likely costs of CODC providing those activities over the next 10 years.

The plan not only provides a long-term focus for the decisions and activities of Council, but also a basis for the accountability of Council to the community. Council has developed the plan by carefully considering proposals, work programmes, priorities and expenditure. The result is a plan 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 community outcomes.

We received 262 submissions on this 2012-2022 Long Term Plan. Thank you to each and every one of you who took the time to tell us what you thought of our plan – including what you supported and what changes you wanted us to consider.

We were pleased to note that this submission period brought out a good number of new submitters and we hope this trend continues with more of our community feeling engaged and encouraged to share their views.

All submissions, both written and verbal, were taken on board and helped fuel much healthy debate around the Council and community board tables. As all councils do, we get the odd jibe thrown into the submission mix saying that we don't take on board the community's views. We can but stress again that this is far from the case. An individual submitter might not see the outcome they desired but their views are definitely considered and discussed – often at length – by elected members.

The majority of submissions were made in relation to questions we asked of you through the summary document sent to all ratepayers, residents and non-residents alike.

“There are large variations in the operating costs for water and therefore the rates charges between different water schemes. Do you think it is fair some people pay considerably more for water than others?”

Overall there was more support for CODC to consider the harmonisation of charging for the three water activities across the district, than against.

“Irrigation infrastructure could transform the local primary economy. Should Council support the development of irrigation infrastructure?”

We received a mixed but limited response to Council supporting the development of irrigation infrastructure, particularly with the current request from Tarras Water Limited.

“How important is the protection of heritage buildings to you?”

You provided valuable feedback about the value of heritage buildings as well as community halls and elderly persons housing. All of which will be useful when we commence level of service reviews.

“Do you support Council establishing a wilding pines strategy?”

Overall feedback was in favour of Council establishing a wilding pines strategy and facilitating interested parties in the community to come together to address the issue.

“How do you feel about our Waste Minimisation and Management Plan?”

We received varying comments from ratepayers regarding waste minimisation and management, which has raised our awareness of people's top concerns about the change to fortnightly wheelie bin collection service in July 2013. This will help us tailor our education and communication to help our ratepayers cope with the fortnightly service.

“Do you agree with our proposed spending on parks, reserves and community facility projects?”

There was considerable support for the Central Otago Sports Turf Trust request for funds for an amenities building. There was also a number of submissions requesting consideration be given to a multi-purpose facility in light of the Memorial Hall upgrade being planned in the same year. The Cromwell Community Board has requested a review be undertaken to consider the long-term facility requirements of its ward prior to any expenditure occurring on facilities from year 2 onwards.

Submissions on these issues have not resulted in any changes in the plan itself, as the plan already signals an intention to carefully consider or undertake reviews in the next three years.

“Do you think volumetric water charging is fair?”

The feedback regarding the introduction of volumetric water charging was evenly split between those opposed and those that felt it provided a more fair and equitable method of charging. Based on this outcome all community boards and Council reconsidered the introduction of volumetric water charging and confirmed their intention to introduce it from 1 July 2012.

A number of changes have been made to the draft plan as a result of us listening carefully to the views of our community.

“How do you feel about paying more to maintain existing service levels when it comes to our roading network?”

There was a mixed bag of responses regarding our difficulties maintaining existing levels of service on our roading network in light of the current national funding decisions. Council is very aware of the need to balance the priorities of road users within ongoing funding constraints and this will continue to be a significant challenge for us in our roading programme. During the submission process NZTA announced further adjustment to our funding model and these adjustments have been reflected in the revised average rates increase.

“Is eliminating boil water notices worth bringing expensive treatment upgrades forward?”

Omakau residents told us loud and clear that the cost of planned water upgrades was unaffordable and so we have deferred these to year three. Likewise Naseby ratepayers have indicated that given the cost they would rather live

with boil water notices and push out their upgrades so we have deferred the treatment plant upgrade to year three.

“Can you live with the expected levels of rates rises?”

We did hear from a number of you saying the average rates rise across the district of 7% in year 1 was unaffordable. Following the deferment of the water schemes as outlined above and the further reiterations from NZTA the average rates increase was at 6.2% in Year 1 – still too high.

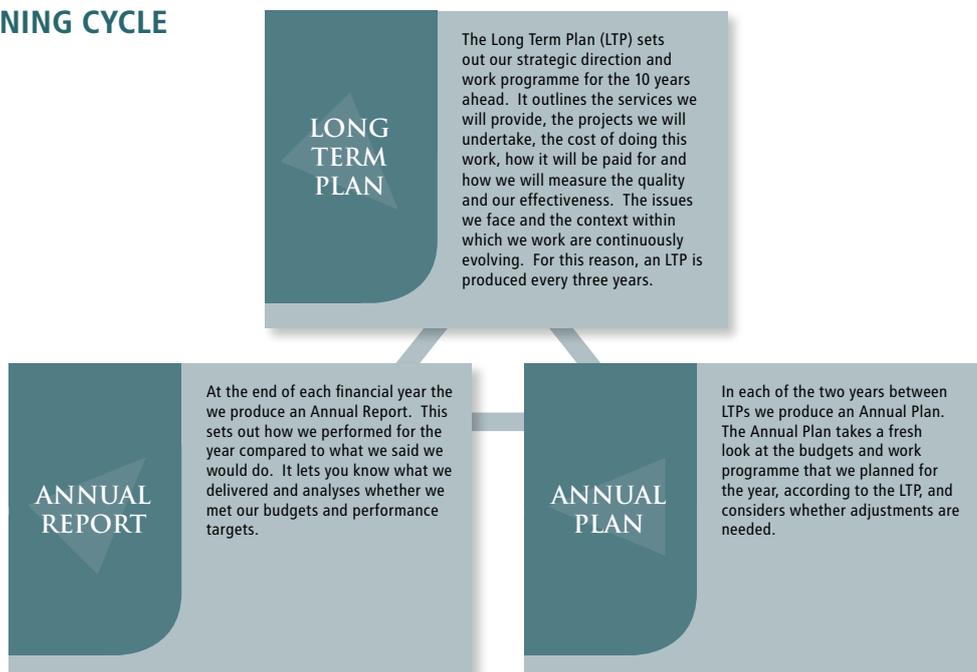
This gave Council little option when it came to funding any extras and consequently any requests for funding additional to the budgets were declined. The additional \$5000 set aside for the Central Otago District Arts Trust was removed from the plan.

Very aware of the current economic climate, at the same time as trying to maintain existing levels of service, Council deliberated further on the final day of hearings seeking potential cost savings. After much debate it was agreed management was to provide \$70k of savings throughout the organisation to bring the average rates increase down to 5.8% in year 1. However, this reduction in year 1 has had a significant impact on year 2 of the plan, and Council will now turn its attention to identifying any potential savings to reduce the rates increase in year 2.

There were a number of submissions on matters not necessarily resolved through this LTP, however these issues will be picked up through the day-to-day operations of Council.

We look forward now to working with our community to ensure this plan is a living document – one that doesn't just get filed away on a shelf to gather dust but one that is at the fingertips of staff and elected members, confidently and effectively mapping our future course.

THE PLANNING CYCLE



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LOVE OF PLACE

Love of place is about working together, both young and old.

YOU CAN
get
involved



Everywhere, Everyone, Every Day

Influences from half a world away to those on our back doorstep all have in impact in some way, shape or form on our day-to-day lives in Central Otago. Influences are everywhere, every day, affecting everyone. This section takes a look at the 'big picture'. What is influencing our planning from global to local factors?



INTERNATIONAL

The economic climate from a world perspective is still far from healthy. We haven't heard or read the last of the words 'global financial crisis' in the media. Weak growth and high unemployment are anticipated to continue as individuals, banks and governments repay debts accumulated in better times.

And what about the health and sustainability of our environment? The continuing consumption of the Earth's resources has numerous implications and high on that list is the reduction of resources available for use by future generations and steadily climbing prices for ever-dwindling commodities. Resource consumption is often responsible for the degradation of the Earth's air, water and soil resources, with the world's climate scientists generally in agreement that human activity is one of the key factors in climate change. There is growing public expectation, particularly in the developed world, that everyone can do better.

Reliance on fossil fuels is one of the greatest concerns world-wide. The implications of peak oil on our global economy, transportation networks and tourism industry presents a mammoth long-term challenge for decision-makers to get their heads around.

In many parts of the world, public health is in decline too. This is often as a consequence of not having access to adequate food and clean drinking water. Other nations have ample food and water resources that are often wasted.

NATIONAL

As the saying goes, there's nothing more certain than change and local government can expect more of it coming its way.

The New Zealand Government has announced recently its plans for local government reform with the Better Local Government briefing document, signalling changes aimed at providing better clarity about councils' roles, stronger governance, improved efficiency and more responsible financial management.

The Government's Budget Policy Statement released earlier this year contained four main priorities: responsibly managing the Government's finances, building a more productive and competitive economy, delivering better public services within tight financial constraints and rebuilding Christchurch.

The theme coming through is the idea of striving for economic growth, while at the same time balancing this with financial restraint.

On environmental matters, the Government has made significant changes since 2008 and this is expected to continue. Reform and more policy should be expected. National policy statements, national environmental standards, amendments to and new legislation will require more input and resources from local authorities.

Freshwater reforms will require further resourcing from local authorities. These include the National Policy Statement on Freshwater Management, the National Environmental Standard for Sources of Human Drinking Water and the Ministry of Health Drinking Water Standards.

Further resourcing can be expected to be required from phase two amendments to the Resource Management Act. This is likely to include urban design, infrastructure delivery and again freshwater management. The introduction of an environmental reporting act in 2012 looks likely also. This will provide for consistent, independent and regular monitoring of key environmental resources such as freshwater.

Public expectation continues to grow for a cleaner greener New Zealand that lives up to the reputation we have built.

REGIONAL

The Otago economy is diverse providing exceptional resilience. However the demand for a more efficient, productive and competitive economy could be assisted by regional or multiple local authorities entering into shared services. Cooperation is expected. Without it, local government may be forced into bundling activities and functions.

Central Government environmental reform and policy making will require changes to regional authority responsibilities and functions. Changes to air, water and waste plans are a reality. These will come with additional costs including new assets, operating and regulatory costs.

Sustainability and climate change responses will provide new challenges for Otago, which may impact on the region's economic prosperity, particularly in tourism and agriculture.

LOCAL

Last Census figures (2006) for Central Otago had our population at about 16,650 but forecasts estimates for 2011 have us now at more than 18,000. We have the lowest population density in New Zealand. This, together with our magnificent landscapes and rich heritage, gives Central Otago its unique character.

We are a collection of communities that are fiercely independent, yet united in our love for the Central Otago region. Our people have big hearts and a sense of openness and character that is legendary, keeping alive the pioneering spirit our place was built on.

Our climate is the closest New Zealand has to a continental climate. Hot summers, cold dry winters and where rainfall is sparse. For people making a living off the land, access to water is their lifeline.

The capturing, storage and wise use of water has been fundamental to the development of Central Otago from our gold mining heritage, through the establishment of pioneering irrigation schemes in the 1920s to the construction of hydro schemes in the late twentieth century. As we strive to be more efficient in our use of this valuable resource, the future of water storage is as important now as it was 100 years ago.

The Central Otago district has a unique and diverse economy. While rural or primary industries still provide the backbone, Central Otago has become a fashionable place to live and visit. This means that industries such as viticulture and tourism are playing an increasing part in local development, while service industries such as construction and business services have grown considerably.

The economy has grown 50% in the last decade. Over the same time employment growth has averaged 4.4%, which is double the New Zealand average. Central Otago is well placed economically. However there will be challenges and these need to be predicted and plans made.

As a Council we have a role in providing services that are appropriate and affordable, ensuring the district continues to be attractive to business and residents alike. Council also has a hand in ensuring the sustainable management of our natural and physical resources. Making Central Otago a better world for those that succeed us is a key challenge.

There is greater expectation on Council to deliver sustainable, cleaner and greener environmental outcomes. We are anticipating additional costs for meeting new legislation and environmental standards. Moving forward the theme will be a careful balancing of Central Otago's economic and environmental interests.

One of the aspirations for any community is to be resilient and be equipped to cope with change. It is the role of all residents, Council and others to help communities deal with change in a positive manner. Council helps build community resilience by working on common values and goals identified by the community.

Our Central Otago community's aspirations are expressed in community outcomes, a suite of community plans and strategies and through the general demands of everyday life. Council then recognises and responds to these aspirations and demands through the provision of services such as roads, water supplies, recycling, waste collection and disposal, planning, development and tourism. Meeting these needs helps make Central Otago a great place to live, work and play.

Whenever we, your Council, are considering a course of action or a change in service we make these decisions based on core values, ensuring decisions meet the community aspirations. These are expressed in the regional identity "Central Otago – a world of difference", the brand values and activities outlined.

Seeing our world as the Karearea might. A vast land of uncompromising beauty. Undulating golden hills. Vast open skies. Bright seasons' colours – uplifting.

REGIONAL IDENTITY

A community which thinks alike is more likely to pull together in adversity. A factor which helps in Central Otago is the regional identity.

One of the clear messages voiced during discussions with the community about the way forward was the need to protect Central Otago from negative aspects of growth. The regional identity is a response to those concerns. Its purpose is to express those things that are special about this district that would make sense to every corner of the community.

The regional identity is about reinforcing those values that are special to Central Otago as a place to live, work and play, for now and for the future.

The regional identity is much more than a logo. It is about embracing those values – an image that will last and endure in the hearts and minds of both residents and visitors alike.

Creating a unique mark to reflect this world of discovery, enterprise and magical lifestyles is encapsulated in this symbol.

The upper part of the symbol's circular form represents a solitary cloud whisked upward against a vast deep blue sky. The lower form represents both the landscape and the New Zealand native falcon, the karearea. In symbolic language, the falcon is associated with noble-natured people, strength, bravery, ingenuity and high spirits, evoking freedom and pride as it soars above the golden, contoured land.

We have inherited a magnificent natural and historic wealth. A **WORLD OF DIFFERENCE**. We must celebrate and protect it. Together we can build on its uniqueness and make a better world for those that succeed us. In being a part of this programme, we all agree to enhance the region by standing by our values.



In the future there will be many influences that could alter this unique area. It is important that we all make wise choices that last beyond your lifetime. Wrong choices could lead to generations of diminished environmental ideals.

VALUES

1. MAKING A DIFFERENCE

We will inspire and lead others with our special point of difference.

2. RESPECTING OTHERS

We will respect our culture and personal differences.

3. EMBRACING DIVERSITY

We will recognise differences and embrace diversity.

4. ADDING VALUE

We will always ask ourselves if there is a better way – one that achieves a premium status.

5. HAVING INTEGRITY

We will seek to be open and honest.

6. LEARNING FROM THE PAST

We will learn from past experiences with future generations in mind.

7. MAKING A SUSTAINABLE DIFFERENCE

We will make decisions in business with the community in mind and in harmony with the natural environment.

8. PROTECTING OUR RICH HERITAGE

We will protect and celebrate our rich heritage in landscapes, architecture, flora and fauna and different cultural origins.

9. MEETING OBLIGATIONS

We will meet legal obligations at both a local and national level.

Every local, visitor and businessperson can help to build and protect Central Otago's special difference. The local community is encouraged to use the Central Otago Regional Identity in ways consistent with our regional values. The Council's role is to manage the brand on behalf of the community. The Council is also a registered brand user.

For more information visit www.aworldofdifference.co.nz

Our Space, Our Place

COMMUNITY PLANNING

As local people we often think about those qualities we value about our community. We want to hold onto these, in the midst of change. Having an avenue to collectively express these is one way we can help shape, protect and celebrate the magical lifestyles and world we value.

We, the Central Otago District Council, recognise the importance of local communities having a voice, being empowered to help define and shape their future. To achieve this, we are willing to work alongside local communities to help them define their unique world – here, now and for years to come – with a community plan.

Cromwell, Maniototo, Patearoa, Pisa District, Tarras, Waipiata, St Bathans, Clyde, Roxburgh and the Teviot Valley, Naseby and Alexandra communities have articulated their special point of difference – be it their local identity, landscape, activities, people or businesses.

From robust debates to casual comments, to wild ideas to moments of reflection, it is the multiple voices and layers of ideas that create a living document, which reflects each community's aspirations and the types of activities needed to achieve these.

Development will happen whether we like it or not. The challenge is to define the type of development we prefer.

Other communities have indicated a willingness – your community can too. Communities we can build on to enhance our future.

TIMES OF CHANGE IN A TIMELESS LAND

Imagine your community in twenty years' time. How would you like it to be?

CONSULTATION WITH MAORI

Council endeavours to foster the development of Maori capacity to contribute to Council's decision-making.

So far Council has:

- Identified and contacted key stakeholders.
- Obtained representation at the Te Roopu Awhina network as a means of being informed about local Maori needs and aspirations and to contribute to meeting these where it is possible.
- Undertaken to work with runanga with an interest in Central Otago to ascertain their needs, explore the ways in which Council can contribute to local Maori aspirations and establish a productive working relationship between Council and Kai Tahu.

Council also intends to:

- Work with iwi and local Maori to establish a relationship-building process.
- Build on the relationship with Kai Tahu ki Otago that was established in 1997 and continue to inform Kai Tahu of decisions of significance that relate to land or bodies of water.
- Develop ongoing processes to deal with future issues; these could be in the form of formal relationship agreements with Kai Tahu.
- Establish communication processes that are appropriate to both Maori and Council.

COMMUNITY OUTCOMES

Community outcomes are a high level set of goals that we aim to achieve. These outcomes seek to improve the social, economic, environmental and cultural well-being of our district, now and for the future.

Community outcomes are important to us at Council. They are used to guide and inform the planning process and set out priorities. They also help us focus on a vision for the district.

To find out what they are, we undertook extensive consultation in 2003, a process known as "Central Prospects". Council and key agencies met regularly over the next few years to ensure progress was made on achieving the desired outcomes.

Then in 2007 Council, partner agencies and the community got together to set the path through to 2014.

We are required to have the community outcomes under the Local Government Act 2002. An amendment to this legislation during 2010 shifted the focus of the community outcomes.

The focus is now on the outcomes that the Council hopes to achieve for the community. This makes it clear that the outcomes are something the Council 'owns' and should be working towards. For this Long Term Plan we have only included those community outcomes we believe Council has a key role in. These are set out on the following page.

Despite this change Council believes that the community outcomes can only be achieved through working in partnership with the whole community, including individuals, businesses, government agencies and community organisations.

Council still has an advocacy role in the wider community outcomes and continues to support closer relations with local iwi.

Imagine Central Otago as a vast land of uncompromising beauty. People with noble hearts, strength, bravery, ingenuity, high spirits, freedom and pride that soars. A place that attracts new thinking. Central Otago will be a better world for those that succeed us.

Thriving Economy

A thriving economy would be attractive to both business and residents alike

ECONOMIC DEVELOPMENT

Promote Central Otago as a place to live. Help business get through the legislative requirements when developing business opportunities.

TOURISM

A tourism industry that is well managed, which focuses on our natural environment and heritage with marketing plans that reflect this.

EASE OF DOING BUSINESS

Having easy access to information, friendly business services with streamlined consent processes.

Sustainable Environment

An environment that provides a good quality of life. A community that would also have a healthy balance between its natural and built environment

WATER

Ensuring there is an appropriate allocation of water for irrigation while ensuring sustainable waterways. Provide certainty in the quality and availability of residential water supplies, as well as education on water conservation.

WASTE MINIMISATION

Reduce the waste we generate and increase recycling.

MANAGING DEVELOPMENT IMPACTS ON LANDSCAPE AND NATURAL ECOSYSTEMS

Understand and protect the inherent values of our landscape and natural ecosystems while having well defined areas for growth.

Safe & Healthy Community

A vibrant community with a range of services and facilities. A community that valued and celebrated its rich heritage

MAINTAIN SERVICES IN LOCAL COMMUNITIES

Retain key services and facilities which are appropriate to the local community while retaining volunteer networks.

SAFE COMMUNITY

Retain our safe community.

TRANSPORT & COMMUNICATION

Having a well connected community through a safe roading system and communications network.

RECREATION

Respect landowners' rights, while enjoying access to our lakes and recreational areas. Encourage walking and cycling for the community's health and wellbeing.

ARTS & CULTURE

Provide places and spaces for arts and cultural expressions.

HERITAGE

Clear guidelines for accessing, managing and preserving heritage within Central Otago while also identifying tourism opportunities.

SUSTAINABILITY

What is Sustainability?

The traditional and most widely used definition is in regards to sustainable development:

"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs." (World Commission on Environment and Development, the Brundtland Commission.)

As a person this can simply mean 'living within one's means'. The key messages of sustainability also tie in with sound business practices, such as building efficiency, minimising waste and maximising resources.

What are we facing? Why should we care?

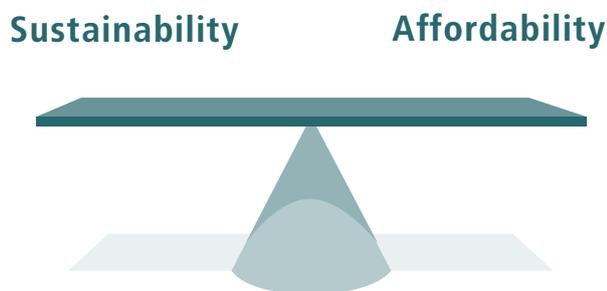
Availability of the Earth's resources, such as oil and raw materials, are in decline. The decline is likely to continue at higher rates due to an increase in global population. The most likely outcome is resources will cost more.

The world's climate scientists are in general agreement that we should anticipate a changing climate. This includes more extreme weather events. For Central Otago this is likely to mean: more frequent flooding; more droughts; increased wind; increased temperatures with more extremes of both high and low temperatures; and less snow with more extreme snow events.

So why should we care? New Zealand law and Central Government policy require local authorities to care. Principally sustainability is something we all need to be aware of and take action on. Acting sustainably will have many positive outcomes. These may include those identified by the Ministry for the Environment: reduced costs; improved identification and management of risks; creating value through enhanced and positive customer response; increased ability to attract and retain employees; increased learning and innovation; and reduced Government intervention.

On a positive note Central Otago is well placed for growing produce. This is expected to continue. This has a positive aspect for supplying locally, which is core to a sustainability culture.

The two key principles that underpin our Long Term Plan are sustainability and affordability. In everything we do as a Council we want to ensure we are operating in an affordable and sustainable manner. These principles aim to balance people's ability to pay with the need to maintain assets and deliver services so the community gets the best value for money.



What have we done so far?

In 2008 Council adopted the Central Otago Strategy for Sustainability.

This document sets out to encourage sustainable thinking. It is a discussion document as opposed to an action plan. We have taken steps at an activity level to become more sustainable, including the following:

- Developing an Energy Strategy
- Waste Minimisation and Management Plan
- The nine values behind the "World of Difference" brand
- Assessing the ecological footprint – Otago Polytechnic
- Water Demand Management

A sustainability culture will progress through to other elements of our Council activity.

Our Commitment

We recognise that as a Council we have a considerable leadership role in developing and embedding a sustainability culture within Central Otago. Integrating sustainability into all elements of Council's thinking, planning and doing is essential moving forward.

Future long term plans, annual plans and activity management plans will have a more defined focus on sustainability.

Our Plan

Our Action Plan for the following three years looks like this:

- Year 1: Stocktake: What are we doing vs. what are we not doing?
- Year 2: Sustainability framework development
- Year 3: Update and improve the relevance of the 2008 Strategy

Council has committed \$50,000 over the next three years to progress this further.

AFFORDABILITY

We are aware that rates can be a source of debate and we're also aware that many in our communities are on low incomes and Central Otago can be a relatively expensive place to reside. We are also mindful of the expectations the community has to see Central Otago continue as a great place to live, work and play.

With a large geographic area and a number of separate communities, Central Otago has significant infrastructure assets spread across the district. Roads, bridges, water treatment plants, waste management facilities and other core service assets are essential to the well-being of the community. Our recreational and cultural assets are also significant and have increased over time in response to demand from the community.

There is a widely held expectation that rates increases should be no more than the general rate of inflation. However for CODC, and many other local authorities, the underlying pressures on infrastructure asset costs are forcing increases well in excess of inflation. Water infrastructure renewals and upgrading are particularly significant as we respond to the need to replace ageing assets and react to increasing standards and regulations driven by Central Government. We are playing catch up for previous generations who for some time consumed assets without providing depreciation reserves for future replacements.

We have looked at what projects can be pushed out further in the 10-year programme, beyond the 10 years or simply left out. We have focused on areas where operating costs can be reduced without significantly reducing existing levels of service, for example we have spent considerable time working through condition assessments for all property types.

Funding of many services and activities is targeted at the communities who benefit directly. For example, each water scheme is paid for by those connected to it. Some of these schemes are facing significant cost increases for capital upgrades, both to replace ageing assets and to meet new water standards. The resulting water rates for some smaller communities see them paying up to three times that of the lower-rated schemes. While this may appear to be consistent with a principle of 'who benefits pays', it opens up the question of affordability and whether or not the district has a role in helping fund some schemes and ease the costs so as to be sustainable and affordable for all communities.

Where the users have the ability to change behaviours and influence their use of a service or activity, the principle of users pays (at some level) is seen as appropriate. A user-pays approach has been applied with the introduction of volumetric water charges and increased transfer station fees for solid waste disposal. Inherent in this approach is an element of risk. As users' behaviour changes the risk of not fully recovering costs increases, and we will need to manage this accordingly.

We will continue to seek ways to keep costs to a minimum. It is all too easy to add things to the 'wish list', but can be difficult to take away without causing disappointment, so we will think carefully before committing to anything new. We will also push back at centrally driven increases where it is appropriate to do so.

Our Space, Our Challenges

The process of developing a robust, coherent and relevant Long Term Plan for Central Otago District Council (CODC) is in itself one of the first challenges we need to master as an organisation. With the traditional operational focus, money in the bank, and highly devolved decision-making processes (to community boards), CODC has not easily dealt with the challenge of long-term planning. As the world around us evolves, so too must our plans. With our plans simply a snapshot in time, we must be attuned to the key challenges and issues that face our organisation and community, and respond accordingly.

In considering the challenges and key issues for the next 10 years, and beyond, there are several overarching factors that will influence the long-term planning process and priorities that emerge. At the top of the list, and common to most issues, are the key and closely linked challenges of sustainability and affordability. The regulatory environment we operate in and the increasing standards will also have a bearing on the challenges we face.

The following section highlights the specific key challenges faced by CODC, most of which are detailed further in the individual activity sections of this Long Term Plan (LTP).

WATER DEMAND MANAGEMENT

Many communities in Central Otago face significant upgrades to their water schemes in order to comply with the drinking water standards legislation or to address underlying water quality issues. The challenge presented here is the capital costs associated with scheme upgrades at the existing scheme volumes and the ability of communities to afford both the initial capital costs and the higher ongoing operational costs.

A key factor in reducing both the capital and operational costs is to reduce the schemes' peak demand to a more sustainable level. With peak season demand running up to six times that of winter demand, due to irrigation requirements, every step needs to be taken to ensure efficiency and to reduce the peak demand. The installation of universal metering was just one of these steps.

The installation of water meters and associated water billing mechanisms has generated significant debate in the community. Our original model for allocating and billing water to cover expenditure caused a great deal of confusion. It was regarded as unfair by some communities. We subsequently undertook two rounds of consultation in

2011 to establish the community's objectives on water billing.

Hence volumetric water charging is being implemented for the majority of households connected to CODC schemes from 1 July 2012. These charges place a value on water and will encourage conservation. This in turn will reduce peak demand and ultimately the required plant capacity and associated costs.

Water quality remains an issue for several schemes that have been scheduled for upgrades in this plan. For Alexandra the main issue is water hardness and lime. Omakau and Naseby have issues with boil water notices following significant rain events. The capital costs are significant and again the resulting rates are targeted against the households connected to the respective schemes. Omakau and Naseby already have amongst the highest water rates, but with the lowest quality.

As we work through the development of a district-wide 3 Waters Strategy, consideration will be given to water quality across the district and the equity of the existing funding model.

WASTEWATER

As society's expectations on water quality evolve, and both national and regional discharge standards tighten, we have been faced with significant upgrades to existing wastewater schemes across the district.

The Otago Regional Council (ORC) is placing greater emphasis on effluent discharge systems to land and the consent conditions around discharge to water require more sophisticated treatment systems.

Alexandra and Roxburgh have already committed to substantial upgrades and improvements in their processes and discharge standards. Roxburgh has recently changed to a land-based disposal system and has gained a 35-year discharge consent. Alexandra has applied for consent and committed to a greatly improved treatment system as discharge to land was not a practical option.

The most significant wastewater treatment issue for the district is in Cromwell. The oxidation pond system is 34 years old and has a discharge outfall into the Kawarau Arm of Lake Dunstan. The discharge consent has expired and is currently operating under an extension. The current discharge to water falls below today's standards and either a land-based discharge system or much improved treatment system is required to gain a new resource consent. The agreed standard of treatment will determine the final cost of the scheme upgrade, currently forecast at \$12.6 million.

As with potable water, the scheme costs are targeted to those connected to the scheme. For Cromwell ratepayers

this will mean a sizeable increase in the wastewater rates. Arguably the benefits from an improved discharge standard accrue across the district and beyond as we all get to enjoy the pristine quality of the Clutha. This raises questions regarding the equity of the current funding model, such as whether all district ratepayers should contribute to the Cromwell upgrade. Again, this will be considered as we work through the district 3 Waters Strategy.

ROADING AND BRIDGES

With a network comprising 487km of sealed roads, 1367km unsealed roads and 176 bridges, CODC has one of the largest roading networks in the country.

Our goal is to provide an efficient, fully accessible and safe roading network in the most cost-effective manner. Balancing the priorities of road users with ongoing funding constraints presents a significant challenge for our Council and its roading programme.

District roading is the single most expensive activity we undertake as a Council. A 2011 review of subsidies by the New Zealand Transport Agency (NZTA) had already led to a 1% decrease in the funding ratio for CODC. This means an additional \$85,000-\$95,000 per annum needs to be funded by ratepayers in order to maintain roads at existing service levels.

In another, more recent, example of Central Government decisions impacting rates, a further decrease in funding has been announced. NZTA has advised funding will be capped and final funding is currently being worked through. Council has maintained its corresponding share of the funding in an effort to limit the resulting decrease in service that will inevitably arise as a result of this national cutback.

In recent years rural subdivision has seen an increase in sealed roads around the district, including some funded by developers. Many of these roads are now due for expensive reseals as part of the normal maintenance cycle. Increased pressure on unsealed roads due to changing land use practices is also leading to increased maintenance costs.

The long-term sustainability of the network in its current form, and appropriate and affordable levels of service are issues that need to be carefully considered by the community over the next three years.

WASTE MINIMISATION

Central Otago households produce more rubbish than most others in New Zealand. Domestic waste accounts for nearly 70% of all the rubbish produced in Central Otago.

It's getting more expensive to throw things away. High landfill costs, rising fuel prices and the liability for methane emissions through the Emissions Trading Scheme are increasing the rates for rubbish collection and disposal.

In an effort to reduce the increasing costs of waste disposal and to satisfy the Waste Minimisation Act 2008, we have adopted a new Waste Minimisation and Management Plan. The plan includes a move from weekly to fortnightly bin collection services, commencing July 2013. This step will help avoid what would have been an inevitable increase in the direct contracted collection costs and should also encourage households to further consider reduction and recycling efforts.

The waste minimisation plan includes a number of tactics to encourage alternatives to landfill and retains an overall strategy of user-pays funding.

EMERGENCY MANAGEMENT

The tragic events of the Canterbury earthquakes and subsequent Royal Commission of Inquiry have focused local authorities on their preparedness for civil defence emergencies.

In 2011 we recruited a full-time Emergency Management Officer to increase the district's readiness and response capabilities to civil defence emergencies. CODC is part of the wider Otago Civil Defence and Emergency Management Group who are working together to implement the recently adopted Otago Civil Defence Emergency Management Plan 2012-2017.

At a local level, emergency management support personnel are being trained in the Coordinated Incident Management System (CIMS), which is an emergency response structure used both nationally and internationally by emergency services. Establishing networks and joint planning with emergency services and other support organisations, including newly established Community Civil Defence Groups, are a key focus for the district.

EARTHQUAKE-PRONE BUILDINGS

The Canterbury earthquakes have reinforced the importance of earthquake-prone building policies. The Building Act 2004 requires all councils with building control functions to have in place an earthquake-prone building policy for non-residential buildings to be strengthened. In 2007 we adopted a 'passive' earthquake-prone building policy that, upon application for a building consent or change of use consent, requires earthquake-prone buildings to be strengthened to 33% of the existing building code. In effect, this policy means owners of earthquake-prone buildings don't have to do anything to strengthen their buildings unless triggered by consent. Some authorities have adopted an 'active' policy that requires earthquake strengthening by a certain time, regardless of any change of use.

We have undertaken a desktop analysis of Central Otago building records to identify potentially earthquake-prone non-residential buildings. These building owners (numbering 300) have been advised that their buildings have been identified as being potentially earthquake-prone and we have recommended that they engage an engineer to undertake a detailed assessment of the building's strength and requirements to meet 33% of the current building code. CODC itself has 27 buildings that fall into this category and the Council has included in this plan a budget of \$99,000 to fund the initial engineer's assessment. There has only been a small financial provision for further repair and strengthening work that may result.

We anticipate the findings and recommendations from the Canterbury Earthquakes Royal Commission will result in amendments to the current Building Act and requirements for strengthening of earthquake-prone buildings. Future changes could have far-reaching impacts for the district's buildings and in particular our heritage buildings. We will need to think as a community about risk management, weighing up the desire to keep heritage buildings and the costs associated with them, with the potential for injury or loss of life in an earthquake.

ECONOMIC DEVELOPMENT

Central Otago experienced significant growth during the early to mid-2000s but like many places has experienced a decline in growth since the global financial crisis. During the high growth period there was a significant increase in subdivision, building and population growth within the district.

In the downturn many in the community are looking to Council for leadership to support the ongoing economic development of the district. Council has both a direct and indirect role in this important area.

Indirectly we facilitate economic opportunity with the provision of infrastructure vital to business and also in the provision of recreational and cultural assets that make the district a great place to live, work and play. Our policy

framework is also an important influencer. This LTP continues to provide the funding necessary to deliver these important, albeit indirect functions. Maintaining these functions at existing levels of service continues to be the greatest influence on rates.

At a policy level, and conscious that development contributions can be seen as a barrier to growth, we have amended the policy in several areas to lessen the impact of forecast increases. We have also amended the rating policy to extend the developer's rates remission period.

Directly we facilitate economic opportunity with the provision of a regional tourism organisation (RTO), regional brand activities, visitor centres and a modest business development support service. Again, we plan to maintain these services at existing levels.

Looking forward we consider some of the most important influences on economic development will be the expansion of key infrastructure such as the fibre network for digital broadband and irrigation projects for the primary sector. In this plan we provide \$22,000 towards the development of a joint digital strategy involving the majority of Otago local authorities. Lobbying for Central Otago's fair share of the Government's fibre network and rural broadband initiative will be a key focus.

Direct or indirect financial support for irrigation projects is currently a question before Council. Tarras Water Limited is in the final stages of planning for a \$39 million scheme to irrigate 6800 hectares in the Tarras Valley. With water pumped from the Clutha River and piped directly to farms, this scheme has the potential to add \$17.8 million per annum to the local economy and to create 179 new jobs in the region. As part of the funding arrangements, Tarras Water Limited has asked CODC to act as guarantor for \$27.4 million of bank debt. This guarantee would allow Tarras Water to borrow with a lower equity ratio and would also reduce the interest rate charge and hence the ongoing operational costs of the scheme. While acting as guarantor has no immediate rates impact, Council must carefully consider and evaluate the risks, economic benefits to the community, its own long-term debt position and overall role in providing support for similar infrastructure projects. Due diligence work to evaluate this is currently underway.

PROPOSED LOCAL GOVERNMENT REFORM

In March 2012, the Minister of Local Government announced an 8-point reform programme for local government titled "Better Local Government". The programme is intended to provide clarity about councils' roles, stronger governance, improved efficiency and more responsible fiscal management. The proposed changes may have a significant influence on the way CODC operates in the future. We will monitor the reforms closely.

FUTURE FUNDING

The preceding challenges and detailed activities incorporated in this LTP must all be considered in a context of sustainability and affordability. When considering affordability, we must ultimately consider that from an individual community and ratepayer perspective. Our financial strategy detailed under 'Investing in Our Future', outlines how we have considered this for the plan.

Many of activities detailed in this plan are funded by those who directly benefit, for example, each water and wastewater scheme is funded by those connected to the respective schemes. This method of targeting funding leads to variability in rates charges across the district, in some cases this is significant. Unfortunately it is often the smaller communities and those more deprived than others who end up paying the larger rates accounts. With this challenge the question of sustainability of individual communities arises.

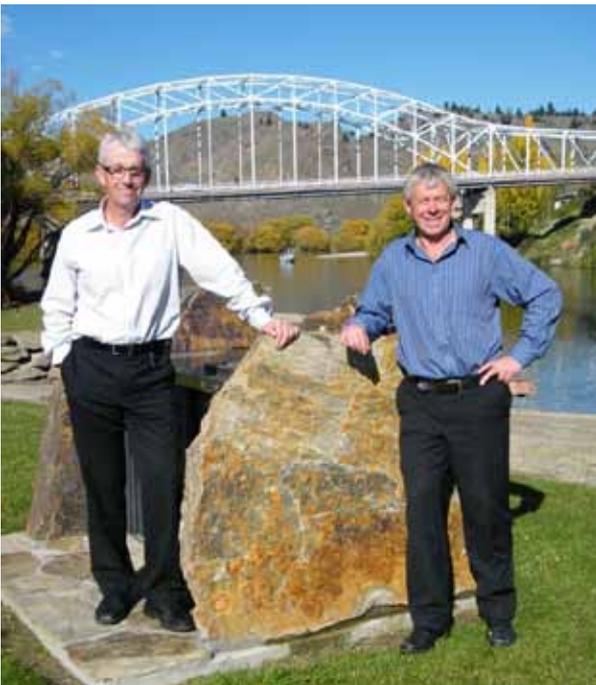
As Council grapples with the challenges of sustainability and affordability it is also starting to question and examine how relevant today's funding policies will be for tomorrow.

OUR COMMITMENT

In preparing this Long Term Plan, councillors, community board members and staff thoroughly scrutinised individual activities, services levels, new projects and the associated costs to present a lean and efficient plan. An overriding objective of the plan has been to provide for existing service levels while minimising rates increases. The journey has been long and the efforts put in by many admirable.

This plan however is just a snapshot in time. It presents the challenges as we currently see them and we know for sure that things will change. We will have to update our plans and react to any new challenges we are presented. By maintaining our vision of sustainability and affordability we believe we are well placed to cope with the demands of the future. The next section 'Investing in Our Future' outlines our financial strategy, which will assist us with maintaining the vision.

While there will be obstacles along the way, councillors, community board members and staff are committed to delivering against this plan, reacting to change and will be focused on meeting the expectations of the community. We look forward to the 10 years ahead for Central Otago.



Mayor
Tony Lepper

A handwritten signature in black ink, appearing to read 'Tony Lepper'.

Chief Executive
Phil Melhopt

A handwritten signature in black ink, appearing to be a stylized 'P' with a crossbar.

Investing in Our Future

Ensuring Central Otago is a great place to live, work and play requires a substantial investment in infrastructure over the next 10 years. The Council's financial strategy will enable this investment while maintaining affordability for current and future ratepayers.

This financial strategy responds to the challenges of delivering our services and maintaining our assets, while considering the true cost of this delivery. This ensures that today's ratepayers pay for their fair share of services and assets. We have done this with our two key principles that underpin the whole LTP in mind:

- Affordability
- Sustainability

We want to make sure we are operating in an affordable and sustainable manner. To achieve this, the financial strategy sets limits on rates, rates increases and debt. Council and community boards have spent considerable time reviewing and prioritising works programmes, to take a considered and conservative approach, as we seek to achieve several primary outcomes from our financial strategy:

- Keep rate increases to a reasonable level
- Prudent maintenance of infrastructure and essential services
- Address intergenerational equity issues by ensuring those that consume assets pay the true cost of those assets

We need to make sure our decisions about affordability now do not compromise the affordability of rates in the future and our services are sustained for future generations. With careful funding and management of depreciation reserves and asset renewals, we will take care not to unfairly burden future generations.

OUR CHALLENGES

Population Growth and Land Use

A positive challenge is that our district is still a desirable place to live for many people, although population growth and development growth have slowed. Although we have a responsibility to provide infrastructure in anticipation of growth, we have assumed growth will remain at current levels and therefore we remain flexible to reinstating development projects should they be deemed necessary. We project the urbanisation and ageing of our population will become a more significant driver of demand and

change over the next 10 years. There is concern depopulation of rural towns will become an issue as we respond to the need to replace ageing assets and react to increasing expectations and standards, many the result of Central Government driven regulations. Council will need to carefully consider the role the district has in balancing the affordability of sustaining our smaller rural towns over the next period of time.

The size of the district and the spread of our communities provide further challenges for the Council to manage. Council is keeping a close watch on land use at present, especially when it comes to potential dairy conversions and the impact that can have on our infrastructure, particularly our transportation network. We do not see the impacts of this being significant over the next three years.

We are also reviewing our trade waste bylaw to more fairly apportion the additional costs, particularly with the growth in viticulture.

Inflationary Pressures

Just as the cost of running your household increases every year with inflation, so too does the cost of providing our services. This is because costs like energy, property, labour and construction continue to increase, which affects how much it costs us to deliver services to you. We all know the cost of energy increases is greater than that of the general rate of inflation. So too we are all experiencing substantial insurance premium increases as a result of the recent natural disasters in the southern hemisphere, and Council is no different in this regard. Council's rate of inflation differs from the Consumer Price Index (CPI), which includes consumer items such as food and beverages. The cost of items in a council's index such as road building and pipelines are driven by the price of materials, fuel, transport and construction (see What this means for you). Most South Island councils will begin to experience ramifications from the rebuild activity in Christchurch over the course of this plan.

Council's income has also dropped in recent times, as Central Otago experiences the slow-down effects of the global recession, in particular building and resource consent income. We intend to encourage growth of the district. Growth of the district in a deliberate and managed way will increase the prosperity of the community and also have a positive impact on the affordability of our services over a longer period of time. Council has reviewed and extended the rates remissions for developers.

Core Service and Level of Service

Council and community boards have spent considerable time reviewing and prioritising works programmes, to take a considered and conservative approach to affordability.

We have given priority to core infrastructure services, being water, wastewater, stormwater and transportation, and in doing so have reviewed and deferred or deleted other projects to minimise the impact on rates. We have reduced and spread spending on our assets where we can, but there is a limit to how much this can be done.

There is continued expectation from the community that services will be maintained and improved. When giving consideration to the principles of affordability and sustainability we have had to give consideration to our levels of service. In some asset areas, such as community facilities like halls, the level of service traditionally provided by Council is becoming more and more expensive, especially as we face the consequences of earthquake-prone buildings. Over the course of the next three years Council plans to review the level of service in these areas with the view to rationalising assets to ensure rates are kept affordable. Of course we need to balance the financial viability with the potential loss of heritage and consider the long-term effects on our smaller rural communities throughout the review.

Maintaining our Infrastructure Assets

Keeping our assets well maintained will continue to be a major cost driver over the life of this LTP. We have reduced spending on our assets where we can but there is a limit to how much this can be done for infrastructure renewals where we are responding to the need to replace ageing assets.

We need to ensure essential work continues to keep our assets in good condition so they serve us well into the future. It is important that we partner with our contractors and maintain the principles of 'do it once and do it right'. It is anticipated labour rates and material rates will rise at a rate greater than inflation, not only due to the speciality nature of service but also due to resources being concentrated on the Christchurch rebuild.

Renewal expenditure is funded from depreciation reserves, which are generally funded from rates. Where there is not enough in reserve to fund the renewal an internal interest rate is charged to reflect the reserve account going into deficit. Depreciation is a relatively new concept when compared to the lives of our infrastructure assets, in many cases being 80 to 100 years. This has meant that not enough money has been put aside in past years to renew assets when they reach the end of their useful lives, so that we can still enjoy those existing assets. Coupled with that, CODC has always had funds invested in the bank, so these funds were used for all expenditure requirements with little consideration for repayment. Simply put, ratepayers of the past were not paying for the true cost of the assets they were benefiting from.

Council is developing better asset information and more robust asset management plans which is essential to understanding the various renewal cycles of our assets. A 25-year view of asset renewals and depreciation is currently being taken by CODC, and over the next three years we will be working hard to better understand the renewal cycle for each water, wastewater and stormwater scheme so that we

can ensure enough reserves are available to maintain our assets. In the meantime some depreciation reserve accounts will reflect a surplus or deficit at the end of the 10-year period of this LTP, but are expected to have a neutral balance over a 25-year period.

Central Government's focus on roads of national significance and general tightening of the belt has led to a reduction of road maintenance and renewal subsidies from the New Zealand Transport Agency. With an already very tight budget, CODC faces either a decrease in the levels of service on the roading network or a potential increase in rates to bridge the funding gap.

In the case of community facilities and property investment, earthquake-prone building assessments and the consequences thereafter are impacting significantly on future rate increases, particularly for our rural areas where the number of halls currently outweighs demand. Council cannot ignore such issues particularly when many are public buildings. Consideration for funding of potential works and ongoing ownership is required, while balancing this up with a need to retain our heritage. This will be an ongoing issue in the initial three-year period of this plan.

The Cost of Borrowing for new Infrastructure

A significant expenditure driver for Council is the capital expenditure in water and wastewater required to upgrade existing infrastructure. While some upgrades address existing quality issues and service gaps, many of the upgrades are in response to both increasing national and regional standards and regulations. As these projects are seen as priority, and in many cases the community itself has said they are a priority, other projects have been reviewed and deferred or deleted to minimise the impact on rates.

The level of investment is significant, so rather than burden existing ratepayers with the full cost of these assets now we will borrow and repay debt from rates where the benefit can be spread over time and extends well into the future, in most cases 25 years.

This level of investment and corresponding debt has flow-on effects for operating expenditure, in particular interest and depreciation. Coupled with this is an increase in sophistication to maintain those levels of service, both in physical works and electricity operating costs. We have based our projected interest costs on the current forward swap rates plus an appropriate margin.

It is Council's intention that developers should bear the cost of the increased demand that development places on the district's infrastructure. Through Development Contributions and Reserve Financial Contributions policies CODC is seeking to set the funding of growth projects in a transparent and consistent manner and at a level that sets a fair share of the capital expenditure for infrastructure to be met by those who are creating the new demand.

MEETING THE CHALLENGES

Affordability is a fundamental driver in the development of this LTP. The Council acknowledges the vulnerability of our district, particularly in most rural townships. Some parts of the district are better off but we are mindful that wealth can be tied up in property rather than disposable income. We understand property owners do not have a choice as to whether or not to pay rates, which is why we need to make sure our rates are affordable.

Council has given priority to core infrastructure services and in doing so has had little money left over for the 'nice to have' facilities. We have commenced discussions with various parts of our community ensuring consideration is given to pursuing alternate funding sources. We are also engaging with community groups to build partnerships based on innovation and resourcefulness.

We will continue to invest in the monitoring of our core infrastructure so we can lengthen the lifespan of assets and reduce costs in the long term. For each asset category, asset management plans are in place, which are the key planning tool for the maintenance, renewal, improvement and development of assets.

A key focus for Council is prudent financial management and this will involve maintaining a focus on affordability and the long-term consequences of decision-making. We are mindful that we need to balance up affordability with suitable investment in our district to ensure progress continues and this remains a great place to live, work and play.

To ensure that Council services are as affordable as possible we intend to look for smarter and more efficient ways of operating. This includes internally, where we will consider better use of technology and carry out a thorough review of overheads and professional services.

It also includes external reviews where we look to rationalise assets such as halls and work with the community, for example with hall committees, to manage rural halls. We have also entered into a number of partnerships that help us deliver our services in a more efficient way. For example, we have some strong partnerships with neighbouring councils, with the likes of the Otago Southland Library Consortia, and with local organisations and community groups in the district, where local solutions allow the ratepayer's dollar to go further.

Council's strategy is to ensure that both current and future ratepayers pay their fair share of the cost of providing services. This intergenerational equity is achieved through loan funding long-term assets and drawing rates to pay for the loan over an extended period of time. This ensures that both current and future users pay for the service. Where at all practical our intention will be to borrow internally and make the most efficient use of reserve funds.

Funding of many services and activities is targeted at those who directly benefit, for example, each water scheme is paid for by those who are connected to it. While this may appear to be consistent with 'who uses pays', it opens up the question of affordability and whether or not the district has a role in helping fund some schemes and ease the costs

so as to be sustainable and affordable for all communities. It is Council's intention to fully review its Revenue and Financing Policy based on future discussion around fairness and equity, not only within infrastructure but also within our community services activity, especially the funding around tourism and Visitor Information Centres.

Where the users have the ability to change behaviours and influence their use of a service or activity, the principle of users pays (at some level) is seen as appropriate. A user-pays approach has been applied with the introduction of volumetric water charges and increased transfer station fees for solid waste disposal. Inherent in this approach is an element of risk. As users' behaviour changes the risk of not fully recovering costs increases.

OUR ABILITY TO PAY

While developing this financial strategy, we have been acutely aware of our two key principles – affordability and sustainability. To ensure a conservative prudent approach that considers intergenerational costs and benefits, and balances up what we must provide and what the community wants with what is affordable, we have set the standards as outlined below.

Rates

Rates are the main source of income for Council. Currently we draw about 65% of our operational income from rates and propose to limit the rates collected each year to a maximum of 75% to total Council revenue. Other major sources of income are fees and charges, external subsidies, and grants. Wherever possible we strive to obtain funding from external sources like the New Zealand Transport Agency, the Lotteries Commission and others. This supplements the funding we receive from rates, allowing us to maximise value for money for our ratepayers. As already discussed there is an inherent risk in the user pays approach as users' behaviour changes the risk of not fully recovering costs increases and we will need to manage this accordingly.

Our Revenue and Financing Policy sets out the funding of our operational and capital expenditure and the sources of those funds on an individual activity level.

Council recognises that the cost of providing its service, the Local Government Cost Index (LGCI) (see What this means for you), is rising at a higher rate than the CPI. We are also mindful of affordability issues amongst our ratepayers and will continue to investigate efficiencies to ensure that the revenue required to run CODC is kept relatively steady. We are setting a maximum limit on rates increases of 2.5% above the LGCI. This will limit average rates increases to no more than 5-6% each year over the period of this LTP, with the exception of year 2 and year 4.

We have listened to the community and reduced the average increase from 7.0% to 5.8% in the first year of this LTP. However, this reduction in year 1 has had a significant impact on year 2 of the Plan, where considerable

expenditure is planned for various facilities, particularly in the Cromwell area. Following the submission process, the Cromwell Community Board has decided to review its long term requirement for facilities prior to the 2013/14 year. Council will focus on identifying potential savings to reduce rates in year 2 through the annual plan process.

The rates increase of 6.3% in year 4 relates to the Alexandra water upgrade and in particular the water hardness issue, whereby separate consultation will occur well in advance of year 4.

It is important to remember this is an average across the district and that rate increases will vary from property to property, with some individual properties seeing increases over this limit, depending on a range of factors such as property valuations and targeted rates assessed on a ward basis. These limits also exclude any potential targeted rate for the indirect financial support of irrigation projects currently being investigated, as they would not apply consistently across the district.

We believe these limits provide a reasonable balance between affordability and the investment required to maintain and improve our assets as required. If the cap on rates increases was tied to the CPI, we would not be able to maintain the existing levels of service we provide or fund new assets.

Borrowing

We will continue to take a conservative approach to borrowing. We will use loan funding for new long-term assets over a period of 25 years, typically the design life of the asset. This ensures that both current and future users pay for the service.

Where at all practical our intention will be to borrow internally, and make the most efficient use of reserve funds, strengthening our financial position. Internal borrowing would be predominantly from reserves such as those held for depreciation. While these reserves are held for specific purposes, internal borrowing allows us to maximise the use of these funds until such time as they are required for their intended purpose. Any borrowing from these reserves is repaid with interest, in the same way we would borrow externally. If we require funds from our reserves sooner than we anticipated, we will be able to transfer internal loans to an external funding agency to make the reserves available.

We do not expect to eliminate external debt completely, as Council has a need to keep cash flow liquidity and a requirement for immediate disaster recovery funds for natural hazards. Natural disasters result in costs to the Council for the initial response effort, the clean-up and ongoing capital work to rebuild damaged assets. We have an initial response fund. However, we do not have insurance for our underground assets. Given the strength of our balance sheet and the limited external borrowing, we have decided that no further ratepayer funding should be required at present to fund underground assets that are currently uninsured. Rather we would extend our external borrowing should any major disaster occur. There is a risk,

in that depending on the extent of the disaster the borrowing may be difficult to acquire. However due to the size and spread of our communities we consider it unlikely a disaster would affect the entire district at any one time which should mitigate any borrowing difficulties.

Council has a clear intention to keep external borrowing to a minimum and will manage exposure to adverse interest rate movements to ensure rates are predictable. Two common measures of limits on Council's borrowing are borrowing as a percentage of assets or as a percentage of rates income. We consider that setting a borrowing limit of 10% of total assets will assist in prudently managing our borrowing activities. Council interest expense as a percentage of rates income peaks at 6.9% over the 10 years, well within local government guidelines of 10%.

In general we will provide rates revenue as security for its external borrowings. However in specific cases the Council may consider whether alternative security is appropriate, for example security over property that is specifically connected with the borrowing.

Investments

An investment is an asset held by Council that provides service potential or future economic benefit to Council. Investments include property, ownership in council-related trading entities and financial assets. A financial asset is any asset that is cash or the contractual right to receive cash including financial investment instruments.

Council holds financial investments sufficient to match reserve accounts created by Council resolution and as a result of short-term cash flow surpluses.

We recognise that as a responsible public authority, any investments that we hold should be of a relatively low risk. We further recognise that lower risk generally means lower returns. Council aims to maximise investment income within a prudent level of investment risks. Currently we have money invested with banks in New Zealand and we aim to achieve market rates for these investments. We may also consider using investment funds for strategic assets where this could result in lower than market rate returns.

Our quantified target for returns on financial investments is to achieve a return equivalent to market rates. We will ensure that all funds are placed in suitable deposit accounts and no excess funds will remain not on deposit for more than 90 days. This is our current practice.

What this means for you

Council anticipates that this approach will ensure that rates are kept affordable now and in the future, and debt levels will remain conservative while still providing for our assets to be maintained and renewed.

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/09	2019/20	2020/21	2021/22
Total Rates Requirements	\$23.0m	\$24.7m	\$25.6m	\$27.2m	\$28.7m	\$30.0m	\$31.6m	\$33.1m	\$34.3m	\$36.0m
LGCI Percentage	3.79%	3.46%	3.17%	3.27%	3.42%	3.26%	3.38%	3.69%	3.89%	3.90%
Percentage Rates Increase (including LGCI %)	5.8%	7.4%	3.6%	6.3%	5.5%	4.5%	5.3%	4.8%	3.6%	5.0%

Note: The above table is stated exclusive of GST.

Rating Example by Property

Location	LV 1/9/10	CV 1/9/10	Rates 2012/13	Rates 2011/12	\$ Change
Alexandra Commercial	118,000	450,000	2,974.50	2,889.66	84.84
Alexandra Hotel	380,000	2,025,000	5,357.54	5,220.11	137.43
Alexandra Lifestyle Block	305,000	580,000	1,788.20	1,629.64	158.55
Alexandra Major Motel	495,000	2,850,000	11,949.04	10,842.43	1,106.61
Alexandra Motel	155,000	435,000	3,387.80	3,286.32	101.48
Alexandra Residential	114,000	250,000	2,146.62	2,191.17	(44.55)
Bannockburn Vineyard	1,050,000	2,300,000	3,276.02	3,375.47	(99.45)
Clyde Commercial	205,000	485,000	1,798.21	1,995.19	(196.98)
Clyde Commercial	133,000	570,000	1,819.39	2,029.48	(210.09)
Clyde Motel	240,000	560,000	1,979.29	2,195.81	(216.51)
Clyde Residence	101,000	290,000	1,217.32	1,397.52	(180.20)
Cromwell Orchard	620,000	830,000	2,098.56	2,248.63	(150.07)
Cromwell Commercial	230,000	500,000	2,336.04	2,384.79	(48.75)
Cromwell Farm	2,450,000	2,950,000	5,723.52	6,030.88	(307.36)
Cromwell Large Farm	5,150,000	6,650,000	10,784.85	11,572.61	(787.76)
Cromwell Lifestyle Block	275,000	800,000	1,444.20	1,422.42	21.78
Cromwell Major Hotel	1,525,000	6,000,000	18,955.90	18,305.14	650.76
Cromwell Motel	670,000	1,625,000	6,044.83	5,913.69	131.14
Cromwell Residence	175,000	325,000	1,755.70	1,799.30	(43.59)
Cromwell Storage	930,000	2,850,000	6,447.99	6,591.96	(143.97)
Earnsclough Farm	390,000	580,000	1,386.36	1,340.53	45.83
Earnsclough Lifestyle Block	260,000	495,000	1,066.85	1,007.69	59.15
Earnsclough Orchard	265,000	655,000	1,245.69	1,192.33	53.36
Maniototo Farm	720,000	1,010,000	2,291.65	2,194.98	96.67
Maniototo Large Farm	6,050,000	6,930,000	13,665.12	13,018.66	646.46
Maniototo Lifestyle Block	108,000	240,000	954.41	905.77	48.64
Maniototo Rural - Hotel	68,000	925,000	1,796.31	1,795.89	0.42
Manuherikia Farm	980,000	1,225,000	2,209.67	2,239.41	(29.74)
Manuherikia Large Farm	3,750,000	4,750,000	7,125.89	7,386.95	(261.05)
Manuherikia Lifestyle Block	108,000	240,000	736.46	695.42	41.04
Naseby Residence	76,000	235,000	1,829.14	1,975.63	(146.48)
Omakau Residence	47,000	220,000	2,024.54	1,861.83	162.71
Patearoa Residence	55,000	180,000	1,304.66	1,215.39	89.26
Ranfurlly - Hotel	90,000	375,000	2,737.62	2,828.14	(90.52)
Ranfurlly Commercial Property	12,000	113,000	1,821.95	1,887.75	(65.80)
Ranfurlly Residence	43,000	185,000	1,839.81	1,904.01	(64.20)
Roxburgh - Commercial	53,000	135,000	2,207.38	2,113.99	93.39
Roxburgh - Hotel	57,000	300,000	3,518.83	3,297.88	220.95
Roxburgh Orchard	112,000	220,000	1,060.38	1,037.41	22.97
Roxburgh Farm	960,000	1,490,000	2,843.91	2,772.30	71.60
Roxburgh Large Farm	7,100,000	8,250,000	16,214.55	16,001.58	212.97
Roxburgh Residence	43,000	195,000	2,123.41	2,031.35	92.06
Roxburgh Rural Industry	140,000	1,375,000	2,430.38	2,394.60	35.78

These examples are indicative only.

The examples presented are not necessarily based on average information or statistical sampling techniques. They may vary from other examples with similar characteristics/locality due to lump sum payments on loan rates and other factors. All examples are GST inclusive. Any movements in the rating base will change the examples.

Volumetric water charges are not included within these rating examples.

Our Activities

'Our Activities' provides a detailed overview of the activities we will undertake over the next 10 years. The groups of activities incorporate the core services that we deliver and we give particular consideration to how these core services contribute to the community in our decision-making process.

While some of the activities relate to legislation such as the Building Act 2004 and the Resource Management Act 1991, they contribute to the community's social, cultural, environmental and economic well-being and therefore also contribute to the community outcomes in some way, either directly or indirectly.

Corporate support provides the internal processes and support required for the organisation to carry out its activities.

Within each group of activities you will find a breakdown of each activity, including what the activity delivers, why we do it, how we plan to respond to our challenges, what we want to achieve, what the activity will cost and how it is funded. All operating and capital expenditure is inflated and stated exclusive of GST.

To enable Council to operate effectively and efficiently we have various strategies, plans and policies. Detailed information, including various strategies and policies on each group of activities is contained in their respective asset management plans.

WATER	Water Demand Management		
WASTEWATER			
STORMWATER			
TRANSPORTATION			
OTHER INFRASTRUCTURE	Waste Minimisation	Elderly Persons' Housing District/Commercial Property Public Toilets Airports	
COMMUNITY SERVICES	Parks & Recreation Cemeteries	Community Facilities Libraries Swimming Pools	<i>District Development</i> Business Development Tourism Community Planning Visitor Information Centres Central Otago Brand Promotions & Grants
PLANNING & ENVIRONMENT	Resource Management Building Control Liquor Licensing Dog Control & Registration Environmental Health Rural Fire Civil Defence		
GOVERNANCE & CORPORATE SERVICES	Elected Members' Support	Administration Buildings Personnel Communications Customer Service & Administration Financial Planning & Reporting Information Systems	

DECISIONS MADE TODAY

Decisions made today will affect tomorrow

WATER



Water

OUR SPACE

We manage 10 public water supply schemes, servicing approximately 13,500 residents. We aim to supply the community with treated water at a suitable pressure and quantity. Each scheme is different but operates under the same basic process. Water is drawn from a lake, river or bore before being treated to a required standard. Treated water is then pumped to elevated storage reservoirs for distribution. The reservoirs ensure sufficient quantities are available for consumption and firefighting while the elevation produces the required pressure.

In providing this we collectively utilise 57 pumps, 357km of pipes and 73 tanks or reservoirs. As at July 2011 the total replacement cost of our water supply schemes was \$79.95 million.

The water supply service is a primary contributor to all three of our community outcomes.



OUR CHALLENGES

The storage and distribution of water remains fundamental to life in Central Otago, just as it did 100 years ago. Reliable water sources were scarce, just as they are today. So once established, water supplies were engineered to be low cost and high volume. But change is inevitable. Today's communities are demanding better water quality at the high quantities they have become accustomed to, and they want it to remain affordable. Our challenge is to find the right balance between providing sustainable levels of quality and quantity with affordability.

Drinking Water Upgrades

The Health Act is requiring all of our water schemes to be upgraded to comply with the Drinking Water Standards 2007. The standards aim to reduce the public health costs associated with water-borne illnesses.

The level of treatment we must provide is highly dependent on the quality and safety of the water source. These statutory standards mean abundant fresh water sources, like the Clutha River are now regarded as unsecure (unsafe) for drinking without expensive treatment. All schemes, except Roxburgh and Lake Roxburgh Village, will require treatment plant upgrades in the next 10 years.

The Roxburgh community undertook their drinking water upgrade in the 2011/12 year. A new pipeline is also under construction to supply Lake Roxburgh Village with water from this new treatment plant.

Some schemes will have their upgrades brought forward or enhanced to address their current issues such as water hardness and boil water notices.

Water Hardness

We realise that lime scale build-up is a frequent annoyance for residents in Alexandra. Water hardness is not harmful to your health but its effect on appliances is a major source of dissatisfaction. Alexandra draws its water from underground bores adjacent to the Clutha River. Water hardness is picked up from minerals within this ground water. To address water hardness we will need to find a new water source. One with lower levels of hardness but a source that still complies with the statutory drinking water standards. Finding and building a new source to address the hardness issue is the primary driver of project costs.

Boil Water Notices

Boil water notices are a common and unwanted occurrence in Naseby, Omakau and Lake Roxburgh Village. Naseby draws its water from the irrigation race above the town, while Omakau draws its water from the Manuherikia River. These sources become dirty or 'turbid' during periods of high rainfall requiring residents to boil all drinking water. Treatment plant upgrades for Naseby and Omakau were originally planned to take place in the next 3-5 years to comply with the drinking water standards. After consultation with both communities, the upgrades will be brought forward to address boil water notices. However these communities have told us the upgrades are unaffordable in the present form and as a result of community feedback we have undertaken to review further options.

Lake Roxburgh Village will be supplied with water from the newly constructed Roxburgh treatment plant via a dedicated pipeline which will also address boil water notices.

High Water Usage (Water Demand)

As a community, we still use a lot of water by national standards. Providing highly treated water at high quantities is simply unaffordable and unsustainable.

If we are to invest in our water quality, we need to reduce water quantities. Reducing the level of demand will directly reduce the size and cost of new water infrastructure. The installation of universal metering was the first step to

achieving this. We are now proposing a new water charging regime. Volumetric charging will replace the existing allocation model. The following section on Water Demand Management has a detailed discussion on volumetric charging. Knowing exactly when, where and how much water we are using means we can better improve our performance in water demand.

Our Growing and Ageing Population

A positive challenge is that our district is still a desirable place to live for many people. Although population growth and development have slowed in recent years it is projected to return over the long term. We have deferred many of the planned upgrades and extensions in response to the slow-down. Water infrastructure is a primary contributor to a thriving economy. We have a responsibility to provide infrastructure in anticipation of growth and so remain flexible to reinstating these projects when they are deemed necessary.

We consider it important to ensure the investment in future growth is recouped fairly and equitably. We fund the growth component of infrastructure investment (capital expenditure) through development contributions. Without the collection of development contributions, the cost of providing for future communities will be picked up directly by the present day ratepayer. For information on the specific levels of development contributions levied on water infrastructure, go to the development contribution policy in our policy section.

The people of Central Otago are living longer on average. It is anticipated that larger proportions of our community will be living in retirement and are likely to be on fixed incomes. This places an even greater emphasis on maintaining affordability. An older population may also become more susceptible to water-borne illnesses meaning water quality will remain a priority over time also.

Maintaining what we already own

All infrastructure assets require ongoing maintenance to perform. We have an established maintenance programme to ensure assets are performing to the required level of service. Maintenance and operations are funded directly through rates.

Our infrastructure assets are getting older too, particularly our pipes. We will need to renew or replace these assets as they fall due just to maintain existing service levels and to avoid costly pipe failures. Water pipe failures can cause significant property damage and are a public safety risk.

We pay for renewals through depreciation. Depreciation is funded through rates and is collected over a long period to reflect the 'loss in service potential' of infrastructure.

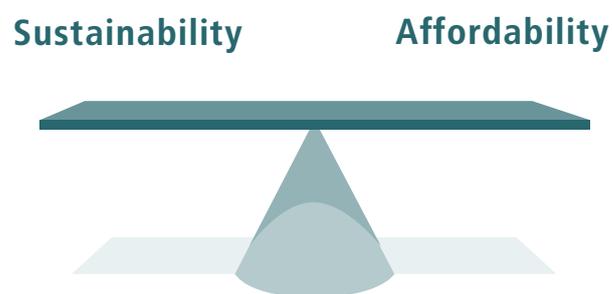
By funding annual depreciation, we are paying our fair share today to sustain the provision of infrastructure in the future. Future generations will inherit our infrastructure assets as well as our liabilities.

Some water schemes are older than others. This is reflected in the need for substantial renewal investment over the next 10 years.

Planning for Risk

The effects of the Canterbury and Christchurch earthquakes have been widely felt, on many fronts. Ensuring ready access to drinking water after a significant natural disaster has influenced the way we manage our infrastructure. We have commenced work to identify assets that are critical to the provision of a potable water supply and the risks that may disrupt this supply. Risks can vary in level from a temporary power outage or a chemical spill to a catastrophic natural disaster. This work allows us to understand the pre and post event procedures needed to maintain water supply.

We have many challenges to overcome in the next 10 years. Our challenges can be traced back to a need to meet today's expectations using yesterday's infrastructure. We are now faced with a squeeze of priorities. What is the correct balance between providing sustainable levels of water quality and quantities while remaining affordable for the community?



MEETING THE CHALLENGES

The 10-year plan budget for water supply totals \$66.6 million. Of this, \$34.7 million is for maintenance and operations while capital expenditure totals \$31.9 million. Capital expenditure includes the construction of new assets driven by statutory, growth or level of service changes. It also includes the renewal of existing assets. The timing and scope of capital projects is subject to change during the annual plan process. Major projects to address our issues within the next 10 years include:



Cromwell

- 1 **Water Quality Upgrades**
A new water source will be investigated and associated treatment plant constructed to comply with the Health Act.
\$650^k
between 2016 and 2018.
- 2 **Cromwell rising main to reservoir**
A rising main will be constructed to connect the potential new water source to the existing storage reservoirs. This new main will also improve the overall operation of the network.
\$1.0million
in 2018.
- 3 **Extensions and upgrades into new areas surrounding Cromwell driven by population growth.**
\$1.0million
between 2016 and 2022.

Vincent

- 1 **Alexandra**
Water Quality Upgrades
A new water source will be established to address ongoing hardness/lime scale issues. A new treatment plant will also need to be constructed to comply with the Drinking Water Standards.
\$7.8million
between 2012 and 2016.
- 2 **Reticulation Renewals**
The ongoing replacement of pipework at the end of its useful life.
\$2.6million
over 10 years.
- 3 **Clyde**
Water Quality Upgrades
A new treatment plant will be constructed to comply with the Health Act.
\$400^k
between 2017 and 2019.
- 4 **Reticulation Renewals**
Various projects to replace existing pipework at the end of its useful life.
\$570^k
between 2012 and 2022.
- 5 **New Bore**
Construction of new back-up bore to improve security of supply and remove dependence on the Clyde Dam intake source, deemed insecure under the Health Act.
\$180^k
in 2017.
- 6 **Omakau / Ophir**
Water Quality Upgrades
A two-stage project to address boil water notices (high turbidity) in 2014 and to comply with the Health Act in 2017.
\$500^k
in 2014/15
\$104^k
in 2017/18.
- 7 **Duplicate Ring Upgrades**
A new main across the Ophir Bridge. This will form a ring main and improve security of supply.
\$208^k
between 2017 and 2019.



Roxburgh

- 1** Lake Roxburgh Water Quality Upgrades – (Roxburgh Pipeline) Underway in 2011/12
A dedicated pipeline is under construction to supply treatment water from Roxburgh to Lake Roxburgh Village. The treated water complies with the Health Act and will also address boil water notices in Lake Roxburgh Village.
- 2** Consumer Water Meters
Installation of water meters to all connections to improve water demand management.
\$200k
between 2012 and 2016.
- 3** Reticulation Renewals
The ongoing replacement of pipework at the end of its useful life.
\$1.0million
between 2012 and 2022.

Maniototo

- 1** Naseby
Water Quality Upgrades
A two-stage project to address boil water notices (high turbidity) in 2014 and to comply with the Health Act in 2017.
\$286k
in 2014/15
\$104k
in 2017/18.
- 2** Upper Pressure Zone Improvements
Construct a new reservoir to supply to existing unconnected properties above the existing reservoirs. Existing properties draw water from an unsecured water race.
\$100k
in 2012/13, conditional to receiving all funding from the properties to benefit. Council will seek feedback on this proposal before proceeding.
- 3** Ranfurly
Water Quality Upgrades
A new treatment plant will be constructed to comply with the Health Act.
\$512k
between 2016 and 2019.
- 4** Reticulation Renewals
The ongoing replacement of pipework at the end of its useful life.
\$1.0million
between 2012 and 2022.
- 5** Patearoa
Water Quality Upgrades
A new treatment plant will be constructed to comply with the Health Act.
\$400k
between 2016 and 2019.
- 6** Asset Renewals
The ongoing replacement of pipework and reservoirs at the end of their useful lives.
\$420k
between 2012 and 2022.

OUR ABILITY TO PAY

When it comes to paying for your water, you have told us that fairness and equity are paramount. Some communities have greater ability to pay than others across the district. This is particularly relevant where larger communities benefit from the 'economies of scale' of water infrastructure and having 'younger' networks to maintain.

The map below gives an indication of the varying cost of providing the district with what is effectively the same water.

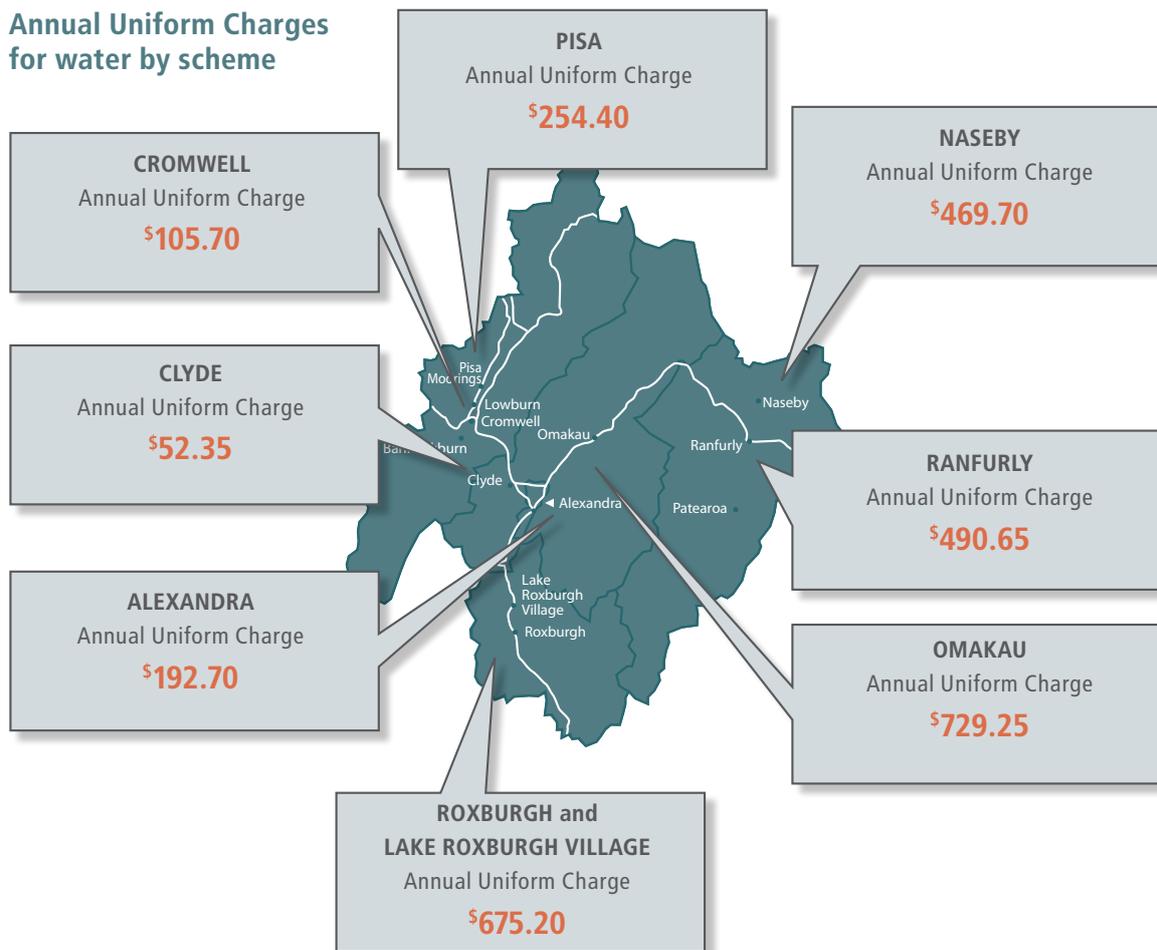
We will investigate new methods of allocating costs that consider affordability, fairness and equity across the district and the generations.

Through consultation with the community, we will develop a clear long-term strategic direction and associated policy for the delivery of 3 Waters infrastructure services into the future (water supply, wastewater and stormwater). The strategy will specifically consider levels of service, priorities for infrastructure upgrades, future debt levels, equity of funding models and levels of delegations.

How do we Fund this Activity?

	Volumetric Charging	Targeted Rates	General Rate	Development Contributions	Loans/Reserves
Maintenance and operations	✓	✓			
Renewals	✓	✓			✓
Capital for improvement					✓
Capital for growth				✓	

Annual Uniform Charges for water by scheme



Note: The Annual Uniform Charges above are inclusive of GST, and are based on indicative connections.

HOW DO WE MEASURE OUR SUCCESS?

The following table details the level of service Council will deliver to the community, how it is measured and the performance to date. Performance is reported annually to the community. Ensuring we meet this level of service is the key driver of decision making and costs.

Community Outcome	Our Objective Level of Service	How we Measure Success	2010/11 Results	Our Aim Years 1-3	Our Aim Years 4-10
A Thriving Economy (Affordability)	Provide a fully accessible and reliable water network	Time without water per customer per annum (planned and unplanned)	99.9%	99.7% system availability	99.7% system availability
		Flow and pressure at connection	32 complaints	Number of low pressure or flow complaints trending down	Number of low pressure or flow complaints trending down
A Sustainable Environment (Quantity / Sustainability)	Provide an efficient water network	Water consumption per property per annum	503m ³ per annum per connection	Water consumption is stable at 450m ³ per annum per connection	Water consumption is stable at 365m ³ per annum per connection
		Number of requests for service received from customers	833	Number of service requests trending down from 900	For number of service requests to continue to trend down
A Safe and Healthy Community (Quality / Sustainability)	Provide a safe and healthy water network	Percentage of residents who are satisfied with water quality (taste, odour, colour)	48.5% district wide	90% satisfied or above on community survey scale	90% satisfied or above on community survey scale
		Compliance with the microbiological criteria of the NZ Drinking Water Standards	0 failed result	Zero failed E-coli tests	Zero failed E-coli tests

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS

We manage all of our water supply networks to promote the economic, social, cultural and environmental well-being of the district. We also work to minimise the negative effects these networks can have.

	Negative Effects	Our Response
Economic Well-being	Affordability – The high costs of treatment plant upgrades on relatively small communities.	<p>Treatment Plant Upgrades will address poor water quality but will only commence if deemed affordable by the community. The level of Government subsidy available will most likely define this.</p> <p>Demand Management Plans aim to reduce water consumption.</p> <p>Where the cost of water infrastructure becomes unaffordable, we will investigate the harmonisation of funding across the entire district.</p>
	Water Quantity – Excessive water consumption means larger infrastructure needs to be constructed. This can lead to higher costs for the community and for those that conserve water.	
	Water Quality (Hardness) – The early failure of water heating elements (jugs, hot water cylinders) due to lime scale build-up has a negative economic impact to some residents.	
Social Well-being	Water Quality (Boil Water Notices) – Many residents receive poor water quality and in some instances must boil water before consumption.	<p>Our Funding Strategy will undergo review to ensure fairness and equity of services across generations and across the district.</p> <p>We have Health and Safety Procedures in place to mitigate the risks to staff and the public from public works.</p> <p>We will continue to undertake Reticulation Renewals particularly where assets are deemed critical to community well-being. We will also increase the level of pipe Condition Assessments, particularly in older networks.</p> <p>Water Demand Management Plans will improve the identification of leaks.</p>
	Intergenerational Equity – The funding of long-life infrastructure assets must reflect the benefits they provide over generations.	
	Health and Safety – There are risks to staff and the public associated with the construction, maintenance and operation of water supply infrastructure.	
	Damage Due to Pipe Failure – The unanticipated failure of water supply reticulation can cause significant property and infrastructure damage. Further risks to safety exist where minor leaks cause land stability issues.	
Cultural Well-being	No significant negative effects have been identified.	
Environmental Well-being	Water Quantity – Degradation of aquifers and waterways from high levels of water consumption.	Resource consents are necessary to take water from the environment. Water takes are monitored regularly for Compliance with Resource Consents.
	Filter Backwash Discharge – There is a risk to the environment from the backwash of treatment filters into waterways.	Water Demand Management Plans will be implemented to address high water consumption. Resource consents will be sort for all backwash filters and will take place to minimise environmental impact.

PROSPECTIVE FUNDING IMPACT STATEMENT

Annual Plan \$000	2012/13 Yr 1 \$000	2013/14 Yr 2 \$000	2014/15 Yr 3 \$000	2015/16 Yr 4 \$000	2016/17 Yr 5 \$000	2017/18 Yr 6 \$000	2018/19 Yr 7 \$000	2019/20 Yr 8 \$000	2020/21 Yr 9 \$000	2021/22 Yr 10 \$000
OPERATING										
-	-	-	-	-	-	-	-	-	-	-
3,058	1,781	1,968	2,501	2,807	3,311	3,571	3,196	3,467	3,629	3,294
248	19	19	20	21	21	22	23	23	24	25
327	1,851	1,803	1,844	2,195	2,240	2,283	3,014	3,067	3,120	3,650
67	67	74	86	90	85	82	90	105	122	139
-	-	-	-	-	-	-	-	-	-	-
3,700	3,718	3,864	4,451	5,113	5,657	5,958	6,323	6,662	6,895	7,108
Applications of Operating Funding										
1,382	1,453	1,519	1,637	1,740	1,829	1,921	2,030	2,111	2,203	2,303
230	52	112	348	620	781	795	877	979	959	938
685	763	805	852	883	906	916	926	929	934	926
54	61	62	64	66	68	70	72	75	77	79
2,351	2,329	2,498	2,901	3,309	3,584	3,702	3,905	4,094	4,173	4,246
1,349	1,389	1,366	1,550	1,804	2,073	2,256	2,418	2,568	2,722	2,862
CAPITAL										
Sources of Capital Funding										
53	100	-	-	-	-	-	-	-	-	-
86	388	404	419	413	428	444	460	476	373	389
2,375	1,085	850	5,136	1,553	237	298	53	(2,452)	(2,505)	(2,121)
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
2,514	1,573	1,254	5,555	1,966	665	742	513	(1,976)	(2,132)	(1,732)
Applications of Capital Funding										
251	307	161	795	461	228	343	482	53	46	39
905	1,375	1,014	4,285	2,766	865	793	1,964	586	184	155
702	1,139	1,501	1,901	1,848	1,596	1,614	1,529	1,217	1,380	1,283
2,005	141	(56)	124	(1,305)	49	248	(1,044)	(1,264)	(1,020)	(347)
-	-	-	-	-	-	-	-	-	-	-
3,863	2,962	2,620	7,105	3,770	2,738	2,998	2,931	592	590	1,130
(1,349)	(1,389)	(1,366)	(1,550)	(1,804)	(2,073)	(2,256)	(2,418)	(2,568)	(2,722)	(2,862)
Funding Balance										
1,206	1,267	1,339	1,466	1,652	1,874	2,030	2,139	2,265	2,396	2,515

This Funding Impact Statement is not compliant with GAAP.

Water Demand Management

OUR SPACE

Our community and Central Government are demanding drinking water upgrades. This will push the cost of water up, no matter how we choose to pay for it. The level of drinking water usage in our community is high by national standards. Providing even higher treated water at the quantities we use now is simply unaffordable. In 2007 CODC adopted a Drinking Water Strategy aimed at improving the affordability of these drinking water upgrades. It recommended a set of actions aimed at managing water demand.

OUR CHALLENGE

Demand management is the application of cheaper initiatives to minimise consumption rather than continually investing in more and more infrastructure. The traditional business model is to maximise the demand for your product or service. However, we are not a business. We are catering for a basic human need to our community, which is getting more and more expensive to supply. Our aim is to encourage behaviour that maximises the efficiency of our infrastructure and natural resources. The installation of universal metering was just one of these measures.

MEETING THE CHALLENGES

We have built on the work done in 2007 and developed a more comprehensive strategy to manage water demand over the next 10 years – the Water Demand Management Strategy.

The strategy ensures we are taking a holistic approach to managing water demand and not solely focusing on water metering and water pricing to deliver demand reductions.

Our strategic approach is to balance service and affordability through the following priorities:

- We will improve our knowledge of water use and target initiatives that optimise lifecycle costs.
- We will provide better education on good water management for consumers.
- We will improve the management of the water supply networks to optimise lifecycle costs.
- We will promote water conservation and efficiency initiatives.

We will be undertaking a number of actions within this strategy over the next 10 years. These are focused on:

- Better education and promotion of conservation and efficiency

- Improving network management to minimise losses
- Improving the performance of our own infrastructure and our knowledge of water usage

Volumetric Charging

The installation of water meters and associated water billing mechanisms has generated significant debate in the community. Our original model for allocating and billing water to cover expenditure caused a great deal of confusion. It was regarded as unfair by some communities. We subsequently undertook two rounds of consultation in 2011 to establish the community's priorities on water billing. In short, we have \$3.8 million of water costs that must be paid for. How it is paid for should encourage water conservation and reflect the top five priorities of the community:

1. Fair and reasonable
2. Equitable and affordable
3. Minimise financial risk
4. Avoid annual fluctuation in charges
5. Be revenue neutral

Several billing models were evaluated against those priorities, with volumetric charging standing out as the best overall fit with community priorities.

It has been decided that from July 2012, water billing will be based on a volumetric model for all schemes except Roxburgh residential, which will follow once meter installation is completed. The volumetric model is similar to the pricing structure utilised by power companies and is based on the 'user pays' principle. Under the proposal your water bill will be made up of two charges:

- A fixed **annual uniform charge** for each metered connection.
- A **volumetric charge** for all cubic metres (m³)¹ of water used.

A true 'user pays' system would mean the true fixed cost would be covered by the annual uniform charge and the variable costs covered by the volumetric charge. The reality is that costs vary largely between schemes and this can be confusing.

In a world where a bottle of milk is roughly the same cost wherever you buy it, how can water in one town be four times the cost of another town's water? To achieve the community's objectives for water billing and to encourage demand reduction, the volumetric charges and annual

¹ A cubic metre or m³ is equivalent to 1,000 litres.

uniform rates have been modified from the true 'user pays' rates.

This means the amount you pay for each unit of water used will be similar across the district.

The Volumetric Charge

The volumetric charge is \$0.58 per m³ (incl. GST) for Alexandra, Cromwell, Pisa Village, Clyde and Omakau. The volumetric charge for Ranfurly, Naseby and Roxburgh² is to be slightly higher at \$0.86 (incl. GST) in order to keep the annual uniform charge lower.

Council is legally obligated to run a balanced budget under the Local Government Act 2002. This means that we cannot collect any more money than what we need. Any surpluses or deficits must be passed on to the ratepayer. The volumetric charges tabled below have been calculated based on the income required for the 10-year LTP period. Our aim here is to achieve a zero balance of funds at the end of the 10 years and to minimise changes to water billing rates.

However, as the community adjusts its water use behaviour in the next few years we expect the income from volumetric charges will fluctuate. Rather than adjust the volumetric rate to cover this, we propose to adjust the annual uniform charge every year. We aim to avoid any over or under collecting on volumetric charges, but if any surpluses are generated before the annual uniform rates are reviewed we will use it to reduce costs. This all means that it helps to reduce rates.

We intend to review the volumetric charge rates every three years also, to coincide with the release of each long term plan. We will also re-consult with the community on its priorities on water pricing.

We also intend that billing rates for those connected to an 'Independent Bulk Supply' will continue to be charged purely by volume (m³) only and will not incur an annual uniform charge³. This approach is a price signal to reflect the higher impact these users have on overall network demand.

Scheme	Volumetric Charge per cubic meter		
	2012/13	2013/14	2014/15
Alexandra	\$0.58	\$0.58	\$0.58
Clyde	\$0.58	\$0.58	\$0.58
Omakau	\$0.58	\$0.58	\$0.58
Cromwell	\$0.58	\$0.58	\$0.58
Pisa	\$0.58	\$0.58	\$0.58
Patearoa*	\$1.2392	\$1.2392	\$1.2392
Naseby	\$0.86	\$0.86	\$0.86
Ranfurly	\$0.86	\$0.86	\$0.86
Roxburgh	\$0.86	\$0.86	\$0.86

* Status quo m³ charge Note: All charges are GST inclusive

The Annual Uniform Charge

The annual uniform charge is set to 'balance the budget' by funding the revenue requirements not covered by volumetric charging. This means that the greater the income from metered water sales the lower the uniform charge will be and vice versa. Typically the annual uniform charges are lower on bigger schemes than the smaller schemes. This reflects the 'economies of scale' of treatment plant infrastructure and a larger number of ratepayers to share the fixed cost.

Council intends to keep annual uniform charges unique to each scheme.

It is intended to allow for annual adjustment to the annual uniform charge for the first three years reducing the chances of under and over charging while water demand behaviour adapts to volumetric charging.

It is also intended to move to charging an annual uniform charge based on the number of actual connections to a property. Historically water rates have been set per 'separately used or inhabited part' of a rating unit or SUIP. One connection feeding many different parts of a property would pay for each of the parts being served. With the introduction of water metering we intend that the charging of water through the number of SUIPs per rating unit is no longer used, as water bills are directly related to the level of benefit you receive. This removes the inequity of similar properties paying different rates when they use the same amount of water.

Scheme	Annual Uniform Charge (per metered connection)
	2012/13
Alexandra	\$192.70
Clyde	\$52.35
Omakau	\$729.25
Cromwell	\$105.70
Pisa	\$254.40
Patearoa*	\$407.29
Naseby	\$469.70
Ranfurly	\$490.65
Roxburgh	\$675.20

Note: All charges are GST inclusive, and based on indicative connections. * Status quo of an annual rate and allocation remains

OUR ABILITY TO PAY

The changes to water charging aim to address the fairness and equity concerns of the community. The changes also go some way to address the affordability concerns, particularly for smaller schemes. We will investigate options to further improve the affordability of water supply charges in small schemes.

² Roxburgh and Lake Roxburgh are funded as a single scheme.

³ This includes all of Patearoa.

RESPECT FOR THIS LAND

Respect for this land will prompt the need for good change over short term gain

WASTE water



Wastewater

OUR SPACE

We manage eight public wastewater schemes, servicing approximately 12,500 residents. Each scheme pumps, reticulates and treats the wastewater generated by your household as well as from businesses and industrial processes. Wastewater is treated to a statutory standard and then discharged into a nearby water body or onto land.

In providing your wastewater service we utilise 216km of pipe, almost 2000 manholes and 81 pumps. As at July 2011 the total replacement cost of our wastewater infrastructure was \$66.13 million.

Privately owned septic tanks are used in townships without reticulated schemes.

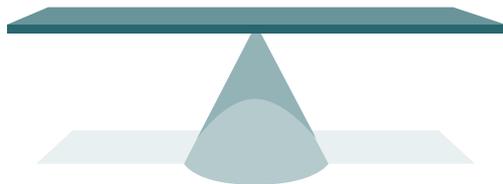
The wastewater service is a primary contributor to two of our community outcomes.



OUR CHALLENGES

Very early wastewater treatment schemes relied heavily on water bodies to dilute harmful contaminants to satisfactory levels. Today's wastewater infrastructure performs a great deal better than those early schemes. The quality of treated wastewater we discharge to the environment is generally good, but national and regional environmental standards are demanding we lift our game. After all, our environment is what makes Central Otago such a desirable place to live and visit. Our challenge is to provide more sustainable wastewater services while maintaining affordability.

Sustainability **Affordability**



Wastewater Treatment Plant Upgrades

Every wastewater scheme has a consent to discharge treated wastewater to the environment. Each resource consent specifies the contaminant levels and the rate of wastewater discharge allowable. The majority of our wastewater consents are due for renewal over the next five

years. The original consents for Alexandra, Cromwell and Bannockburn have expired. We have been granted interim consents to establish appropriate solutions.

The Otago Regional Council (ORC) administers our wastewater resource consents. The ORC are placing greater emphasis on the protection of waterways from all contaminants, both urban and rural. Specifically, treated wastewater must now be of a higher quality to be discharged onto land. Even higher qualities are required to continue discharging to water. Furthermore, all residual biosolids, or sludge, filtered out during treatment must adhere to stricter standards. Sludge must be sufficiently dried or 'de-watered' through open air drying or advanced mechanical processing before it can be disposed to land.

In short, we must improve the quality of our treated wastewater to adhere to stricter resource consent conditions. All schemes, with the exception of Roxburgh and Lake Roxburgh Village, will need investment of varying significance in the next 10 years. Roxburgh has recently completed treatment plant upgrades while the Lake Roxburgh consent will not expire until 2023.

The ORC will grant long-term consents of 35 years once treatment plants comply with these stricter conditions.

Cromwell and Bannockburn Wastewater Treatment Upgrades

Cromwell and Bannockburn will require the most significant investment of all the planned upgrades. The original oxidation ponds were built more than 30 years ago by the Ministry of Works. The original consent to discharge to the lake expired in 2008. An interim consent has been granted by the ORC on agreement that we commit to improving discharge qualities. This consent expires in December 2013.

Treated wastewater is discharged into the Kawarau Arm of Lake Dunstan. This is a popular recreational spot. On top of the environmental effects there is added concern over the risk to public health this is causing. The Cromwell Community Board is liaising regularly with ORC over the best treatment options that balance public health risks, environmental impacts and affordability.

The cost of each treatment option is high and will have a significant impact on Cromwell ratepayers' rates no matter which option becomes the preferred one. We are proposing to consult further with the Cromwell and Bannockburn communities in the future and outside of this LTP. This will take place from August 2012.

In March 2012 ORC announced a plan change that has the potential to limit CODC's future options on wastewater disposal to potentially unaffordable levels. CODC intends to submit on the Plan Change, seeking a balance between increased environmental standards and affordability for the community.

Wastewater Efficiency

Wastewater does not include water run-off from rainfall, such as that from your roof, roads and footpaths. This is managed separately in the stormwater activity. However, the performance of our wastewater schemes can be compromised by rainfall. Incorrectly installed roofing down-pipes can inundate the network with rain. This is known as inflow. Underground pipes can be susceptible to groundwater seeping into cracks and gaps in pipes. This is known as infiltration. Inflow and infiltration directly increases costs through increased pumping and more treatment. It can also lead to overflows of manholes and pump stations, creating a public health risk.

Addressing these problems can quickly translate into direct savings to the ratepayer. We will undertake work to reduce inflow and infiltration in schemes known to have issues.

Trade Wastes

Wastewater generated by commerce or industry is classified as trade waste. Trade waste contains greater volumes and contaminants than that generated by the average household. Total trade wastes have increased in some areas, particularly with growth in viticulture. We are reviewing our Trade Waste Bylaw to more fairly apportion additional costs of trade waste to those who generate it.

Clyde Septic Tanks

Clyde residents do not have a reticulated wastewater scheme but use individual septic tanks. We do not have any direct responsibility over septic tanks but we do have a responsibility to ensure they are not adversely impacting public health and the environment. We will continue to monitor any impacts through ground water quality monitoring. Any decision to construct a conventional reticulated scheme in Clyde will be consulted on thoroughly but is not planned within the next 10 years.

Our Growing and Ageing Population

A positive challenge is that our district is still a desirable place to live for many people. Although population growth and development have slowed in recent years it is projected to return over the long term. We have deferred many of the planned upgrades and extensions in response to the slow-down. We have a responsibility to provide infrastructure in anticipation of growth and so remain flexible to reinstating these projects when they are deemed necessary.

We consider it important to ensure the investment in future growth is recouped fairly and equitably. We fund the growth component of infrastructure investment (capital expenditure) through development contributions. Without the collection of development contributions, the cost of providing for future communities will be picked up directly by the present day ratepayer. For information on the specific levels of development contributions levied on water

infrastructure, go to our development contribution policy in the policies section.

The people of Central Otago are living longer on average. It is anticipated that larger proportions of our community will be living in retirement and are likely to be on fixed incomes. This places an even greater emphasis on maintaining affordability for the community. This is a long-term pattern that will further drive our decision-making and planning.

Maintaining what we already own

All infrastructure assets require ongoing maintenance to perform. We have an established maintenance programme to ensure assets are performing to the required level of service. Maintenance and operations are funded directly through rates.

Our infrastructure assets are getting older too, particularly our pipes. We will need to renew or replace these assets as they fall due just to maintain existing service levels and to avoid pump and pipe failures. Pipe and pump failures can lead to raw wastewater overflows, creating public health and environmental risks.

We pay for renewals through depreciation. Depreciation is funded through rates and is collected over a long period to reflect the 'loss in service potential' of infrastructure. By funding annual depreciation, we are paying our fair share today to sustain the provision of infrastructure in the future. Future generations will inherit our infrastructure assets as well as our liabilities.

Some wastewater schemes are older than others. This is reflected in the need for substantial renewal investment over the next 10 years.

Planning for Risk

The effects of the Canterbury and Christchurch earthquakes have been widely felt, on many fronts. Ensuring ready access to sanitary services after a significant natural disaster has influenced the way we manage our infrastructure. We have commenced work to identify assets that are critical to the conveyance of wastewater and the risks that may disrupt this service. Risks can vary in level from a temporary power outage or a pump failure to a catastrophic natural disaster. This work allows us to understand the pre and post event procedures needed to sustain the wastewater activity.

3 Waters Strategy

With so many issues to address, within such a dynamic world, it can become difficult to manage long-life infrastructure that spans generations. Meeting the expectations of the community who are demanding continuous improvement at little or no extra cost, focus CODC on our two key principles underpinning the LTP – affordability and sustainability.

Through consultation with the community, we will develop a clear long-term strategic direction and associated policy for the delivery of 3 Waters infrastructure services into the future (water supply, wastewater and stormwater). The strategy will specifically consider levels of service, priorities for infrastructure upgrades, future debt levels, equity of funding models and levels of delegations.

The statutory requirement to improve wastewater treatment is the biggest driver of cost in this 10-year plan. It will improve sustainability but will negatively impact on the affordability of the wastewater activity. Improving the efficiency of our schemes and reviewing how wastewater is funded, will go some way to improve affordability.

MEETING THE CHALLENGES

The 10-year planned budget for wastewater totals \$55.2 million. Of this, \$27.7 million is for maintenance and operations while capital expenditure totals \$27.6 million. Capital expenditure includes the construction of new assets driven by statutory, growth or level of service changes. It also includes the renewal of existing assets. The timing and scope of capital projects is subject to change during the annual plan process.

Major projects to address our issues within the next 10 years include (these amounts are inflation adjusted to reflect the cost at construction):



Roxburgh

- 1 Lake Roxburgh Village Disposal Field
The performance of the existing land disposal field will need improvement ahead of consent renewal. Early estimates of \$140k budgeted for 2018/19 to improve the disposal field. \$11k of investigations scheduled prior to this in 2015/16 will better establish requirements and timing.
- 2 Reticulation Renewals
The ongoing replacement of infrastructure at the end of its useful life. This is necessary to maintain the status quo level of service.
\$850^k
over 10 years.

Cromwell

- 1 Wastewater Treatment Upgrades (includes Bannockburn)
The existing treatment plant requires significant upgrade to gain long-term resource consent. This includes the combination of Bannockburn and Cromwell schemes to achieve economies of scale. Final construction and ongoing costs will be determined by the level of treatment agreed. Initial construction estimates are:
\$12.6^{million}
between 2012/13 and 2017/18.
- 2 Reticulation into New Areas
Extensions and upgrades into new areas surrounding Cromwell driven by population growth. Deferred due to slow down in growth.
\$1.3^{million}
between 2016/17 and 2021/22.
- 3 Infrastructure Renewals
The ongoing replacement of infrastructure at the end of its useful life. This is necessary to maintain the status quo level of service.
\$760^k
over 10 years.



Vincent

1

Alexandra

Wastewater Treatment Upgrades
Adding ultra violet treatment and rock filtration to the existing treatment plant and upgrading the processing of biosolids (sludge) to comply with resource consent conditions.

\$1.8million

between 2012/13 and 2015/16.

2

Dunorling Street Pump Station Storage
Undertake measures to reduce the risk of raw wastewater overflow at the Dunorling St pump station. All of Alexandra's wastewater flows to this critical pump station before the treatment plant. This project will increase back-up storage in case of pump or power failure. It will reduce the dependence on this critical pump station by duplicating the connection to the treatment plan.

\$1.7million

between 2012/13 to 2019/20.

3

Infrastructure Renewals
The ongoing replacement of infrastructure at the end of its useful life. This is necessary to maintain the status quo level of service.

\$4.1million

over 10 years.

4

Clyde

Ground Water Monitoring
To monitor any impacts to ground water quality resulting from septic tanks. Adverse effects may lead to the need for a dedicated wastewater scheme.

\$130k

over 10 years.

5

Omakau / Ophir

Wastewater Treatment Upgrade Investigation
Increased consent regulations are anticipated when the existing consent expires in 2017/18. An interim investigation and resource consent application is planned.

\$170k

between 2016/17 and 2018/19.

6

Infrastructure Renewals

A new main across the Ophir Bridge. The ongoing replacement of infrastructure at the end of its useful life. This is necessary to maintain the status quo level of service.

\$145k

over 10 years.



Maniototo

- 1** **Naseby**
Wastewater Treatment Upgrades
 Improve the infiltration beds to comply with stricter resource consent conditions.
\$270^k
 between 2014/15 and 2015/16.
- 2** **Infrastructure Renewals**
 The ongoing replacement of infrastructure at the end of its useful life. This is necessary to maintain the status quo level of service.
\$250^k
 over 10 years.
- 3** **Ranfurly**
Wastewater Treatment Upgrades
 Upgrade existing treatment plant to comply with stricter resource consent conditions.
\$270^k
 between 2012/13 and 2014/15.
- 4** **Infrastructure Renewals**
 The ongoing replacement of infrastructure at the end of its useful life. This is necessary to maintain the status quo level of service.
\$440^k
 over 10 years.

District Wide

- 1** **Inflow Study and Smoke Testing**
 To identify stormwater connections into the wastewater network. Inflow can cause high loadings and costs on the wastewater network during rainfall events.
\$290^k
 over 10 years.
- 2** **Trade Waste Bylaw Review**
 A review of the existing bylaw (2001) to regulate the quantity and composition of trade waste discharges to the wastewater system. Formal consultation will take place during 2012/13.

OUR ABILITY TO PAY

You have told us that fairness and equity are paramount. Some communities have greater ability to pay than others across the district. This is particularly relevant where larger

communities benefit from the 'economies of scale' of wastewater infrastructure. We will investigate new methods of allocating costs, including the Trade Waste Bylaw that considers affordability, fairness and equity across the district and generations.

How do we Fund this Activity?

	Fees & Charges	Targeted Rates	General Rate	Development Contributions	Loans/Reserves
Maintenance and operations		✓			
Renewals		✓			✓
Capital for improvement					✓
Capital for growth				✓	

HOW DO WE MEASURE OUR SUCCESS?

The following table details the level of service Council will deliver to the community, how it is measured and the performance to date.

Community Outcome	Our Objective Level of Service	How we Measure Success	2010/11 Results	Our Aim Years 1-3	Our Aim Years 4-10	
A Thriving Economy	Provide an efficient, accessible and reliable wastewater network	Number of requests for service received from customers	105	Number of service requests trending down from 115	For number of service requests to continue to trend down	
A Sustainable Environment	Provide a safe and compliant wastewater network	Compliance with resource consents	37 non-compliance events	100% compliance	100% compliance	
			Alexandra			3
			Omakau			0
			Cromwell			18
			Bannockburn			13
			Roxburgh			0
			Lake Rox Village			0
			Ranfurlly			NR
	Naseby	3				
A Safe and Healthy Community		Sewage is managed without risk to public health	6 blockages affecting a single property	Frequency of blockages affecting a single property, no more than twice a year	Frequency of blockages affecting a single property, no more than twice a year	

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS

	Negative Effects	Our Response
Economic Well-being	Affordability – The high cost of wastewater treatment plant upgrades on relatively small communities.	Where the cost of wastewater infrastructure becomes unaffordable, we will consider the harmonisation of funding across the entire district.
Social Well-being	Intergenerational Equity – The true cost of constructing and maintaining assets must reflect the benefits they provide over generations.	Our funding strategy will undergo review to ensure fairness and equity of services across generations and across the district. This includes considering the harmonisation of funding across the district.
	Odour Issues – There is a potential for oxidation ponds and manholes to generate foul odour.	We monitor the number of odour complaints we receive. The planned upgrades to wastewater treatment plants will reduce the occurrence of foul odours.
Cultural Well-being	Discharges to the Environment – The discharge of treated or untreated wastewater into the environment could have an impact on the cultural values of the district and iwi.	We undertake overflow risk assessments of pump stations and reticulation against failure scenarios. Engineering decisions are based on minimising the risk of overflows to the environment.
Environmental Well-being	Unplanned Infrastructure Failure – This will lead to the discharge of untreated (raw) wastewater into the environment.	We also monitor the number of overflows as a key performance indicator. We will consult directly with iwi on planned projects that may impact on cultural values.
	Treated Wastewater is Discharged to the Environment – All treated wastewater is discharged to the environment under consent, including residual biosolids (sludge).	The majority of our wastewater treatment plants will undergo upgrades to meet stricter resource consent conditions. The primary improvement is better quality effluent being disposed to land, rather than waterways.

PROSPECTIVE FUNDING IMPACT STATEMENT

Annual Plan \$000	2012/13 Yr 1 \$000	2013/14 Yr 2 \$000	2014/15 Yr 3 \$000	2015/16 Yr 4 \$000	2016/17 Yr 5 \$000	2017/18 Yr 6 \$000	2018/19 Yr 7 \$000	2019/20 Yr 8 \$000	2020/21 Yr 9 \$000	2021/22 Yr 10 \$000
OPERATING										
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
2,381	2,822	3,007	3,243	3,456	3,697	4,674	5,469	5,699	5,858	6,003
-	-	-	-	-	-	-	-	-	-	-
3	2	2	2	2	2	2	2	2	2	2
78	64	90	116	153	214	305	374	418	471	524
-	5	5	5	5	6	6	6	6	6	7
2,462	2,893	3,104	3,366	3,616	3,919	4,987	5,851	6,125	6,337	6,536
Applications of Operating Funding										
1,026	1,055	1,123	1,178	1,245	1,299	1,660	1,725	1,804	1,879	1,959
13	141	200	268	343	449	829	1,238	1,233	1,226	1,199
396	398	398	421	436	457	524	584	601	619	630
29	56	58	59	61	63	65	67	69	71	73
1,464	1,650	1,779	1,926	2,085	2,268	3,078	3,614	3,707	3,795	3,861
998	1,243	1,325	1,440	1,531	1,651	1,909	2,237	2,418	2,542	2,675
CAPITAL										
Sources of Capital Funding										
62	-	-	-	-	-	-	-	-	-	-
125	371	386	401	417	432	449	465	481	274	285
1,000	2,383	1,068	809	953	2,505	3,267	(1,771)	(3,277)	(3,182)	(2,623)
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
1,187	2,754	1,454	1,210	1,370	2,937	3,716	(1,306)	(2,796)	(2,908)	(2,338)
Applications of Capital Funding										
385	174	194	180	455	1,779	1,973	297	177	86	287
1,141	838	1,022	719	1,609	3,106	3,695	70	557	40	14
594	887	860	717	959	1,847	1,645	1,017	693	735	984
65	2,099	703	1,034	(122)	(2,144)	(1,688)	(452)	(1,755)	(1,227)	(948)
-	-	-	-	-	-	-	-	-	-	-
2,185	3,997	2,779	2,650	2,901	4,588	5,625	931	(378)	(366)	337
(998)	(1,243)	(1,325)	(1,440)	(1,531)	(1,651)	(1,909)	(2,237)	(2,418)	(2,542)	(2,675)
-	-	-	-	-	-	-	-	-	-	-
1,141	1,219	1,284	1,365	1,440	1,528	1,690	1,908	2,063	2,158	2,263

This Funding Impact Statement is not compliant with GAAP.

IMAGINE YOUR COMMUNITY

Imagine your community in twenty years' time. How would you like it to be?

STORM water



Stormwater

OUR SPACE

The stormwater activity provides for the safe removal of excess rainfall that does not naturally permeate into the ground. We manage stormwater for 10 townships.

Stormwater is conveyed directly to waterways using piped infrastructure, natural water courses and open channels. We have a responsibility to ensure communities are not adversely impacted by localised flooding. This includes liaising closely with the roading activity on ponding issues. Flood risks from large catchments, like the Clutha and Taieri rivers for instance, are managed by the Otago Regional Council (ORC).

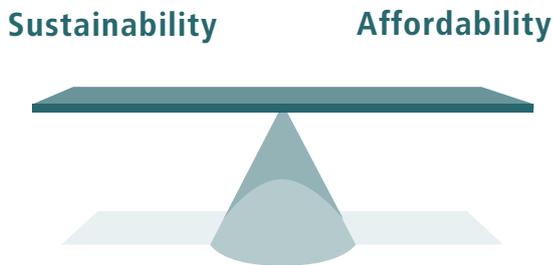
In managing stormwater run-off we utilise over 91km of pipes channels and open drains with more than 800 manholes. As at July 2011 our stormwater infrastructure had a replacement cost of \$29.4 million.

The stormwater activity is a secondary contributor to two of our community outcomes.



OUR CHALLENGES

Central Otago has very low average annual rainfall. Intense quantities of rainfall are uncommon so the capacity of our stormwater infrastructure is infrequently tested. This is one reason why previous community surveys have shown stormwater flooding as a low priority. However more recent consultation has indicated otherwise.



Stormwater Maintenance and the Level of Service we Provide

All infrastructure assets require ongoing maintenance to perform. Maintenance and operations are funded directly through rates. Stormwater ponding due to inadequate maintenance was raised as an issue by some areas of the community. The ponding of water on verges, footpaths and

roadsides can take some time to disperse after a rainfall event. This can be caused from a pipe blockage that has not been cleared or by pipes being too small for the intensity of rainfall. The amount of money we spend on stormwater maintenance is very low in comparison to the water and wastewater networks. Meanwhile capacity upgrades have always been difficult to justify unless critical, such as those needed in Alexandra where some sections experience regular ponding.

With the feedback we have received from the community it is evident that our level of service needs to be reviewed. The review will ask questions like: is the community happy to put up with some ponding during a 1 in 10 year rainfall event? Or would people only accept ponding during a 1 in 50 year event but with increased costs?

The level of service you demand will also influence the stormwater assets we utilise. We may in fact have too many stormwater assets. A considerable proportion of your stormwater rates go towards funding annual depreciation. By funding annual depreciation we are paying our fair share of asset deterioration today to allow the renewal or replacement of assets in the future. However if the assets are surplus to requirements we can reduce the amount of depreciation needed and thus rates.

We plan to undertake catchment management plans and flood surveys across the district over the next three years. We will then present the level of service options and costs to the community. The review will take into account the possible impacts of climate change, urban growth and what the community is willing to pay for the stormwater activity.

Ranfurly Stormwater Upgrades

Consultation with the Maniototo community and its Board has identified the need to address ongoing flooding of the Maniototo domain. We have planned works to upgrade the water channel through the domain to eliminate the ponding that is occurring. The existing open channels running through the township also carry all the water run-off from the north of the township. So further investigations may be needed to rectify Ranfurly stormwater issues. We will need to liaise with ORC on options as part of these upgrades and in the development of a catchment management plan.

Stormwater Discharge Quality

The quality of stormwater flowing from our properties into our waterways is likely to become an issue in the near future. Run-off from urban areas and roads can contain heavy metals and non-organic matter. Currently we do not manage stormwater quality before it reaches our waterways. With national environmental standards increasing this may change. We will need to monitor the quality of stormwater run-off in some urban areas. If there

are adverse impacts on the environment then we may need to invest in stormwater treatment. In anticipation of these requirements, we have included stormwater treatment projects at the tail end of this 10-year plan. There will be no immediate impact on your rates by doing this, but it highlights the need for a discussion with the community.

Our Growing and Ageing Population

A positive challenge is that our district is still a desirable place to live for many people. Although population growth and development have slowed in recent years it is projected to return over the long term.

We have deferred all planned upgrades and extensions in response to the slow-down. We have a responsibility to provide infrastructure in anticipation of growth and so remain flexible to reinstating these projects when they are deemed necessary.

Growth in impermeable areas from development, like roofs and concrete surfaces can directly increase the demand for stormwater infrastructure. The review of our levels of service may formalise our preference of requiring landowners to dispose of stormwater on their own sections rather than connecting to the network. This approach acknowledges the ability of Central Otago soils to accept stormwater flows.

We consider it important to ensure the investment in future growth is recouped fairly and equitably through development contributions. At present however, we do not see sufficient demand on stormwater infrastructure to justify charging a development contribution.

The people of Central Otago are living longer on average. It is anticipated that larger proportions of our community will be living in retirement and are likely to be on fixed incomes. This places an even greater emphasis on maintaining affordability for the community. This is a long-term pattern that will further drive our level of service.

Our core focus is on maintaining affordability of the service in this 10-year plan. But sustainability will become increasingly important as we review our levels of service and plan for increased environmental standards and climate change.

MEETING THE CHALLENGES

The 10-year planned budget for stormwater totals \$2.1 million. Of this, \$1.2 million is for maintenance and operations while capital expenditure totals \$0.9 million. Capital expenditure includes the construction of new assets driven by statutory, growth or level of service changes. It

also includes the renewal of existing assets. The timing and scope of capital projects is subject to change during the annual plan process.

Major projects to address our issues within the next 10 years include:



Cromwell

- 1 Discharge Monitoring
To monitor the environmental impacts of stormwater discharges into waterways.
\$13^k
over 10 years.
- 2 CCTV Inspections
CCTV inspections to assess pipe asset condition.
\$50^k
over 10 years.

Vincent

- 1 Upsize Bridge Hill Main
Address flooding issues in Aronui Rd.
\$50^k
in 2012/13.
- 2 New Reticulation for Population Growth
Extending the stormwater scheme into new developments.
\$120^k
over the next 10 years.
- 3 Discharge Monitoring
To monitor the environmental impacts of stormwater discharges into waterways.
\$9^k
over 7 years.
- 4 Stormwater Treatment Upgrade
Increased resource consent requirements are anticipated for stormwater discharges to the environment.
\$210^k
in 2021/22 with more necessary beyond this.



Maniototo

- 1** **Ranfurly**
Improvement Works
 Flooding issues were identified around the Pery St / Read St area, during community consultation. Ponding issues also exist at the Maniototo domain.
\$105^k
 between 2012/13 and 2014/15.
- 2** **Flood Survey and Catchment Management Plan**
 Investigate diverting stormwater north of Ranfurly. Understand secondary flows and flooding risks.
\$43^k
 in 2013/14 and 2015/16.
- 3** **Stormwater Treatment Upgrade**
 Increased resource consent requirements are anticipated for stormwater discharges to land.
\$86^k
 between 2019 and 2022.
- 4** **Patearoa**
Flood Survey
 Understand secondary flows and flooding risks. Understand key points and risks.
\$10^k
 in 2013/14.

Roxburgh

- 1** **CCTV Inspections**
 CCTV inspections to assess pipe asset condition.
\$29^k
 over 10 years.
- 2** **Stormwater Treatment Upgrade**
 Increased resource consent requirements are anticipated for stormwater discharges to land.
\$85^k
 in 2021/22 with more necessary beyond this.

OUR ABILITY TO PAY

You have told us that fairness and equity are paramount. The level of service we deliver to each community

determines the costs we must fund. Where fairness and equity of services and costs are deemed to be an issue, we will investigate other methods of funding the activity across the district.

How do we Fund this Activity?

	Fees & Charges	Targeted Rates	General Rate	Development Contributions	Loans/Reserves
Maintenance and operations		✓			
Renewals		✓			✓
Capital for improvement					✓
Capital for growth				✓	

HOW DO WE MEASURE OUR SUCCESS?

The following table details the level of service Council will deliver to the community, how it is measured and the performance to date.

Community Outcome	Our Objective Level of Service	How we Measure Success	2010/11 Result	Our Aim Years 1-3	Our Aim Years 4-10
A Sustainable Environment	Provide an efficient, fully accessible and reliable stormwater network	Proportion of our budgeted works programme completed annually	89%	100% of budgeted works completed within the financial year	100% of budgeted works completed within the financial year
		Number of requests for service received from customers	17	Number of service requests trending down from 10	For number of service requests to continue to trend down
A Safe and Healthy Community	Provide a safe and compliant stormwater network	Compliance with resource consents in relation to stormwater discharges to water ways	100%	100% compliance	100% compliance

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS

	Negative Effects	Our Response
Economic Well-being	Affordability – The increasing costs of providing and treating stormwater in a relatively dry district.	Our stormwater network performs relatively well, but we are aware of ponding issues during significant rain events. We will review the level of service we provide communities against affordability, our changing climate and urban growth.
Social Well-being	Intergenerational Equity – The true cost of constructing and maintaining assets must reflect the benefits they provide over generations.	Our funding strategy will undergo review to ensure fairness and equity of services across generations and across the district. This includes considering the harmonisation of funding across the district.
Cultural Well-being	Discharges to the Environment The outflow of stormwater into waterways, particularly from urban areas could have an impact on the cultural values of the district and iwi.	We will undertake catchment management plans and flood surveys to assess the risks to the community of stormwater quantities and quality.
Environmental Well-being	Unplanned Infrastructure Failure and Inadequate Maintenance – This would cause ponding and flooding which could lead to safety risks and property damage.	We will consult directly with iwi on planned projects that may affect cultural values.

PROSPECTIVE FUNDING IMPACT STATEMENT

Annual Plan \$000	2012/13 Yr 1 \$000	2013/14 Yr 2 \$000	2014/15 Yr 3 \$000	2015/16 Yr 4 \$000	2016/17 Yr 5 \$000	2017/18 Yr 6 \$000	2018/19 Yr 7 \$000	2019/20 Yr 8 \$000	2020/21 Yr 9 \$000	2021/22 Yr 10 \$000
OPERATING										
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
318	354	354	365	376	385	394	402	410	419	443
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
24	26	33	41	50	61	73	86	99	114	124
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
342	380	387	406	426	446	467	488	509	533	567
Applications of Operating Funding										
36	58	60	62	64	66	68	70	73	75	78
6	-	-	-	-	-	-	-	-	-	5
49	53	47	48	49	50	51	52	54	55	57
-	-	-	-	-	-	-	-	-	-	-
91	111	107	110	113	116	119	122	127	130	140
251	269	280	296	313	330	348	366	382	403	427
CAPITAL										
Sources of Capital Funding										
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	74
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
74	74	74	74	74	74	74	74	74	74	74
Applications of Capital Funding										
-	-	-	-	-	-	-	-	-	-	-
-	8	1	10	-	-	9	-	-	-	11
-	45	33	116	24	2	58	2	30	30	311
11	56	10	-	29	-	-	32	-	-	36
240	161	236	170	259	327	281	331	352	373	142
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
251	269	280	296	313	330	348	366	382	403	501
(251)	(269)	(280)	(296)	(313)	(330)	(348)	(366)	(382)	(403)	(427)
Funding Balance										
383	394	402	418	433	451	470	487	504	525	548

This Funding Impact Statement is not compliant with GAAP.

SUPPORT CHANGE

Support change of the right kind

TRANSPORTATION

cycleways footpaths **carparks**
road safety bridges street lighting



Transportation

OUR SPACE

The transportation activity is a primary contributor to all three of our community outcomes. It enables the movement of goods, people, and services across our district.



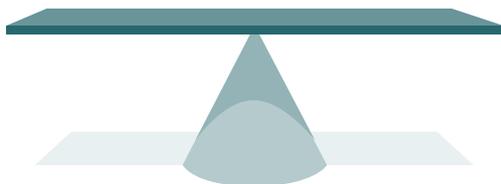
We utilise a significant number of transportation assets to deliver our community outcomes. The largest of this is more than 1850km of roads spreading throughout the district. Most of these, approximately 1360km, are unsealed roads or tracks. We utilise 176 bridges, just under 5000 culverts and close to 12,000 hectares of road reserves. As at July 2011 the gross replacement cost of our roading network was \$500 million.

OUR CHALLENGES

Since the early days of settlement our roading network has enabled economic opportunities for our community. The relative sparseness of our roading network reflects the evolution of our economy over the past 100 years. Consequently more than 1700km of our roads are rural and 1500km are classified as low volume. Our challenge is to manage a vast and ageing roading network within an environment of constrained funding, rising community expectations and changing population demographics.

A sustainable roading network is one where we balance community expectations, now and in the future, with affordability.

Sustainability **Affordability**



NZ Transport Authority Funding

We are undergoing a financial squeeze. Community expectations are increasing within an environment of reduced funding.

Approximately half of our costs are subsidised by Central Government via the New Zealand Transport Agency (NZTA). The NZTA has signalled a shift in priorities for transportation. The focus is to lift economic growth nationally, to improve value for money and to improve road safety. Consequently the NZTA subsidy available for Central Otago will reduce. The proportion of subsidy rate we receive will reduce by 1% from August 2012. This means we have to 'top up' the reduction through an increase in rates just to maintain the status quo.

Furthermore, NZTA will not be funding cost increases due to inflation. Funding for inflation will only be provided in exceptional cases.

These actions are intended to drive efficiency within the roading sector, but are likely to lead to a reduction in levels of service if the community is not forced to pick up the shortfall in funds.

We did request additional NZTA funding to address areas of community concern, including vegetation removal, maintaining our bridges and putting gravel on unsealed roads.

Further subsidy reductions have occurred and therefore to address these specific issues we will need to manage the programme of works within the funding.

The Extent of Network

Our vast unsealed network enables our rural economy to access suppliers and markets. But it is clear that our rural economy has evolved in recent years. Rural land use changes towards dairy and viticulture have changed roading demand, but not significantly. It is the urbanisation of our population that is having a bigger effect.

Approximately one third of our rural roads now only serve three houses or less, yet the expectation to maintain these remote roads at low cost remains. Many of the original bridges built decades ago during different times are becoming old and most likely uneconomic to replace in the future.

Planning for Risk

The effects of the Canterbury and Christchurch earthquakes have been widely felt, on many fronts. The current downturn in the economy and reduction in local subdivision work has balanced the impact of local construction staff being relocated to Christchurch.

Council has one major contract for road maintenance and renewals. The size of this contract is sufficient to ensure 100% commitment of a large amount of equipment and resources. As such it is unlikely that relocation of equipment to assist in the Christchurch rebuild will impact on the roading network. The payment structure for this contract also eliminates impacts that external demands for resources and equipment have on the cost of doing our road work.

During the 2012-2014 period Council will undertake seismic analysis of critical bridges, map critical local lifeline routes, and develop plans for responding to the likely impacts of different types of natural events on the road network.

Our Growing and Ageing Population

A positive challenge is that our district is still a desirable place to live for many people. Although population growth and development have slowed in recent years it is projected to return over the long term. Roading is a primary contributor to a thriving economy. We have a responsibility to provide infrastructure in anticipation of growth and we project the urbanisation and ageing of our population to be a more significant driver of transportation demand over the next 10 years.

We consider it important to ensure the investment in future growth is recouped fairly and equitably. We fund the growth component of infrastructure investment (capital expenditure) through development contributions. Without the collection of development contributions, the cost of providing for future communities will be picked up directly by the present day ratepayer. For information on the specific levels of development contributions levied on roading infrastructure, go our development contribution policy in the policy section.

Walking, Cycling and Footpaths

The volatility of oil prices, a greater focus on personal health and an ageing population is driving an increase in walking and cycling. Footpath quality and public transport are an increasing focus for townships. The quality of the footpaths and kerb crossing points from roads onto footpaths is increasingly important.

We have a programme of work identified to ensure kerb crossing points at every urban intersection meet current standards for disabled access. Progress on this work is dependent on NZTA funding so we may have to reconsider.

Maintaining what we already own

Our road assets need regular maintenance to keep them operating efficiently. Parts of the roads, such as the culverts and surfaces also need to be renewed or replaced as they get older and begin to wear away. Maintenance and operations are funded directly through rates and NZTA subsidies.

The overall condition of our roading network is good. But this does not mean we do not have old and poor condition roads that need renewal. The majority of our 10-year programme of capital works will be for roading renewals. We fund renewals through depreciation and NZTA subsidy. Depreciation is funded directly by rates.

Central Otago has undergone significant growth in the last decade and the length of the sealed roading network has increased by 15% in this period. These roads will need to be resurfaced in the next five years. Given the reductions in NZTA subsidy, maintaining these roads will be difficult.

We have an extensive unsealed (gravel) road network and approximately 30% of them will require gravelling in the next three years.

Increases in the cost of fuel and bitumen means we need more money to allow us to do the same amount of work. Since 2009 we have implemented a number of changes to achieve more efficient work practices to offset these cost increases. But this means there are less high-cost savings to be made now. The reduction in NZTA funding to the 2009 levels will be especially challenging. But our roading network was built on a pioneering spirit where adversity strengthened resolve and challenges were seen as opportunity. So we will continue to work with our contractor to achieve optimal maintenance practices and work closely with the community to identify improvements and continue our move towards a more sustainable roading network.

Our Level of Service

Given the increasing financial pressures, and the expectation of better services, there is a clear need to better inform the community of just how we manage our roading network. We will be more proactive about informing and educating our community about the level of service we provide, and the specific costs associated with delivering it. This is particularly relevant for our low volume rural network.

We will also hold community discussions over the 2012-14 period to identify if the community wish to continue to fund maintenance of all of the existing road assets, or if some of these should be privately funded.

The Positives

Despite the issues and ongoing uncertainty, there are many positive things that we are focusing on too.

- The overall condition of our transportation assets is very good.
- Our maintenance costs on a per road basis are very low by national standards.
- Systems thinking has delivered significant savings and improvements in work practices.
- Economic opportunities exist in the expansion of dairying, tourism and lifestyle choices across the district.
- We live in a desirable place. Our population is growing and is projected to continue growing.
- We are well positioned to respond to these opportunities and we will continue to enhance our skills to manage the changes.

Our focus for the next 10 years is to deliver an efficient, fully accessible, safe roading network.

MEETING THE CHALLENGES

The 10-year budget for roading totals \$86.7 million. Of this, \$41.7 million is for the maintenance, operation and renewal of our network, i.e. to maintain the status quo. While an additional \$45 million of capital expenditure will be invested in network enhancements, largely aimed at safety improvements. Capital expenditure includes the construction of new assets driven by statutory, growth or level of service reasons. The timing and scope of capital projects is subject to change during the annual plan process.

Major projects include:



District Wide

- 1 Replacement of Omakau Bridge. **\$2.4 million** from year 2020/21.
- 2 Minor improvements up to 250k in value per site to improve safety and accessibility. **\$5.1 million** between 2012 and 2022.
- 3 Small improvements associated with renewals work. This includes short sections of a lower cost seal on gravel roads beside houses, drainage improvements and short lengths of road widening. **\$1.7 million**
- 4 Resurfacing of sealed roads across the district between 2012 and 2022. **\$14.4 million** between 2012 and 2022.
- 5 Resurfacing of gravel roads across the district. **\$14.1 million** between 2012 and 2022.
- 6 Renewal of structures, drains, signs and railings. **\$4.3 million** between 2012 and 2022.

How do we Fund this Activity?

	Fees & Charges	Targeted Rates	General Rate	Development Contributions	NZTA Subsidy	Loans / Reserves
Maintenance and operations	✓	✓	✓		✓	
Renewals		✓	✓		✓	✓
Capital for improvement	✓				✓	✓
Capital for growth				✓	✓	

HOW DO WE MEASURE OUR SUCCESS?

Community Outcomes	Our Objective Level of Service	How we measure success	2010/11 Results	Our Aim Years 1-3	Our Aim Years 4-10
A Thriving Economy	Provide a fully accessible roading network	Proportion of customers who are satisfied with the provisions made for cyclists and footpath facilities	82%	To develop an upward trend in customer satisfaction	To continue to trend upwards in customer satisfaction
		Proportion of people making use of alternative transport mechanisms within the district	Cycling 12% Walking 26%	3% increase per annum	To continue to trend upwards in the %
		Average length of time to issue a consent for access to a road	2.54 days	To develop a downwards trend in number of days	To improve towards zero days
A Sustainable Environment	Provide an efficient roading network	Proportion of our budgeted capital works programme completed annually	94% of the projects were completed with 99% of the budget spent	100% of budgeted works completed within the financial year	100% of budgeted works completed within the financial year
		Number of requests for service received from customers	724	No more than 650 requests per annum	To continue to trend down in number of requests
		Customer satisfaction with car parks	86%	To develop an upward trend in customer satisfaction	To continue to trend upwards in customer satisfaction
A Safe & Healthy Community	Provide a safe roading network	Total number of crashes on district roads reported to Police	45 crashes	To reverse the upwards trend in crash numbers	To continue to trend down in crash numbers
		Sealed Roads Roughness, Smooth Travel Exposure (STE) (%), Pavement Integrity Index (PII) Unsealed Roads Roughness	STE = 97% the NZ Av is 86% P I Index = 3.9 NZ Av is 5.83 Unsealed to be developed	To maintain the STE % higher than the NZ average and PII lower than NZ average	To maintain the unsealed and sealed roughness levels
		Customer satisfaction with condition of sealed roads	93%	To maintain customer satisfaction at or above 90%	To maintain customer satisfaction at or above 90%
		Customer satisfaction with condition of unsealed roads	78%	To develop an upward trend in customer satisfaction	To continue to trend upwards in customer satisfaction

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS

	Negative Effects	Our Response
Economic Well-being	Affordability – Reductions in NZTA funding and changing demographics will impact on our ability to maintain affordability.	We will review the level of service we provide in light of these changes over the next two years.
Social Well-being	Noise from traffic can cause a negative environmental effect. The local road network typically has relatively low traffic volumes and noise complaints are restricted to heavy vehicles using local streets at night, and service covers making noise when vehicles travel over them.	Council monitors heavy vehicle use on main urban streets using traffic counts, and considers traffic calming and legislative tools to restrict heavy vehicle use when this is appropriate.
	Street Lighting – In residential areas light spill from street lighting can have a detrimental effect on some properties, and impact on the night sky.	An action is included in the improvement plan to review the level of service and delivery of street lighting.
	Crashes as a result of activities on the road network are a significant negative effect.	Council mitigates this by undertaking an integrated safety management approach to activities on the network. This includes addressing maintenance defects, providing information to road users, providing a community road safety education and awareness programme, and undertaking a prioritised site specific safety improvement programme where known risks exist.
Cultural Well-being	No significant negative effects have been identified.	
Environmental Well-being	Air Quality – Vehicle emissions are not considered a significant negative effect due to the low traffic volumes within Central Otago.	The impact of dust on residences on unsealed roads is of greater significance, and Council addresses this by undertaking dust suppression of a 100m length of road when there is a house located within 100m of the road.
	Dust suppression has historically been undertaken by applying oil to sections of unsealed roads.	This has significant negative environmental effects, and is being phased out by undertaking a low cost seal alternative at these locations in conjunction with routine gravel road re-gravelling.

PROSPECTIVE FUNDING IMPACT STATEMENT

Annual Plan \$000	2012/13 Yr 1 \$000	2013/14 Yr 2 \$000	2014/15 Yr 3 \$000	2015/16 Yr 4 \$000	2016/17 Yr 5 \$000	2017/18 Yr 6 \$000	2018/19 Yr 7 \$000	2019/20 Yr 8 \$000	2020/21 Yr 9 \$000	2021/22 Yr 10 \$000
OPERATING										
3,791	3,752	4,059	3,612	3,899	3,981	3,982	3,808	3,923	3,889	4,566
624	511	561	686	715	738	762	793	820	856	891
1,555	1,523	1,515	1,458	1,555	1,599	1,579	1,625	1,644	1,661	1,770
12	15	12	12	12	13	13	13	13	14	14
43	44	51	62	68	73	78	84	93	100	107
185	146	146	147	147	147	147	148	148	148	149
6,210	5,991	6,344	5,977	6,396	6,551	6,561	6,471	6,641	6,668	7,497
Applications of Operating Funding										
3,141	3,261	3,249	3,153	3,292	3,386	3,355	3,447	3,497	3,552	3,741
34	-	-	-	-	-	-	-	-	-	-
812	743	748	748	747	745	727	737	743	768	794
60	28	29	30	30	31	32	33	34	35	36
4,047	4,032	4,026	3,931	4,069	4,162	4,114	4,217	4,274	4,355	4,571
2,163	1,959	2,318	2,046	2,327	2,389	2,447	2,254	2,367	2,313	2,926
CAPITAL										
Sources of Capital Funding										
1,831	1,891	1,821	1,814	2,161	2,207	2,253	1,990	2,033	2,077	2,711
150	319	328	337	385	395	405	416	426	317	325
250	-	-	-	-	-	-	-	-	-	-
-	5	5	-	-	-	5	5	-	-	-
-	-	-	-	-	-	-	-	-	-	-
2,231	2,215	2,154	2,151	2,546	2,602	2,663	2,411	2,459	2,394	3,036
Applications of Capital Funding										
934	480	470	474	586	601	620	505	518	536	646
1,462	537	555	563	749	763	781	819	834	853	1,160
2,173	2,938	2,931	2,900	3,247	3,336	3,464	3,000	3,043	3,138	3,945
(175)	219	517	260	291	291	246	341	431	179	211
4,394	4,174	4,472	4,197	4,873	4,991	5,110	4,665	4,826	4,707	5,962
(2,163)	(1,959)	(2,318)	(2,046)	(2,327)	(2,389)	(2,447)	(2,254)	(2,367)	(2,313)	(2,926)
-	-	-	-	-	-	-	-	-	-	-
4,642	4,321	4,435	4,547	4,683	4,800	4,915	5,004	5,162	5,335	5,506

This Funding Impact Statement is not compliant with GAAP.

CREATE GOOD

Create good infrastructures in a non-invasive way

OTHER infrastructure

waste minimisation airports
elderly persons housing public toilets
district/commercial property



Waste Minimisation

OUR SPACE

There are two distinct areas of service in providing this activity. Waste management collects and disposes of your rubbish. Waste management also provides access to transfer stations, green waste drop-offs and recycling. Waste minimisation focuses on leading, facilitating and educating the community on wiser use of resources and environmental sustainability.

At present we provide a weekly kerbside wheelie bin service to approximately 7200 properties (domestic and commercial) across the district. A further 900 properties are served by a private company. We provide weekly kerbside recycling also, but only in the larger townships of Cromwell, Clyde and Alexandra. We supplement this with nine recycling drop-off points throughout the district and we support Central Otago WasteBusters to process all recycled materials. We also operate five green waste (organic material) drop-off sites. All residual waste, that cannot be reused or recycled at our transfer stations, is disposed into landfills at Victoria Flats (based in Queenstown), Tarras and Patearoa.

Waste minimisation is a primary contributor to two of our community outcomes.



OUR CHALLENGES

Society places no value on rubbish yet it still costs money to collect and dispose of it. The environmental cost of rubbish disposal is beginning to be understood as well. The Waste Minimisation Act 2008 recognised that the true cost of waste should be met by the polluter. It also shifted our focus from managing waste to minimising it. So we are changing the way we think about rubbish. Producing waste indicates an inefficient use of resources.

Climate Change and Reducing Emissions

Landfilling produces methane gas, a greenhouse gas many times more potent than carbon dioxide. Greenhouse gases are contributing to climate change. From 2013 waste sent to landfill will incur additional charges under the Emissions Trading Scheme. These charges are to 'offset' the greenhouse gas emissions they produce. Reducing the waste we produce will reduce the emissions costs and help reduce climate change. It will also limit the degradation of our natural environment.

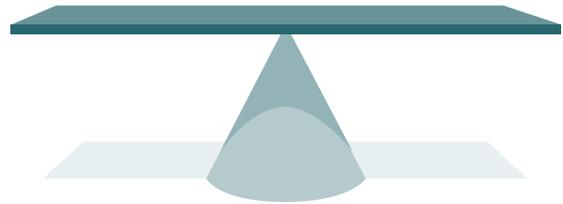
Closing Tarras and Patearoa Land Fills

We operate two local landfills at Tarras and at Patearoa. The resource consents for these facilities expire at the end of 2012. We will close these facilities at that time. Consultation is being undertaken with these communities on provision of an alternate waste disposal service. An additional 100 tonnes per annum of residual waste will need to be sent to the Victoria Flats landfill in the meantime. Victoria Flats landfill has an estimated life of 65 years.

By adopting the practices of the waste mantra 'reduce, reuse, recycle' we will move towards less waste, more efficient use of resources, better environmental outcomes and long-term affordability.

Sustainability

Affordability



MEETING THE CHALLENGES

The 10-year planned budget for waste minimisation totals \$37.2 million. Of this, \$36.7 million is for maintenance and operations while capital expenditure totals of \$0.5 million. Capital expenditure includes the construction of new assets driven by statutory, growth or level of service changes. It also includes the renewal of existing assets.

Towards Zero Waste

In March 2012 Council adopted the Waste Minimisation and Management Plan (WMMP). The community has decided that minimising all waste is the only long-term affordable option to manage environmental and economic impacts. The WMMP 2012 is an affirmation and continuation of the direction set out upon in 2007 with the Solid Waste Minimisation Strategy that preceded it. The vision and objectives that have driven our activity in this area since then have been paying off. We have avoided having to collect and process up to 2500 tonnes per annum of waste since 2007. Our biggest challenge now is to continue this success and implement the actions that support our vision:

Towards Zero Waste and a Sustainable Central Otago

Our approach is to focus on reducing the total amount of waste we generate including green waste and recycling.

The Waste Management and Minimisation Plan 2012 includes actions that will make us think harder about consuming materials and simply throwing things away. We are planning additional support and facilities to make this transition easier.

For more information on our vision and strategy, refer to our Waste Minimisation and Management Plan.

Reducing Wheelie Bin Collections to Fortnightly

Having the convenience of a weekly 240 litre wheelie bin disposal has led us to wasteful practices. We need to change this behaviour to move towards zero waste. We are conscious that making rubbish disposal too expensive can lead to illegal dumping or 'fly-tipping'. This is unsustainable and a practice that we want to completely avoid. From July 2013 the wheelie bin collections move to fortnightly instead of weekly. This step will help avoid what would have been an inevitable increase in the direct contracted collection costs.



Increasing Recycling

In the near term we aim to increase the percentage of waste we recycle. This will reduce waste to landfill and start us thinking about the type of materials we use day to day. We anticipate that the move to a fortnightly wheelie bin service will drive an increase in recycling. We also plan to increase access to rural recycling drop-off points, including retaining and expanding the glass drop-off service.

Our recycling service is free for those that use it because it is funded by rubbish disposal charges and our wheelie bin rates.

However, we are becoming victims of our own success. When the total amount of waste going to the landfill decreases, so does the amount of money we collect. We have less money to fund the recycling and other fixed costs. So we have decided to fund part of this shortfall through an increased waste management charge.

We recognise that this impacts on the affordability of the service. Recycling more and more material is not the long-term solution. This is partly why our focus is on sustainable living practices and a focus on household responsibility for materials used, e.g. home composting food and organic waste. It is important that we support the systems that reduce waste to landfill but also maintain flexibility to move towards a truly sustainable approach.

District Wide

- 1 Disposal of all waste to landfill at Victoria Flats. **\$9.8million** over 10 years.
- 2 Collection and processing of recyclables. **\$7.1million** over 10 years.
- 3 Wheelie bin collections. **\$4.9million** over 10 years.
- 4 Waste minimisation, education and initiatives to reduce waste. **\$700k** over 10 years.

OUR ABILITY TO PAY

The costs to manage and minimise waste are predominantly fixed in a single year. In other words they do not vary greatly with the amount of rubbish we produce. For example, the cost of providing a transfer station is the same regardless of how much it is used. We fund all our costs through a combination of user fees and charges, targeted rates and uniform rates. Our fees and charges are directly driven by the amount of residual (landfill) waste processed. So when total waste to landfill comes down like it has, and our costs remain the same, we have a funding imbalance.

To rebalance our funding shortfall, we can either increase the fees and charges or increase rates. Increasing fees and

charges too quickly can lead to illegal dumping or 'fly-tipping' as discussed. We are not prepared to take this risk, so we plan to meet the shortfall in costs through a combination of rates and increasing fees and charges.

We will increase the waste management charge to partly fund recycling and waste minimisation programmes. This also ensures equity, by partly charging all the people who use the recycling service.

We will review the method of funding this activity ahead of the next LTP to manage affordability and any environmental risks that may result.

How do we Fund this Activity?

	Fees & Charges	Targeted Rates	General Rate	Contributions	Loans/Reserves
Maintenance and operations	✓	✓			✓
Renewals	✓	✓			✓
Capital for improvement				✓	✓

HOW DO WE MEASURE OUR SUCCESS?

Community Outcome	Our Objective Level of Service	How we Measure Success	2010/11 Result	Our Aim Years 1-3	Our Aim Years 4-10
A Sustainable Environment	Engage the community in waste reduction and wiser use of resources	Total quantity to landfill (tonnes p.a.)	9015 tonnes	Incremental year on year reduction	Incremental year on year reduction
		Total amount generated per person	583 kg/person/year	Incremental year on year reduction (measured as rubbish + recycling)	Incremental year on year reduction (measured as rubbish + recycling)
		Total quantity diverted by COWB (tonnes p.a.)	1814 tonnes	Incremental year on year increase	Incremental year on year increase
		Average wheelie bin weight (kg/bin collected)	18.5 kg	Incremental year on year reduction in wheelie bin weight	Incremental year on year reduction in wheelie bin weight
		% of wheelie bins set out for collection each week	76.3%	Reduce year on year the percentage of bins set out for collection	Reduce year on year the percentage of bins set out for collection
		Percentage of residents satisfied with the execution of waste minimisation and Council's aim of moving towards zero waste	86%	Improve customer satisfaction to 100%	Improve customer satisfaction to 100%
A Safe and Healthy Community	Provide compliant waste systems and facilities	Compliance with resource consents for transfer stations, closed and operational landfills	80%	Incremental percentage improvements	Incremental percentage improvements

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS

Waste management and minimisation is managed to promote the economic, social, cultural and environmental well-being of the district. We also work to minimise the negative effects these networks can have.

	Negative Effects	Our Response
Economic Well-being	Affordability – Affordable options need to be available to avoid undesirable behaviour such as ‘fly-tipping’.	Manage Costs – Aggressively manage operating costs for rubbish disposal systems and infrastructure to ensure systems are efficient and effective.
	Equity – The costs of managing our existing systems are currently funded through transfer station fees and wheelie bin charges only. Recycling services are free to users and not funded by everyone through rates.	Reviewing the Balance of Funding – Ensuring there is a balance between the affordability of rubbish disposal and the objective of minimising waste. Shift some funding of recycling away from user charges and recover costs through uniform rates.
	Long Term Cost of Rubbish – The long-term cost of disposing rubbish is borne by the consumer and the environment as opposed to the manufacturer/producer.	Advocacy and Lobbying for a more sustainable approach to consumption of resources and introduction of extended producer responsibility schemes, particularly for problem materials like hazardous waste, glass, e-waste, tyres and packaging.
Social Well-being	Participation – Increasing the participation in recycling programmes will increase the awareness of the true value of materials and is an important step in transitioning towards a more sustainable society.	Council is making it easier to participate in recycling , particularly in rural areas, where drop-off facilities will be expanded and improved. In the townships the fortnightly rubbish collection will reduce in increased participation in the kerbside recycling service.
	Health and Safety – Council has an obligation to ensure efficient and effective waste management systems and that waste collection does not cause harm or nuisance.	Council is committed to continuing to provide a minimum service level waste disposal network and a service for rubbish collection to ensure health and safety in the community is maintained.
Cultural Well-being	Community Acceptance – Our society is built around the notion of consumption. Changing attitudes towards the value of materials and throwing things will take time and resources.	Our Sustainability Learning Opportunities provide education for the community on wise resource use. Funding policies that make it more expensive to dispose of rubbish will encourage people to modify behaviour.
	Communication and Consultation – The Council wheelie bin service will be changed to fortnightly from July 2013. This will require robust communication to avoid missed collections.	Implementation of the change has been deferred to Year 2 to allow for an extensive communication with the users of this service on how the changes will affect them and ways to cope with a fortnightly service.
Environmental Well-being	Sanitary Landfills – Disposal of rubbish to the environment can lead to negative effects such as groundwater contamination and carbon emissions and is an inefficient use of resource.	Landfills will be monitored and managed to be compliant with resource consent conditions. Tarras and Patearoa local landfills will be closed in 2012/2013.
		Waste Minimisation – Council is committed to reducing the quantity of waste which will reduce the environmental impacts identified.

PROSPECTIVE FUNDING IMPACT STATEMENT

Annual Plan \$'000	2012/13 Yr 1 \$'000	2013/14 Yr 2 \$'000	2014/15 Yr 3 \$'000	2015/16 Yr 4 \$'000	2016/17 Yr 5 \$'000	2017/18 Yr 6 \$'000	2018/19 Yr 7 \$'000	2019/20 Yr 8 \$'000	2020/21 Yr 9 \$'000	2021/22 Yr 10 \$'000
OPERATING										
-	-	-	-	-	-	-	-	-	-	-
2,061	2,136	2,371	2,481	2,565	2,680	2,714	2,802	2,905	3,029	3,130
74	50	52	53	55	56	58	60	61	63	65
12	40	41	42	44	45	46	48	49	51	52
-	2	1	-	-	-	2	5	7	9	11
855	627	857	872	904	934	963	1,001	1,036	1,073	1,109
3,002	2,855	3,322	3,448	3,568	3,715	3,783	3,916	4,058	4,225	4,367
Applications of Operating Funding										
2,433	2,586	2,732	2,888	3,011	3,129	3,259	3,375	3,506	3,653	3,784
-	-	-	-	-	-	-	-	-	-	-
271	256	289	295	293	295	293	303	309	322	328
231	136	248	171	159	186	169	174	179	185	190
2,935	2,978	3,269	3,354	3,463	3,610	3,721	3,852	3,994	4,160	4,302
67	(123)	53	94	105	105	62	64	64	65	65
CAPITAL										
Sources of Capital Funding										
-	-	46	8	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	46	8	-	-	-	-	-	-	-
Applications of Capital Funding										
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
36	217	92	67	40	15	16	16	17	17	18
31	(340)	7	35	65	90	46	48	47	48	47
	-	-	-	-	-	-	-	-	-	-
67	(123)	99	102	105	105	62	64	64	65	65
(67)	123	(53)	(94)	(105)	(105)	(62)	(64)	(64)	(65)	(65)
-	-	-	-	-	-	-	-	-	-	-
50	54	56	59	61	62	63	63	64	65	66
Depreciation Expense (Not included above FIS)										

This Funding Impact Statement is not compliant with GAAP.

Other Infrastructure

OUR SPACE

The other infrastructure activity includes the following sub-activities:

- We provide housing predominately for the elderly. Council own 98 flats in Alexandra (23), Clyde (3), Cromwell (31), Ranfurly (26) and Roxburgh (15).
- We provide public toilets in towns across the district and at recreation facilities and parks. These are available for residents and visitors.
- We own and lease a variety of commercial and farm properties. We also develop land for sale that is not contributing to community outcomes and where it is considered unlikely to do so in the future. The income from commercial property is used to fund other Council costs.
- We manage the assets at the aerodromes at Alexandra, Cromwell and Roxburgh. The users are generally recreational private pilots and some commercial users for such things as top dressing of farms.
- We own and manage a number of forestry blocks. These forests also provide an amenity value for the community for walking and biking.

As at July 2011 the total replacement cost of our other infrastructure assets was \$11.1 million, with the land on which they are held valued at \$37 million.

The services provided by other infrastructure are a primary contributor to two of our community outcomes.



OUR CHALLENGES

Elderly Persons' Housing (EPH)

The elderly population is expected to increase at a greater rate due to people living longer and current age demographics. However we have not planned to add capacity to our EPH stock as our analysis indicates we have sufficient existing capacity to meet the demand for a further 20 years.

The other major challenge for EPH is to balance the appropriate level of service at affordable rents while not

placing too great a burden on ratepayers. We plan to review the EPH levels of service in 2013/14. Projects providing additional levels of service (kitchen upgrades, scooter ramps, additional power points) have not been included in this LTP. Due to the uncertainty surrounding EPH, it is also unlikely that we would replace the existing housing stock, therefore we have chosen not to fund the increased depreciation arising from the revaluation of these properties through rates.

Forestry

The profits of harvesting the forests have decreased since the forests were planted. This is due to higher transportation costs. The requirements of the Emissions Trading Scheme will also add costs to harvesting and any subsequent change of land use. In many cases it is more economic to retain existing forests until there is demand for other land uses.

Airports

The Alexandra Airport land is owned by the Crown however Council own the asphalt air strip. Capital upgrades of around \$0.5 million are necessary in the near future. However due to the limited number of users and affordability concerns, we have decided until significant commercial use or a greater benefit to the community is realised this work has not be programmed in this plan.

We will actively monitor the surface and review this stance if significant deterioration occurs.

Commercial Property

Our Earthquake-Prone Building Policy has implications for all building owners with older buildings. This includes our own commercial property. An engineering assessment of the National Bank building in Alexandra is currently being undertaken.

The old Cromwell Medical Centre building is currently vacant and the Community Board has made the resolution to call for interest for lease or sale of the building.

MEETING THE CHALLENGES

The 10-year plan budget for other infrastructure totals \$24.3 million. Of this, \$19.2 million is for operational

maintenance and repairs while capital expenditure totals \$5.2 million.

The EPH capital expenditure is for the renewal of the existing units.

How do we Fund this Activity?

	Fees & Charges	Targeted Rates	General Rate	Contributions	Loans/Reserves
Maintenance and operations	✓	✓	✓		
Renewals		✓	✓		✓
Capital for improvement				✓	✓

HOW DO WE MEASURE OUR SUCCESS?

The following table details the level of service Council will deliver to the community, how it is measured and the performance to date. Performance is reported annually to the community. Ensuring we meet this level of service is the key driver of decision making and costs.

Community Outcome	Our Objective Level of Service	How we Measure Success	2010/11 Result	Our Aim Years 1-3	Our Aim Years 4-10
Thriving Economy	Commercial buildings are maintained and upgraded where necessary, the prime driver being to maintain the ability to maximise the economic return and the integrity of the asset	Decreasing number of complaints received from tenants/leaseholders	Not currently measured	Decreasing	Decreasing
	Each building will be assessed at a frequency required to meet all Building Act and Code of Compliance requirements	Compliance with building WOF requirements	Full compliance	Full compliance	Full compliance
Safe and Healthy Community	Housing suitable and affordable for elderly is provided in the main townships until such time as the need can be met by other agencies	Number of units available in the district and their location	98 units	98 units	98 units
	Free public toilets are available for the local community and visitors throughout the district at locations set out in the Public Toilet Strategy	Number and location of public toilets	Total public toilets = 18 Vincent (5) Cromwell (4) Earnsclough Manuherikia (3) Maniototo (4) Roxburgh (4)	18	18
	Airports will meet Airways Corporation's four-yearly inspection criteria	Five-yearly inspection and certification by Civil Airways Corporation	Full compliance	Full compliance	Full compliance

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS

We manage all of our other infrastructure activities to promote the economic, social, cultural and environmental well-being of the district. We also work to minimise the negative effects these networks can have.

	Negative Effects	Our Response
Economic Well-being	The asphalt runway at the Alexandra airport provides a future opportunity to link local businesses and tourists to national and international markets. Failure to maintain it to a safe standard may see this link lost.	An ongoing review of the airstrip will ensure the asset does not degrade to a point where it creates a safety hazard.
Social Well-being	The ageing population may place a greater demand on our elderly housing stock. The typically older units may not meet desired levels of service.	A level of service review is to be completed in 2013/14. We also consider occupancy trends to ensure we have sufficient capacity available.
Cultural Well-being	No significant negative effects have been identified.	
Environmental Well-being	No significant negative effects have been identified.	

PROSPECTIVE FUNDING IMPACT STATEMENT

Annual Plan \$000	2012/13 Yr 1 \$000	2013/14 Yr 2 \$000	2014/15 Yr 3 \$000	2015/16 Yr 4 \$000	2016/17 Yr 5 \$000	2017/18 Yr 6 \$000	2018/19 Yr 7 \$000	2019/20 Yr 8 \$000	2020/21 Yr 9 \$000	2021/22 Yr 10 \$000
OPERATING										
559	608	652	736	748	751	742	790	779	795	817
211	360	316	272	280	311	284	300	326	409	352
733	742	761	780	805	828	849	870	894	918	942
11	17	29	42	56	70	85	100	117	127	131
5	48	49	50	51	52	53	55	56	57	59
1,519	1,775	1,807	1,880	1,940	2,012	2,013	2,115	2,172	2,306	2,301
Applications of Operating Funding										
1,519	1,656	1,660	1,657	1,702	1,786	1,771	1,855	1,931	2,020	2,036
68	-	-	-	-	-	-	-	-	-	-
(393)	(287)	(280)	(262)	(276)	(296)	(321)	(332)	(354)	(356)	(378)
318	388	401	409	417	425	434	443	448	462	475
1,512	1,757	1,781	1,804	1,843	1,915	1,884	1,966	2,025	2,126	2,133
7	18	26	76	97	97	129	149	147	180	168
CAPITAL										
Sources of Capital Funding										
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
2,011	2,362	1,362	365	360	362	365	366	363	13	15
-	-	-	-	-	-	-	-	-	-	-
2,011	2,362	1,362	365	360	362	365	366	363	13	15
Applications of Capital Funding										
-	-	-	-	-	-	-	-	-	-	-
-	15	4	5	6	5	5	5	5	6	6
2,521	2,257	1,176	213	222	200	206	226	210	214	252
(4,539)	108	208	223	229	254	283	284	295	(27)	(75)
-	-	-	-	-	-	-	-	-	-	-
(2,018)	2,380	1,388	441	457	459	494	515	510	193	183
(7)	(18)	(26)	(76)	(97)	(97)	(129)	(149)	(147)	(180)	(168)
Funding Balance										
241	265	275	286	294	307	310	318	317	325	315

This Funding Impact Statement is not compliant with GAAP.

YOU CAN HELP

You can help shape the future of Central Otago

COMMUNITY services

tourism libraries
swimming pools business development cemeteries
visitor information centres central otago brand
community planning parks and recreation
promotion and grants community facilities



Parks, Reserves & Cemeteries

OUR SPACE

Parks and Reserves

Access to parks, reserves, rivers and recreational facilities are important for our overall well-being. Maintaining high quality open spaces is what makes our district an attractive place to live, work and play.

Our overarching goal is to provide recreational facilities that work for the users. This includes:

- Managing street and walkway gardens
- Managing parks, gardens and playgrounds
- Supporting a wide range of sporting codes through the preparation of fields and facilities
- Provision of education and enforcement for the waterways of Lake Dunstan and the Clutha River from Cromwell to Roxburgh.

In providing this activity we utilise 146 hectares of land and 19 playgrounds.

Cemeteries

The provision of cemeteries assists with peace of mind for people, knowing their loved ones will rest in peaceful, well-kept environments. There are three classes of cemetery within the district, open cemeteries controlled by cemetery trustees, open cemeteries we control and closed cemeteries managed as reserves. We are responsible for nine cemeteries, three of which are considered closed.

Parks, reserves and cemeteries contribute to all three of our community outcomes.

OUR CHALLENGES

Parks and Reserves

We have undertaken significant consultation with the community to understand what recreational users really want. This has provided us opportunities to improve what we do and has also thrown up some new challenges.

In Cromwell it was established there was a need to review the amount of open space and recreational facilities, and as a result an assessment was undertaken, the results of which will be used in future planning.

A challenge for the future is to ensure that playground facilities capture the attention of both younger and older children at the same time. These are the children that may have outgrown playgrounds, but are not yet old enough to be left unsupervised. We will be developing a Parks and Recreation Activity Management Plan in 2012/13. Within this, we will identify affordable options to meet these challenges.

Cemeteries

We have a responsibility to the community, and under the law, for the maintenance of burial records, maintenance of cemetery grounds, burial of human remains and interment of human ashes.

Some of our cemeteries will need further development of adjacent areas to a certain standard. We have developed a strategy and operational direction to clearly guide us through these challenges.



MEETING THE CHALLENGES

The 10-year budget for parks and recreation is \$25.2 million. Of this, \$22.9 million is for the ongoing maintenance of existing assets. This includes ground maintenance, electricity and staff cost. While an additional \$2.4 million of capital expenditure will be for renewal of existing assets. In conjunction with our water services team, the parks team will continue to prioritise the minimisation of potable water as a means of irrigation for park land.

Other projects of significance include:



Cromwell

- 1 The Central Otago Sports Turf Trust has requested funds for an amenities building. The Cromwell Community Board has planned for a grant of \$75k in each of year 2 and year 3 of the plan, although it is anticipated the grant in year 2 will be funded from our reserves contribution account, so the effect on the ratepayer is minimised at the \$75k grant in year 3. However, the Cromwell Community Board plans to review the long-term requirements for facilities prior to year 2.
- 2 The Alpha Street Reserve lighting towers are planned for Year 1 at a cost of \$140k, however the Cromwell Community Board plans on receiving third party contributions of \$56k to assist with this project.

Vincent

- 1 Molyneux Park
Molyneux Park grounds previously controlled by the Molyneux Park Charitable Trust, have recently come back under Council’s park contract. Our plan includes provision for the maintenance of these grounds, although it will take more time to understand the detailed works programme required for this space.
- 2 The wider surrounding area of Molyneux Park continues to be a priority in the plan with a review of the management plan for the park area proposed. This will help determine the long-term direction of this area.
- 3 The Vincent Community Board reviewed the rating bands for Molyneux Aquatic Centre, Molyneux Park and Molyneux Stadium and considers this is still the most fair and equitable manner for the short-term.
- 4 The Omakau Recreation Reserve Committee is intending to build an amenities building. It is envisaged this will be funded from third party contributions.
\$210^k
within the first year of the plan.

How do we Fund this Activity?

	Fees & Charges	Targeted Rates	General Rate	Contributions	Loans/Reserves
Maintenance and operations	✓	✓			
Renewals		✓		✓	✓
Capital for improvement				✓	✓

HOW DO WE MEASURE OUR SUCCESS?

We have listened to the community who have told us it is important to provide safe and functional parks, reserves, sports grounds, playgrounds and other recreational open spaces. The following table defines the level of service we will provide and how we measure our performance. This includes cemeteries.

Community Outcomes	Our Objective Level of Service	How we Measure Success	2010/11 Result	Our Aim Years 1-3	Our Aim Years 4-10
Thriving Community	Areas are maintained and operated so that they look good and meet the needs of users	% of residents satisfied with maintenance of parks and reserves	New measure	Maintain satisfaction with maintenance of parks and reserves at above 90%	Maintain satisfaction with maintenance of parks and reserves at above 90%
			New measure	Maintain satisfaction with maintenance of sportsfields at above 90%	Maintain satisfaction with maintenance of sportsfields at above 90%
Sustainable Environment	To provide access to a network of parks and reserves that meets community demand	Proportion of residents satisfied with parks and reserves and cemeteries through the Resident Opinion Survey	95%	Maintain satisfaction with provision of parks and reserves at above 90%	Maintain satisfaction with provision of parks and reserves at above 90%
			95%	Maintain satisfaction with provision of sportsfields at 90%	Maintain satisfaction with provision of sportsfields at 90%
			98%	Cemeteries – maintain satisfaction with provision of cemeteries at above 90%	Cemeteries – maintain satisfaction with provision of cemeteries at above 90%
Safe & Healthy Community	Parks and playgrounds are maintained to a level that is safe for users	% of residents satisfied with maintenance of playgrounds	95%	Maintain satisfaction with maintenance of playgrounds at above 90%	Maintain satisfaction with maintenance of playgrounds at above 90%

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS

We manage these activities to promote the economic, social, cultural and environmental well-being of the district. We also work to minimise the negative effects these activities can create.

	Negative Effects	Our Response
Economic Well-being	Affordability – The cost of providing reserves and recreational spaces could be prohibitive if too high.	We fund parks and reserves from a targeted ward rate to reflect the public good they generate. Recreational facilities are funded through user fees to reflect the private good. We will review the costs of specific facilities going forward.
Social Well-being	No significant negative effects have been identified.	
Cultural Well-being		
Environmental Well-being		

PROSPECTIVE FUNDING IMPACT STATEMENT

Annual Plan \$000	2012/13 Yr 1 \$000	2013/14 Yr 2 \$000	2014/15 Yr 3 \$000	2015/16 Yr 4 \$000	2016/17 Yr 5 \$000	2017/18 Yr 6 \$000	2018/19 Yr 7 \$000	2019/20 Yr 8 \$000	2020/21 Yr 9 \$000	2021/22 Yr 10 \$000
OPERATING										
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
1,783	1,969	2,031	1,993	2,053	2,101	2,137	2,210	2,263	2,319	2,385
2	220	11	18	16	16	28	12	39	8	8
377	420	433	446	459	473	487	501	516	532	547
21	18	19	19	20	21	21	22	21	22	23
17	16	15	16	16	16	17	17	18	18	19
2,200	2,643	2,509	2,492	2,564	2,627	2,690	2,762	2,857	2,899	2,982
Applications of Operating Funding										
1,679	1,819	1,875	1,854	1,917	1,967	2,018	2,087	2,142	2,202	2,275
9	-	-	-	-	-	-	-	-	-	-
176	191	198	199	198	198	196	202	204	210	213
62	73	66	69	70	73	74	77	79	82	83
1,926	2,083	2,139	2,122	2,186	2,238	2,288	2,366	2,425	2,494	2,571
274	560	370	370	378	389	402	396	432	405	411
CAPITAL										
Sources of Capital Funding										
-	74	6	-	-	20	-	-	-	-	-
40	40	40	40	40	40	40	40	40	40	30
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
40	114	46	40	40	60	40	40	40	40	30
Applications of Capital Funding										
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
458	830	257	259	145	194	119	128	191	104	130
(144)	(156)	159	151	273	255	323	308	281	341	311
-	-	-	-	-	-	-	-	-	-	-
314	674	416	410	418	449	442	436	472	445	441
(274)	(560)	(370)	(370)	(378)	(389)	(402)	(396)	(432)	(405)	(411)
Funding Balance										
-	-	-	-	-	-	-	-	-	-	-
447	484	492	507	520	529	531	539	547	550	560

This Funding Impact Statement is not compliant with GAAP.

Community Facilities, Libraries & Swimming Pools

OUR SPACE

Community Facilities

Our community facilities and buildings provide places for social, sporting and cultural interaction. As at July 2011 the total replacement cost of our community facilities buildings was \$47.4 million. The land on which these facilities are located was valued at \$5.1 million. This land is freehold or held in trust.

Libraries

Our libraries promote literacy, education and the exchange of information and ideas. We provide libraries under a shared services arrangement with Queenstown Lakes District Council. We run libraries in Alexandra, Clyde, Cromwell and Roxburgh and share resources of those based in the Queenstown Lakes District. We also have a partnership with schools in Millers Flat, Omakau and Maniototo.

Swimming Pools

Swimming pools contribute to the health and well-being of the community and add to the attractiveness of the area. They provide a place for people to learn to swim, particularly for our young people, which Council has recognised as being increasingly important when so much of our district is surrounded by water. We manage the Cromwell Swim Centre and Molyneux Aquatic Centre directly, along with community swimming pools in Ranfurly. Millers Flat is operated by a community trust and the Roxburgh Community Board financially supports the school to facilitate swimming.

Community facilities, libraries and swimming pools contribute to two community outcomes.



OUR CHALLENGES

Community Facilities

We own or manage 17 community halls throughout the district. Most of our halls were built after World War I and II to meet the needs of the smaller, localised communities of the day. Many require extra maintenance as they age or face increasing demand for upgrading to higher standards, particularly earthquake-prone building standards.

In many cases there has been no intention to improve or replace some of the halls and therefore we have chosen not to fund the depreciation through rates on such facilities. Therefore we do not have enough money in depreciation reserves available to renew all our older halls. Any extra work will need to be funded by a rates increase. So we have decided to defer as much major expenditure as possible. This is a significant challenge and we now need to review our level of service. We will reconsider the financial viability of our halls in 2012/13. We will communicate the following options with the community:

- Retain all of our halls but with an increase in rates.
- Transfer ownership and financial responsibility of our halls to local communities.
- Dispose of the halls regarded as unaffordable or susceptible to unacceptable risk.

Of course we need to balance the financial viability with the potential loss of heritage and consider the long-term effects on our smaller rural communities throughout the review.

The Cromwell community however, has indicated a desire to redevelop the Cromwell Memorial Hall and the Cromwell Town Centre.

Both projects are budgeted to take place between 2012 and 2016 of this Long Term Plan. While the Cromwell Community Board recognises the importance the community has placed on these projects, it has also been very mindful of ensuring these projects do not unduly burden the ratepayer, so alternative funding mechanisms have been explored.

The Community Board contribution to the Memorial Hall development is being funded from recent land sales. Capital donations will also be sought for this project. As a result of the submission process the Cromwell Community Board has decided to review its long-term requirements for facilities prior to the 2013/14 year.

The Cromwell Town Centre upgrade is proceeding on the basis that Cromwell will sell further land available for sale over time, which will fund this rejuvenation project.

At the same time the Cromwell Community Board has faced issues surrounding the Bannockburn Hall. This hall, although owned by Council, is managed by the residents' management committee. An upgrade of this hall was agreed and supported in the last Long Term Council Community Plan, however as work proceeded the project was put on hold due to an engineer's report, which assessed the building as "very high risk of complete structural failure of all stone walls in a moderate earthquake event".

Plans and specifications were then prepared for a new building, along with estimated costs for this project to be reconsidered within this LTP.

This LTP plans for a total contribution from the Cromwell Community Board for this rebuild of \$250,000. Some money has already been spent to assist with the design to date, therefore the remaining monies have been set aside as a grant paid out over two financial years between 2013 and 2014.

The grant is based on the premise that ownership of the building will be divested in the Management Committee Incorporated.

Swimming Pools

The maintenance and operational costs of providing swimming pools is high. We have also embraced Pool Safe as a code of practice for the safe operation of the district pools, and our plan reflects the operational expenditure required to operate in line with these safety standards.

It is being increasingly recognised that our children need to learn to swim, however it is unlikely that swimming pools would be provided in Central Otago without Council involvement. The Clyde Pool was closed recently due to the prohibitive cost of its upkeep. Many school pools are being disposed of on affordability grounds, so we are working with the school in Roxburgh to retain opportunities to ensure the younger generation learn to swim.

The costs to heat the pools are particularly challenging, especially in the colder winter months.

With this in mind we are currently considering the feasibility of relocating the ice rink to be situated next to the Molyneux Aquatic Centre. This would enable heating and cooling facilities to be shared and reduce costs. The Vincent community board is taking a very considered approach to this proposal, as the upfront investment is significant but so too are the long-term benefits. The board also needs to consider this proposal in conjunction with the wider Molyneux Park project. As such the financial impact of this proposal has not been included within the plan. It is intended further work will be carried out on this project and a separate consultation process would take place in due course should the project move to the next phase.

We are also developing an Energy Strategy to drive improvements in our energy use.

Swimming pools are funded by both general rates and user charges. Council endeavours to get this balance correct to ensure they are affordable for all users but that a fair share is paid for by those that use the facility more. A review has commenced to better understand any potential to increase the user fee income and ensure we have the right balance here.

We believe the capacity of our pools is adequate for the projected growth in population. We will ensure changes in demographics, expectations and usage behaviours are catered for effectively over time.

Although no major upgrades are planned, parts of the Cromwell Swim Centre are getting old and will undergo some refurbishment. The most significant project being the retiling of the main pool, which was identified in our Asset Management Plan. This plan will assist us in effectively managing the pools going forward.

Both, our Molyneux Aquatic centre and the Cromwell Swim centre were initially built with monies from third party funding, being a combination of Crown funding (Flood compensation, and Clyde Dam Construction Scheme) and public donations. As these facilities were constructed from sources other than rates, we take the view that any replacements would be funded from sources other than rates, and therefore there is not a need to build depreciation reserves through rate funding from existing ratepayers. Council does however, take responsibility for the plant and machinery at both centres and the resulting depreciation is collected from ratepayers through rates.

Libraries

The main challenge for libraries is keeping up with technology to ensure the customer experience provided is consistent with modern expectations. Utilisation of new technology such as e-books will help us to meet our key goals going forward. The more emphasis we place on technology, the more likelihood we will attract the young adult age group. As a result of these dynamic changes we are looking to review our current library services over the next three years to ensure we are in touch with the user.

MEETING THE CHALLENGES

The 10-year plan budget totals \$50.3 million. Of this, \$40.8 million is for operational maintenance and repairs while capital expenditure totals \$9.5 million. Over \$2.3 million is to be funded through donations and fundraising.

Two thirds of the capital expenditure is for the renewal of existing assets with the remainder being level of service changes. The timing and scope of capital projects is subject to change during the annual plan process.

There are circumstances where fully rate funding depreciation on all aspects of our facilities would result in some ratepayers bearing a funding burden that is not entirely fair and equitable. For example the community has raised the funds for both the Molyneux and Maniototo stadiums, so Council does not rate fund the depreciation on the facilities, as any replacement of that facility is assumed to be the responsibility of the community at that time.

Cromwell

1

Memorial Hall redevelopment.
\$3.1 million with \$1.5million expected in third party contributions/community donations in 2013/14.

2

Cromwell Town Centre Upgrade.
\$2.7 million in years 1, 3, 4 and 5.

3

Bannockburn Community Centre.
\$204^k in years 2 and 3.

Roxburgh

Entertainment Centre heat pump in 2012/13 and projection equipment in 2016. Millers Flat Hall refit throughout the plan.
\$328^k with \$295k expected in third party contributions/community donations.



Vincent

Earnsclough/Manuherikia
 Becks Hall redevelopment in 2012/13 and Clyde Community Centre roof replacement in 2013/14.
\$430^k with \$237k expected in third party contributions/community donations.

Maniototo

Maniototo Stadium renewal projects throughout the plan and Waipiata memorial hall toilets in 2012/13.
\$153^k with \$2k expected in third party contributions/community donations.

How do we Fund this Activity?

	Fees & Charges	Targeted Rates	General Rate	Contributions	Loans/Reserves
Maintenance and operations	✓	✓			
Renewals				✓	✓
Capital for improvement				✓	✓

HOW DO WE MEASURE OUR SUCCESS?

Community Outcomes	Our Objective Level of Service	How we Measure Success	2010/11 Result	Our Aim Years 1-3	Our Aim Years 4-10
Thriving Community Safe & Healthy Community	Community buildings are accessible and affordable to communities based on existing provision	Percentage of residents satisfied	New measure	85% satisfied by ward	85% satisfied by ward
		A charging policy is in place that demonstrates fees that reflect the level of benefit provided	New measure	Charging policy in place	Charging policy in place
	To provide all year round aquatic facilities (with the exception of some public holidays) that are affordable to ratepayers and meet the needs of the majority of users	Percentage of users satisfied as per Resident Opinion Survey results	92%	Maintain user satisfaction at > 90%	Maintain user satisfaction at > 90%
	Aquatic facilities are managed to NZ Water Safety Council "Pool Safe" Standards	Annual "Pool Safe" audit	Pass	To Pass	To Pass
	To maximise the number of residents that uses the library	The percentage of residents who have used a library in the past 12 months	71%	Maintain % of residents who use the library in the preceding 12 months	Maintain % of residents who use the library in the preceding 12 months

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS

We manage all of our community facility assets to promote the economic, social, cultural and environmental well-being of the district. We also work to minimise the negative effects these networks can have.

	Negative Effects	Our Response
Economic Well-Being	Affordability – The high costs of maintaining the old community buildings within relatively small communities.	External funding such as donations and fundraising will continue to be sought to assist with retaining these buildings at an acceptable level of service. Condition assessments and proactive renewal and maintenance programmes will ensure buildings are maintained to an appropriate level. We will reconsider the financial viability of our halls in 2012/13.
	Energy Costs – Energy and inflation is projected to be almost twice as high as other costs. This is likely to have a significant impact on the operating costs of pools, particularly through the colder winter months.	Council is considering the feasibility of relocating the ice rink to next to the Molyneux Aquatic Centre. This would enable heating and cooling facilities can be shared and reduce costs. Council is also considering the implementation of an energy management strategy.
Social Well-Being	Intergenerational Equity – The funding of long-life infrastructure assets must reflect the benefits they provide over generations. The lack of accumulated depreciation funds of our halls indicates a historic under-collection of rates that future generations may have to fund.	Our Financial Strategy will ensure fairness and equity of services across generations and across the district.
	The Negative Health Effects of Chlorine – Chlorine is an effective and affordable means of controlling bacteria in water. The use of chlorine does, however, have side-effects, in particular irritating the skin and the breathing of some users.	Through appropriate management (i.e. adherence to NZ5826: Pool Water Quality Standard and to established procedures) the Council endeavours to minimise the negative effects of the use of chlorine for water treatment.
Cultural Well-being	Hall Rationalisation – The potential rationalisation of the town halls due to unaffordable upkeep costs or earthquake strengthening work may have a negative impact of a community's opportunity for interaction.	A level of service review of the town halls is to be completed in 2012/13. We also have ongoing assessment of compliance with earthquake-prone buildings.
Environmental Well-Being	No significant negative effects have been identified.	

PROSPECTIVE FUNDING IMPACT STATEMENT

Annual Plan \$000	2012/13 Yr 1 \$000	2013/14 Yr 2 \$000	2014/15 Yr 3 \$000	2015/16 Yr 4 \$000	2016/17 Yr 5 \$000	2017/18 Yr 6 \$000	2018/19 Yr 7 \$000	2019/20 Yr 8 \$000	2020/21 Yr 9 \$000	2021/22 Yr 10 \$000
OPERATING										
-	-	-	-	-	-	-	-	-	-	-
2,920	3,281	3,670	3,670	3,741	3,888	3,989	4,107	4,104	4,259	4,435
31	27	90	40	2	6	-	26	4	-	7
580	574	586	615	639	665	679	704	721	738	754
21	19	19	22	26	31	36	42	49	57	63
149	106	107	110	114	117	120	124	127	131	135
3,701	4,007	4,472	4,457	4,522	4,707	4,824	5,003	5,005	5,185	5,394
Applications of Operating Funding										
2,506	2,671	2,917	2,854	2,869	3,013	3,120	3,203	3,200	3,350	3,503
24	-	-	-	-	-	-	-	-	-	-
494	550	617	645	687	699	700	714	711	700	716
190	260	373	377	328	312	326	358	342	356	362
3,214	3,481	3,907	3,876	3,884	4,024	4,146	4,275	4,253	4,406	4,581
487	526	565	581	638	683	678	728	752	779	813
CAPITAL										
Sources of Capital Funding										
108	141	1,553	4	71	277	31	12	6	13	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
108	141	1,553	4	71	277	31	12	6	13	-
Applications of Capital Funding										
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
277	570	1,174	513	236	223	5	-	-	-	-
318	940	2,180	795	580	763	350	265	238	269	413
-	(843)	(1,236)	(723)	(107)	(26)	354	475	520	523	400
-	-	-	-	-	-	-	-	-	-	-
595	667	2,118	585	709	960	709	740	758	792	813
(487)	(526)	(565)	(581)	(638)	(683)	(678)	(728)	(752)	(779)	(813)
Funding Balance										
923	971	969	1,051	1,090	1,134	1,171	1,196	1,222	1,249	1,282

This Funding Impact Statement is not compliant with GAAP.

District Development

OUR SPACE

We facilitate economic opportunity indirectly with the provision of infrastructure, recreational and cultural assets. We directly facilitate economic opportunity with the provision of a business development programme, a regional tourism organisation, community planning, visitor centres, managing the regional brand and a modest promotional grants fund.

The district development activity is a primary contributor to all three of our community outcomes.



OUR CHALLENGES

Business Development

Since the economic downturn many in the community are looking to Council to support the ongoing economic development of the district. Our Business and Economic Development programme works with community groups, businesses and organisations with the intention to build the Central Otago economy. We identify opportunities, facilitate initiatives and provide support where possible. Two such opportunities are the installation of ultra-fast broadband nationally and irrigation projects for the primary sector. We will actively lobby Central Government for inclusion in the fibre network and, in conjunction with our neighbour councils, develop a Digital Strategy for the wider Otago region. We are also considering direct financial support for irrigation projects, by acting as a guarantor of bank debt. Due diligence work to evaluate both the risks and benefits is currently underway.

Tourism

Tourism business brings significant economic benefits to Central Otago, accounting for around 7.5% of employment and contributing \$35.3 million (4.5%) to our gross domestic product. The tourism industry is undergoing rapid change. Visitor numbers are increasing and there is a clear shift in visitor origin, from the west to the east. Rapidly developing social media and mobile technology are also influencing destination choices. Tourism Central Otago acts as a bridge between tourism operators, national tourism bodies, local and Central Government and is responsible for promoting Central Otago to the world. We invest directly in Tourism

Central Otago. There are opportunities to invest more in marketing and our online presence in response to the changing demand. However, the Central Otago tourism market is largely aimed at the domestic visitor. Significant time has been invested in ensuring our visitors' behaviours align with the experience we promote. For example, with our freedom camping policy we aim to provide the traditional kiwi camping experience while retaining our rich, natural landscape.

Visitor Information Centres

The critical stage in the promotion of our district is by connecting visitors with tourism operators. We do this through visitor information centres, located in Cromwell, Alexandra, Ranfurly and Roxburgh. We will respond to the challenges of visitor growth while maintaining affordability, through innovation and improvement of existing facilities. We do not plan on opening any additional information centres.

Council and the community have acknowledged the strategic importance of the Cromwell i-SITE in promoting our district. Design plans are currently underway to relocate the Cromwell i-SITE to a purpose-built facility located on the highway, so it will act as a gateway to Cromwell and the wider Central Otago. The i-SITE will provide a strategic link between the highway and the town centre, with the opening of the new facility planned for the end of the 2012/13 year, which coincides with the Cromwell Town Centre Upgrade project. The repainting of the fruit is then planned to occur in year 2 of the plan.

Discussion and planning is well underway to ensure the ongoing future of the Cromwell Museum, once the i-SITE is relocated.

The influence of the Rail Trail on the Ranfurly community has been positive. It indicates that the Roxburgh Information Centre may require further investment once the Roxburgh Gorge Cycleway and the Clutha Gold Cycleway are completed. Funding has been allowed in year 2 to consider this.

Community Planning

Community planning has three components to it being community plans, community outcomes and a strategic role. The information developed during the community planning process feeds into the community outcomes and strategies for the district. Community planning helps us to determine the level of service for all our activities.

Regional Brand

Council manages the regional brand on behalf of the community. The regional brand's values provide the community with an opportunity to act collaboratively. If we are pulling in the same direction we become more resilient. Continuing to build on this momentum is our key challenge. This activity provides wide benefits to the public as we protect our unique environment.

Promotions and Grants

We make grants in certain circumstances to groups undertaking activities considered to benefit the community generally. Maintaining the affordability of core services means we are encouraging community groups to explore alternative funding sources. We are also engaging with community groups to build partnerships based on innovation and resourcefulness, where local solutions allow the ratepayer's dollar to go further.

MEETING THE CHALLENGES

The majority of district development activities are for the direct benefit of the wider district. How we fund these activities reflects this. Total expenditure for the next 10 years is \$32.5 million, of which \$30.7 million is for operational expenditure. The remaining \$1.8 million is capital expenditure, primarily for visitor information centres.

District Wide

- 1 Cromwell Information Centre. **\$1.3million** in 2012/13 year.
- 2 Roxburgh Information Centre. **\$150k** in 2013/14 year.



HOW DO WE FUND THIS ACTIVITY?

	Fees & Charges	Targeted Rates	General Rate	Contributions	Loans/Reserves
Maintenance and operations	✓	✓	✓	✓	✓
Renewals				✓	✓
Capital for improvement				✓	✓

HOW DO WE MEASURE OUR SUCCESS?

Community Outcomes	Our Objective Level of Service	How we Measure Success	2010/11 Result	Our Aim Years 1-3	Our Aim Years 4-10
A Thriving Economy	Manage the brand applications and process in a timely manner.	End to end time in delivery of approving new brand users.	New Measure	Within 15 working days	Within 15 working days

There are no potential significant negative effects.

PROSPECTIVE FUNDING IMPACT STATEMENT

Annual Plan \$000	2012/13 Yr 1 \$000	2013/14 Yr 2 \$000	2014/15 Yr 3 \$000	2015/16 Yr 4 \$000	2016/17 Yr 5 \$000	2017/18 Yr 6 \$000	2018/19 Yr 7 \$000	2019/20 Yr 8 \$000	2020/21 Yr 9 \$000	2021/22 Yr 10 \$000
OPERATING										
931	957	974	1,003	1,022	1,038	1,073	1,096	1,130	1,159	1,200
1,298	1,415	1,509	1,631	1,588	1,638	1,664	1,696	1,735	1,791	1,817
26	81	30	30	31	31	31	32	32	33	33
155	139	196	202	208	214	221	228	234	241	249
3	6	7	9	11	13	14	15	16	17	18
195	130	143	147	151	156	160	165	170	175	180
2,608	2,728	2,859	3,022	3,011	3,090	3,163	3,232	3,317	3,416	3,497
Applications of Operating Funding										
1,559	1,479	1,534	1,562	1,614	1,683	1,708	1,754	1,825	1,859	1,921
13	7	10	11	11	11	12	12	12	13	13
339	374	499	520	523	533	543	542	549	570	563
838	837	833	836	797	801	840	844	884	891	934
2,749	2,697	2,876	2,929	2,945	3,028	3,103	3,152	3,270	3,333	3,431
(141)	31	(17)	93	66	62	60	80	47	83	66
CAPITAL										
Sources of Capital Funding										
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
10	8	8	-	8	8	8	-	8	8	8
-	-	-	-	-	-	-	-	-	-	-
10	8	8	-	8	8	8	-	8	8	8
Applications of Capital Funding										
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
1,225	1,359	187	-	37	37	37	21	55	34	34
(1,356)	(1,320)	(196)	93	37	33	31	59	-	57	40
-	-	-	-	-	-	-	-	-	-	-
(131)	39	(9)	93	74	70	68	80	55	91	74
141	(31)	17	(93)	(66)	(62)	(60)	(80)	(47)	(83)	(66)
Funding Balance										
38	38	67	68	55	51	49	50	51	50	50
Depreciation Expense (Not included above FIS)										
-	-	-	-	-	-	-	-	-	-	-

This Funding Impact Statement is not compliant with GAAP.

MAKE WISE CHOICES

Make wise choices that last beyond your lifetime

PLANNING and environment

planning
civil defence
rural fire building control
liquor licensing dog control and registration
environmental health



Planning & Environment

OUR SPACE

Resource Management

We prepare and implement the District Plan under the Resource Management Act (RMA). The District Plan controls the way we use, develop and subdivide land by identifying what activities can take place, and what landscapes and features should be protected. The purpose is the sustainable management of the district's natural and physical resources and to manage the effects these activities have on the environment and on the community.

The District Plan is implemented through processing of resource consents. We provide advice to our customers seeking to subdivide or develop their land. Our purpose being to help people develop their land appropriately through a streamlined and cost-effective consenting process.

We also monitor conditions of resource consents and District Plan provisions to ensure any effects on the environment are managed appropriately.

Building Control

The purpose of building control is to help people build in a safe manner through a streamlined and cost-effective process. We do this by issuing building consents, carrying out building inspections and responding to building-related enquiries and complaints.

We are required under the Building Act to develop and review policies relating to insanitary and earthquake-prone buildings.

We also issue Land Information Memoranda for customers who are intending to purchase property and monitor Building Warrants of Fitness for commercial buildings in accordance with the Building Act.

Environmental Health

This activity provides confidence to the community and to our visitors that our food premises, hairdressers, camping grounds and funeral directors are safe and clean. We licence and annually inspect registered premises to manage the public health risks of food and water contamination. We undertake water testing of public and private water supplies.

We assist and audit those restaurants and cafes who have signed up to the Voluntary Implementation Programme (VIP) for Food Control Plans in anticipation of the review of the Food Act 1981 which will change the licensing regime for food premises.

We also respond to complaints such as noise and odour, to minimise nuisance to the community.

Liquor Licensing

We maintain the social well-being of the district by monitoring and controlling the sale of alcohol and the number of gaming machines (pokies) in the district. Our role as District Licensing Agency involves processing and issuing licences for hotels, restaurants, liquor stores and for special events. We also issue manager's certificates.

We have developed and administer a Liquor Policy to assist us with these functions. We also utilise a Liquor Ban Bylaw to control the anti-social effects of liquor consumption in public places.

We have developed and administer a Gambling Policy for Gaming Machines and TABs to minimise the harm from gambling by controlling the location and number of machines in the district.

Dog Control and Registration

The aim is to ensure a healthy and safe environment, free from dangerous and aggressive dogs and to minimise nuisance. We register and microchip all dogs in the district, and issue infringement notices to those owners who fail to register their dogs. We provide education to dog owners and assist them in meeting their obligations under the Dog Control Act.

We have a Dog Control Policy and a Dog Control Bylaw to assist Council in enforcing the provisions of the Dog Control Act.

Both dog registration and dog control functions are provided under contract.

Rural Fire

Our dry and fertile environment creates a significant fire risk, particularly during the heat of summer. Central Otago District Council is a rural fire authority (RFA) with jurisdiction over 782,000 hectares of rural land. Other rural fire authorities within Central Otago include the Department of Conservation and the Southern Rural Fire Authority who have jurisdiction over the Naseby Forest.

Rural fire protection is provided via four registered Volunteer Rural Fire Forces – Tarras, Blackstone (Omakau), Ettrick and Dunstan (Alexandra). There are 75 volunteer rural firefighters spread across the various forces. Key firefighting assets include six fire appliances and three water tankers. The water tankers also provide support to the New Zealand Fire Service in areas where there is no reticulated water supply.

The RFA’s fire plan, policies and procedures are based on the standard 4-R programme of:

1. Reduction
2. Readiness
3. Response
4. Recovery

We employ a full-time Principal Rural Fire Officer to manage this activity.

Emergency Management

We must ensure Council is able to function to the fullest possible extent, even though this may be at a reduced level during and after an emergency. We have a responsibility to plan and provide for civil defence emergency management within the district.

Central Otago District Council is part of a hierarchical structure overseeing emergency management across New Zealand. We are part of the Otago Civil Defence and Emergency Management Group. The Otago group in turn has responsibilities to the Ministry of Civil Defence and Emergency Management.

At a local level a number of staff are first line civil defence responders, with roles ranging from welfare and logistics coordination through to primary controllers.

The emergency management plan, policies and procedures are based on the standard 4-R programme listed at the top of the page.

We employ a full-time Emergency Management Officer to manage this activity.

All planning and environment activities contribute to all three of our community outcomes.



OUR CHALLENGES

Resource Management

We aim to provide a streamlined, cost-effective process for resource consents. We produce information guidelines and checklists on various activities and encourage customers to make appointments prior to them lodging their consents. We aim to ensure all information requirements are complete and consents are processed without delay.

Under the Resource Management Act (RMA), our District Plan must be reviewed by 2018. We will consult with the community to ensure the Plan meets community expectations and to minimise the number of appeals.

A Heritage Strategy is currently in progress. It aims to manage heritage within the district and may result in some changes to the District Plan.

The Government is producing a number of National Policy Statements and National Environment Standards which may result in actions that will bring changes to the District Plan.

The District Plan review will be a significant cost, particularly if any appeals proceed to Environment Court hearings. This is why we will focus on effective consultation.

Building Control

As with resource consents, we aim to provide a streamlined, cost-effective approach. We produce checklists for customers and encourage pre-application consultation to ensure that all information requirements are met and building consents are processed without delay.

We are responding to changes in legislation, including the restricted building work changes, enlarged schedule of exempt building work and the proposed centralisation or regionalisation of building control functions. These changes have the potential to reduce numbers of building consents and may result in a different structure with reduced revenue.

Over time the building work undertaken by Licensed Building Practitioners may reduce the need for regular building inspections.

The Government is enthusiastic about utilising new technology to lodge and process building consents. This may lead to significant expenditure on new computer systems.

Many of these challenges remain uncertain however. We are focused on affordability and as yet have not committed financial expenditure to address them yet. We will revisit this stance if these issues become more significant.

Our insurers no longer cover for claims for leaky buildings. Our response to this is to ensure consistency and accuracy in building consent processing and inspection to eliminate any claims. Riskpool (mutual liability insurers) have continued to make calls on Council to cover claims for leaky buildings in other regions.

The review of Council’s earthquake-prone and insanitary buildings will commence when the outcome of the Royal Commission of Enquiry into the Canterbury Earthquakes is finalised. It is anticipated it will contain direction for councils and possible legislative change around earthquake-prone buildings. We will keep the community and all affected parties well informed on any proposed changes.

Environmental Health

We are aware of the stresses that food regulations can have on businesses. We spend time with new business owners, explaining the requirements and assisting them in developing systems that will deliver, for example, safe food preparation, handling and storage.

We are currently preparing for the new Food Act legislation, which will change the regime from one of inspections to one of auditing. We are pre-empting this change by approving and auditing premises who have signed up to the Voluntary Implementation Programme (VIP). This will minimise the impact on the organisation during the transition period of the new Act. The new Act is likely to require a Quality Management System and audit of the organisation's systems.

By participating in the Environmental Health Cluster Group, we are also able to share knowledge and resources in preparation for the new Act.

Liquor Licensing

By working with our customers we educate them on the legal requirements for selling liquor and assisting with information requirements.

The Sale of Liquor Act is currently under review and changes are anticipated in 2012. This may involve the establishment of a Licensing Committee for the hearing and deliberation of licence applications and the development of a local alcohol plan with consultation with the community.

These changes are likely to increase costs to the applicants.

Further challenges in the longer term are the need to review our Gambling Policy in 2016/17 and again in 2019/20. Our Liquor Ban Bylaw will be due for review in 2020/21.

Dog Control and Registration

While we endeavour to educate dog owners about their obligations, a number of wandering dogs are impounded each year. The public has little tolerance for wandering dogs, however we have found that responding to complaints is invariably unsuccessful owing to the wandering nature of the dog. Dog patrols also seldom apprehend wandering dogs.

The activity is funded entirely from registration fees and with no rates contribution. We propose to review the level of service to ascertain whether there is a desire for increased enforcement activity funded either by increased fees or a contribution from rates.

We are conscious of the potential effects of aggressive dogs and work hard to act quickly on complaints about aggressive behaviour to minimise any harm caused.

Our Dog Control Bylaw will be due for review in 2016.

Rural Fire

One of our ongoing challenges is the recruitment and retention of volunteer firefighters, particularly in our smaller communities. The provision of training and development opportunities, along with good firefighting equipment, is important when it comes to retaining interest and support from volunteers.

Balancing the requirement for sufficient firefighting assets versus the wildfire risks and costs of acquiring and maintaining assets is an ongoing challenge. We work closely with neighbouring fire authorities to support each other in the event of large fires that test local resources.

With the Department of Conservation a rural fire authority in its own right and with the Southern Rural Fire Authority responsible for Naseby Forest, confusion as to who is in charge does occur.

Possibly the most significant challenge is the climate, topography and land cover that make the Central Otago district one of highest fire risk areas in the country.

The challenges above lend weight to the benefits of a proposed merger between the six rural fire authorities under a single enlarged Otago Rural Fire Authority. A working party established to investigate the proposition of an enlarged rural fire district has reported back to the respective managers of the Otago Rural Fire Authorities that the merger should take place. Economies of scale, reduced duplication, efficiencies and sharing resources are some of the benefits cited. This Long Term Plan has funds provisionally allocated in year 1 (2012/13) for a transition to an enlarged fire district.

Emergency Management

Maintaining an appropriate level of readiness for a civil defence emergency is one of the ongoing challenges faced at a local level. With a heightened awareness post the Canterbury earthquakes, the level of interest and engagement with the community on preparedness has increased markedly. We have recently been around the district speaking with communities on preparedness. We are establishing local community civil defence groups, whose role it will be to assist with planning for and communication during an event.

Having the right people in the right place and providing training and development for the local staff responders is a priority. Local, group and national civil defence exercises are an important element of the training. We note there is a national exercise, New Zealand Shakeout, scheduled for September 2012.

MEETING THE CHALLENGES

The 10-year plan budget for planning and environment totals \$27.5 million. Of this, \$26.4 million is for operational expenditure while capital expenditure totals \$1.1 million.

How do we Fund this Activity?

	Fees & Charges	Targeted Rates	General Rate	Contributions	Loans/Reserves
Maintenance and operations	✓		✓		
Renewals	✓		✓		✓
Capital for improvement					✓

HOW DO WE MEASURE OUR SUCCESS?

Community Outcome	Our Objective Level of Service	How we Measure Success	2010/11 Result	Our Aim Years 1-3	Our Aim Years 4-10
Thriving Economy Sustainable Environment	To enable people to develop their land in an appropriate way through a streamlined and cost-effective consent process	Customer satisfaction with resource consent process in Resident Opinion Survey	79%	Maintain customer satisfaction at > 75%	Maintain customer satisfaction at > 75%
		Resource consents processed within statutory timeframes and in accordance with internal standards	98%	Resource consents processed within statutory timeframe 100%	Resource consents processed within statutory timeframe 100%
Customer satisfaction with building consent processes in Resident Opinion Survey		New measure	Maintain customer satisfaction at > 75%	Maintain customer satisfaction at > 75%	
Building consents processed within statutory timeframes and in accordance with internal standards		99%	Building consents processed within statutory timeframe 100%	Building consents processed within statutory timeframe 100%	
Thriving Economy Safe & Healthy Community	To help people develop appropriately, and assist in the provision of health and well-being in the community by ensuring that food service premises are hygienic	Annual licensing and inspections programme, including audit of food control plans is completed in accordance with legal and internal standards	94%	95% of annual licensing programme completed within reporting period	95% of annual licensing programme completed within reporting period
Thriving Economy Safe & Healthy Community	To provide a safe and healthy environment in which people may live and travel without fear of dangerous dogs	Customer satisfaction in the Resident Opinion Survey (dog control & registration)	68%	Maintain customer satisfaction at > 60%	Maintain customer satisfaction at > 60%
Safe & Healthy Community	Community satisfaction with Council performance	Resident Opinion Survey – satisfaction with rural fire services	95%	>95%	>95%
	Timely response to call-outs	Dispatch firefighting resources within 30 minutes of a call-out and/or place on standby pending further information	New measure	100%	100%
A Safe & Healthy Community	Community satisfaction with Council performance	Resident Opinion Survey – satisfaction with Emergency Management (Civil Defence)	93%	>90%	>90%

POTENTIAL SIGNIFICANT NEGATIVE EFFECTS

	Negative Effects	Our Response
Economic Well-Being	Contamination of food or water could damage our reputation as a tourist destination. This would have lasting economic impacts	We spend time with business owners, explaining the requirements and assisting them in developing systems that will deliver, safe food preparation, handling and storage.
	RMA Amendment and District Plan Review – The costs of reviewing the District Plan can be high particularly with environment court appeals. This could impact on the affordability of rates.	We will consult with the community and agencies during review of the District Plan to reduce the number and cost of appeals.
	Central Government – Changes introduced by Central Government have potential to increase the cost of compliance.	We will work with applicants to educate and assist with consent processes to ensure streamlined and cost-effective decisions.
Social Well-Being	Anti-Social Behaviour – Excessive alcohol consumption and gambling can lead to anti-social behaviour that diminishes the well-being of our district.	We maintain the social well-being of the district by monitoring and controlling the sale of alcohol and the number of gaming machines (pokies) in the district.
	Liquor and Food Act Amendments – Changes to the Food Act and Sale of Liquor Act will need to be managed to reduce the effects of business stress and the perception of over-regulation.	We are currently preparing for the new Food Act legislation which will change the regime from one of inspections to one of auditing.
	Food source contamination could result in illness to members of our community and visitors to the district.	We ensure all food premises are licensed and undertake safe practices with respect to food handling, preparation and food storage.
Cultural Well-being	Inappropriate development has potential to impact on iwi values. For example, Waahi Tapu sites and archaeological sites, or affect water quality and views of skylines.	We ensure that any effects are avoided, remedied or mitigated through robust resource consent processes and monitoring of conditions.
Environmental Well-Being	Rural Fire – Our dry and vast district poses significant environmental and public risks of fire.	We work closely with neighbouring fire authorities to support each other in the event of large fires that test local resources.
	Inappropriate development has the potential to impact on the district’s iconic landscapes and features.	We ensure that any effects are avoided, remedied or mitigated through robust resource consent processes, and monitoring of consent conditions and District Plan provisions.

PROSPECTIVE FUNDING IMPACT STATEMENT

Annual Plan \$000	2012/13 Yr 1 \$000	2013/14 Yr 2 \$000	2014/15 Yr 3 \$000	2015/16 Yr 4 \$000	2016/17 Yr 5 \$000	2017/18 Yr 6 \$000	2018/19 Yr 7 \$000	2019/20 Yr 8 \$000	2020/21 Yr 9 \$000	2021/22 Yr 10 \$000
OPERATING										
1,116	1,112	1,161	1,187	1,246	1,273	1,328	1,340	1,416	1,440	1,508
-	-	-	-	-	-	-	-	-	-	-
1,075	1,092	1,099	1,129	1,152	1,148	1,166	1,179	1,176	1,181	1,195
7	7	7	7	7	8	8	8	8	8	8
308	248	256	264	271	279	287	296	304	312	321
2,506	2,459	2,523	2,587	2,676	2,708	2,789	2,823	2,904	2,941	3,032
Applications of Operating Funding										
1,933	1,894	1,978	2,011	2,098	2,126	2,197	2,236	2,329	2,367	2,453
-	-	-	-	-	-	-	-	-	-	-
340	362	382	396	403	408	410	418	427	433	443
96	99	52	53	56	56	58	59	62	64	65
2,369	2,355	2,412	2,460	2,557	2,590	2,665	2,713	2,818	2,864	2,961
137	104	111	127	119	118	124	110	86	77	71
CAPITAL										
Sources of Capital Funding										
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	20	12	10	-	20	12	10	-	20	12
-	-	-	-	-	-	-	-	-	-	-
-	20	12	10	-	20	12	10	-	20	12
Applications of capital funding										
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	297	111	145	14	208	56	43	15	99	63
137	(173)	12	(8)	105	(70)	80	77	71	(2)	20
-	-	-	-	-	-	-	-	-	-	-
137	124	123	137	119	138	136	120	86	97	83
(137)	(104)	(111)	(127)	(119)	(118)	(124)	(110)	(86)	(77)	(71)
-	-	-	-	-	-	-	-	-	-	-
119	105	115	118	118	119	116	106	91	79	75

This Funding Impact Statement is not compliant with GAAP.

MAKE THIS A BETTER WORLD

Make this a better world for those that succeed us

GOVERNANCE and corporate services

communication
administration buildings accounting
financial planning and reporting elected members support
customer service and administration rates information systems
personnel



Governance

OUR SPACE

The governance activity is at the forefront of everything we do. While the Council provides many different services, it is the governance activity that supports elected members to be effective and responsible decision-makers. This activity facilitates and supports Council and community boards, ensures agendas are published and available to the public and runs local body elections every three years.

The governance activity contributes indirectly to all three main community outcomes.



OUR CHALLENGES

Information and Decision Making

We ensure accurate and timely information is provided to elected members to enable them to make efficient and cost-effective decisions. We must also ensure we have in place appropriate systems to ensure that the community is informed and, where appropriate, able to participate in the decision-making processes. The use of information technology to facilitate this process is growing in importance.

Representation Review

In line with the Local Electoral Act 2001, councils are required to undertake a representation review every six years to determine the future governance arrangements for the district. With the last review undertaken in 2006, Central Otago District Council is undertaking a review in 2012. The review will consider communities of interest, how the Mayor and councillors are elected, how many councillors we have, and community board structures. Council has appointed an independent representation review advisory panel to assist with this process and to provide a recommendation to Council.

Elections

Every three years we hold an election for the community to elect its representatives. This includes electing a Mayor, councillors and community board representatives. These local elections are run at the same time as the Otago Regional Council, District Health Board and Central Lakes Trust elections. There are tight regulations around the voting process to ensure privacy and fairness. When new members are elected they are inducted into Council to ensure they understand the processes, responsibilities and expectations. During the period of this LTP we will hold elections in 2013/14, 2016/17 and 2019/20.

District Strategy and Policy

In an environment where a high level of decision-making authority has been delegated to local community boards, the need for Council to develop high-level supporting strategies and policies to guide community boards has been increasing in importance. With pressure on infrastructure upgrades, many driven by increasing standards, the concerns about rates increases, future debt and sustainability are foremost in the elected members' minds.

Local Government Reform

In March 2012 the Minister of Local Government announced an 8-point reform programme for local government titled "Better Local Government". The programme is intended to provide clarity about councils' roles, stronger governance, improved efficiency and more responsible fiscal management. The programme includes a proposed change to legislation that should streamline council reorganisation procedures and smooth the way for future amalgamations. The implications to CODC are discussed further under Significant Forecasting Assumptions and Risks outlined in the Prospective Financials section.

How do we Fund this Activity?

	Fees & Charges	Targeted Rates	General Rate	Contributions	Loans/Reserves
Maintenance and operations	✓	✓	✓		

HOW DO WE MEASURE OUR SUCCESS?

The following table details the level of service Council will deliver to the community, how it is measured and the performance to date.

Community Outcome	Our Objective / Level of Service	How we Measure Success	2010/11 Result	Our Aim Years 1-3	Our Aim Years 4-10
A Thriving Economy	Satisfaction with the leadership, representation and decision-making by elected members	Resident Opinion Survey and those satisfied with the performance of elected members of local community boards	86.3%	>85%	>85%
A Sustainable Environment		Resident Opinion Survey and those satisfied with the performance of elected members	85.8%	>85%	>85%
A Safe and Healthy Community					

There are no potential significant negative effects.

Corporate Services

OUR SPACE

The corporate services activities provide both direct and indirect support across the organisation that allows Council to function efficiently and effectively. The corporate services activity contributes indirectly to all three main community outcomes.



OUR CHALLENGES

Providing Customer Service

The customer services activity provides the friendly and professional staff that greet you when you visit our service centres or when you call us. The customer services staff have a number of responsibilities including processing service requests, managing bookings, processing payments and providing information on properties and rates. They are usually the first, and sometimes only, point of contact. We realise our customers' needs are varied and continually evolving. To meet these needs, we must provide an efficient and consistent level of service.

Providing Communication Support

Communications is the activity that supports and provides effective communication between the Council and the community. The organisation's communication objective is to ensure the community has access to relevant, timely and meaningful information, and to create opportunities for the public to influence decision-making. Direct external communications include the production of a quarterly newsletter, media releases, public advertising, website maintenance and project-specific information releases. We also facilitate internal communications and develop processes that assist and improve community engagement.

Within years 1 and 2 of the LTP period we plan to revamp the CODC website to make it a more user-friendly and engaging site and assist our efforts to raise awareness of Council services, activities and decisions. We are also looking to embrace social media more in the future to complement our traditional methods of communication. Communication tools such as a Council Facebook page or Twitter account have the potential to help us reach and engage new audiences, in a cost-effective and interactive way.

Providing Financial and Administration Support

The finance activity is an internal service that provides financial, rating and treasury support to all activities within the Council. Finance is responsible for the provision and development of effective monitoring and reporting of the organisation's performance. A significant amount of the formal planning and reporting is prescribed by legislation, including this Long Term Plan. Our other responsibilities include budgeting, payroll management and the management of debtors and creditors.

Providing Information Support

This activity delivers information services to internal and external customers.

Providing the right tools and information at the right time and place facilitates efficient, effective and prudent management. The information services activity provides security of the Council's data and information assets for current and future generations.

Providing Administration Buildings

Council's main Alexandra office and service centres in Cromwell, Ranfurly and Roxburgh house all Council service departments and allow Council to carry out its functions and to ensure a local presence is maintained in local communities.

As at July 2011 the total replacement cost of our administration buildings was \$7.3 million. The land on which these facilities are located was valued at \$1.2 million.

MEETING THE CHALLENGES

The 10-year plan budget for corporate totals \$11.8 million. Of this, \$6.4 million is for operational expenditure while capital expenditure totals \$5.4 million.

HOW WE FUND THIS ACTIVITY

The operational costs associated with the corporate services activity are funded by spreading the overheads across other direct activities. The receiving activities including the internal charges in their operating costs and subsequently funding via rates or user fee income. There are some cases where we do not fully fund the depreciation of our administration buildings through rates.

HOW DO WE MEASURE OUR SUCCESS?

The following table details the level of service Council will deliver to the community, how it is measured and the performance to date.

Community Outcome	Our Objective / Level of Service	How we Measure Success	2010/11 Result	Our Aim Years 1-3	Our Aim Years 4-10
A Thriving Economy	Satisfaction with the initial contact with Council	Resident Opinion Survey – the service was fast and efficient.	92.4%	>90%	>90%
		Resident Opinion Survey – the service was friendly and courteous	94.1%	>90%	>90%
		Resident Opinion Survey – issues dealt with effectively	83.1%	>80%	>80%
A Sustainable Environment	Satisfaction with contact regarding service requests	Resident Opinion Survey – the service was fast and efficient	80.2%	>80%	>80%
		Resident Opinion Survey – the service was friendly and courteous	89.2%	>90%	>90%
		Resident Opinion Survey – issues dealt with effectively	77.7%	>75%	>75%
A Safe and Healthy Community	Satisfaction with the overall effectiveness of Council communications	Resident Opinion Survey – overall effectiveness of communications	79.2%	>80%	>85%

There are no potential significant negative effects.

PROSPECTIVE FUNDING IMPACT STATEMENT

Annual Plan \$000	2012/13 Yr 1 \$000	2013/14 Yr 2 \$000	2014/15 Yr 3 \$000	2015/16 Yr 4 \$000	2016/17 Yr 5 \$000	2017/18 Yr 6 \$000	2018/19 Yr 7 \$000	2019/20 Yr 8 \$000	2020/21 Yr 9 \$000	2021/22 Yr 10 \$000
OPERATING										
242	57	104	93	127	258	360	479	687	922	1,128
133	138	194	250	358	379	78	94	403	423	425
-	-	-	-	-	-	-	-	-	-	-
110	128	131	134	139	143	146	150	155	159	163
224	483	443	423	386	299	227	128	(15)	(175)	(300)
293	435	478	486	546	596	560	587	626	577	589
1,002	1,241	1,350	1,386	1,556	1,675	1,371	1,438	1,856	1,906	2,005
Applications of Operating Funding										
2,355	2,876	3,021	3,033	3,105	3,256	3,277	3,413	3,521	3,592	3,699
-	40	41	42	44	45	46	48	49	50	52
(2,670)	(2,652)	(2,931)	(3,034)	(3,078)	(3,120)	(3,108)	(3,195)	(3,257)	(3,382)	(3,443)
384	374	417	402	410	456	439	446	496	480	462
69	638	548	443	481	637	654	712	809	740	770
933	603	802	943	1,075	1,038	717	726	1,047	1,166	1,235
CAPITAL										
Sources of Capital Funding										
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
26	23	10	16	28	12	10	18	31	12	10
-	-	-	-	-	-	-	-	-	-	-
26	23	10	16	28	12	10	18	31	12	10
Applications of Capital Funding										
-	-	-	-	-	-	-	-	-	-	-
-	8	-	-	-	-	-	-	-	-	-
607	644	560	504	524	531	470	616	544	535	487
650	24	302	507	634	577	308	181	1,968	692	762
(298)	(50)	(50)	(52)	(55)	(58)	(51)	(53)	(1,434)	(49)	(4)
959	626	812	959	1,103	1,050	727	744	1,078	1,178	1,245
(933)	(603)	(802)	(943)	(1,075)	(1,038)	(717)	(726)	(1,047)	(1,166)	(1,235)
-	-	-	-	-	-	-	-	-	-	-
438	500	606	667	668	648	633	657	681	693	678

This Funding Impact Statement is not compliant with GAAP.

LEARN FROM PAST

Learn from past experiences with future generations in mind

FINANCIALS

assumptions
audit opinion
accounting policies
fees and charges



Prospective Financial Information

This section sets out the prospective financial information for the next 10 years. The prospective financial statements have been prepared in accordance with Financial Reporting Standard 42 Prospective Financial Statements.

Council is required under the Local Government Act 2002 to present prospective financial statements that span 10 years as part of the LTP. This provides our community the opportunity to review the projected financial results and the projected financial position of Council. This information may not be suitable for use in any other context.

The prospective financial information presented in the 2012-2022 Long Term Plan was authorised by Council for issue on 2 July 2012.

The prospective financial statements have been prepared on the basis of best estimates as to future events which Council expects to take place. We use opening balances from the period ending 30 June 2012 where estimates have been restated accordingly if required.

The actual results achieved for any particular financial year are likely to vary from the information presented and the variations may be material depending on the circumstances that arise during the period.

The assumptions made in relation to arriving at the prospective financial statements are included under significant assumptions within this section.

BALANCED BUDGET

The prospective statement of comprehensive income indicates there will be a surplus in each of the next 10 years. Having considered the overall impact of our financial management policies and decisions Council believes this approach is financially prudent and accordingly has passed a resolution to this effect on 9 May 2012 and reaffirmed the resolution on 2 July 2012.

In setting the budget we have had regard for the following matters:

- Maintaining levels of service
- Maintaining service capacity and integrity of assets
- Intergenerational equity and appropriate funding mixes
- Consistency with the Council's revenue and financing policies.

The main reasons for the surplus are:

- Rates are raised to repay loans. The rates income appears in the prospective statement of comprehensive income but the repayment is a prospective statement of financial position item.
- Income for capital purposes such as development contributions and capital donations appear in the prospective statement of comprehensive income, however the corresponding capital expenditure is a prospective statement of financial position item.
- NZTA grants for roading are included in the prospective statement of comprehensive income. These are largely used to fund renewal expenditure which is a prospective statement of financial position item.

Surpluses are reduced by the following factors:

- Council's Revenue and Financing Policy indicates that in certain circumstances we will not fully fund depreciation from rates income. For example we are reconsidering our ownership of Elderly Persons' Housing, certainly at the current levels at least. It is therefore unlikely that we would replace the existing housing stock, and accordingly we have chosen not to fund the increased depreciation arising from the revaluation of these properties.
- There are circumstances whereby fully rate funding depreciation may result in some ratepayers bearing a funding burden that is not entirely fair and equitable. This is where funds for capital project replacement are provided from sources outside Council, for example where a community has raised funds for a hall. Council would not rate fund the depreciation on the hall, as any replacement of that facility would be the responsibility of that community.

FUNDING IMPACT STATEMENT

Annual Plan \$000	2012/13 Yr 1 \$000	2013/14 Yr 2 \$000	2014/15 Yr 3 \$000	2015/16 Yr 4 \$000	2016/17 Yr 5 \$000	2017/18 Yr 6 \$000	2018/19 Yr 7 \$000	2019/20 Yr 8 \$000	2020/21 Yr 9 \$000	2021/22 Yr 10 \$000
OPERATING										
6,639	6,487	6,951	6,631	7,043	7,301	7,485	7,513	7,935	8,206	9,219
14,786	14,768	15,985	17,092	17,939	19,128	20,270	21,071	22,133	22,994	23,178
1,936	1,920	1,717	1,618	1,679	1,730	1,719	1,776	1,803	1,789	1,908
3,383	5,003	5,064	5,207	5,655	5,771	5,893	6,711	6,828	6,955	7,569
2,008	1,761	2,054	2,095	2,204	2,301	2,312	2,397	2,490	2,496	2,564
28,752	29,939	31,771	32,643	34,520	36,231	37,679	39,468	41,189	42,440	44,438
19,775	20,808	21,668	21,889	22,657	23,540	24,354	25,195	25,939	26,752	27,752
190	242	365	671	1,019	1,288	1,684	2,176	2,275	2,250	2,209
2,262	2,312	2,539	2,470	2,394	2,471	2,507	2,573	2,668	2,703	2,759
22,227	23,362	24,572	25,030	26,070	27,299	28,545	29,944	30,882	31,705	32,720
6,525	6,577	7,199	7,613	8,450	8,932	9,134	9,524	10,307	10,735	11,718
CAPITAL										
2,054	2,206	3,426	1,826	2,232	2,504	2,284	2,002	2,039	2,090	2,711
401	1,118	1,158	1,197	1,255	1,295	1,338	1,381	1,423	1,004	1,029
3,625	3,468	1,918	5,945	2,505	2,743	3,565	(1,718)	(5,730)	(5,687)	(4,670)
2,047	2,418	1,397	391	396	402	400	398	401	53	45
-	-	-	-	-	-	-	-	-	-	-
8,127	9,210	7,899	9,359	6,388	6,944	7,587	2,063	(1,867)	(2,540)	(885)
1,570	969	826	1,458	1,502	2,609	2,945	1,284	699	669	983
3,508	3,605	3,894	6,268	5,431	4,980	5,353	2,876	2,029	1,130	1,665
8,605	11,346	9,773	7,434	7,605	8,711	7,960	6,877	6,206	6,508	7,627
1,267	(83)	656	1,863	355	(366)	514	603	941	(63)	562
(298)	(50)	(50)	(52)	(55)	(58)	(51)	(53)	(1,434)	(49)	(4)
14,652	15,787	15,098	16,972	14,838	15,876	16,721	11,587	8,440	8,195	10,833
(6,525)	(6,577)	(7,199)	(7,613)	(8,450)	(8,932)	(9,134)	(9,524)	(10,307)	(10,735)	(11,718)
-	-	-	-	-	-	-	-	-	-	-
9,630	9,619	10,040	10,552	11,014	11,503	11,977	12,465	12,967	13,427	13,858

¹ This Funding Impact Statement is not compliant with GAAP.

² Please note the opening position is based on our up-to-date forecasts rather than the stated Annual Plan budgets.

RECONCILIATION OF FUNDING IMPACT STATEMENT TO PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME

Annual Plan \$000	2012/13 Yr 1 \$000	2013/14 Yr 2 \$000	2014/15 Yr 3 \$000	2015/16 Yr 4 \$000	2016/17 Yr 5 \$000	2017/18 Yr 6 \$000	2018/19 Yr 7 \$000	2019/20 Yr 8 \$000	2020/21 Yr 9 \$000	2021/22 Yr 10 \$000
INCOME PER ACTIVITY FUNDING IMPACT STATEMENT										
3,633	3,651	3,790	4,365	5,023	5,572	5,877	6,233	6,557	6,773	6,969
2,384	2,829	3,014	3,250	3,463	3,705	4,683	5,477	5,707	5,866	6,012
318	354	354	365	376	385	394	402	410	419	443
6,168	5,949	6,294	5,914	6,327	6,477	6,484	6,387	6,548	6,569	7,390
3,002	2,853	3,321	3,448	3,568	3,715	3,781	3,911	4,051	4,216	4,356
1,505	1,758	1,778	1,838	1,884	1,942	1,928	2,015	2,055	2,179	2,170
2,179	2,625	2,490	2,473	2,544	2,606	2,669	2,740	2,836	2,877	2,959
3,682	3,988	4,454	4,435	4,495	4,676	4,789	4,961	4,956	5,128	5,331
2,605	2,722	2,852	3,013	3,000	3,077	3,149	3,217	3,301	3,399	3,479
2,499	2,452	2,516	2,580	2,669	2,700	2,781	2,815	2,896	2,933	3,024
777	758	908	962	1,171	1,376	1,144	1,310	1,872	2,081	2,305
28,752	29,939	31,771	32,643	34,520	36,231	37,679	39,468	41,189	42,440	44,438
31,077	33,263	36,355	35,666	38,007	40,030	41,301	42,851	44,651	45,534	48,178
(2,325)	(3,324)	(4,584)	(3,023)	(3,487)	(3,799)	(3,622)	(3,383)	(3,462)	(3,094)	(3,740)
2,054	2,206	3,426	1,826	2,232	2,504	2,284	2,002	2,039	2,090	2,711
401	1,118	1,158	1,197	1,255	1,295	1,338	1,381	1,423	1,004	1,029
(130)	-	-	-	-	-	-	-	-	-	-
2,325	3,324	4,584	3,023	3,487	3,799	3,622	3,383	3,462	3,094	3,740
EXPENDITURE PER ACTIVITY FUNDING IMPACT STATEMENT										
1,666	1,566	1,693	2,049	2,426	2,678	2,786	2,979	3,165	3,239	3,320
1,068	1,252	1,381	1,505	1,649	1,811	2,554	3,030	3,106	3,176	3,231
42	58	60	62	64	66	68	70	73	75	83
3,235	3,290	3,279	3,184	3,323	3,418	3,388	3,481	3,532	3,588	3,778
2,664	2,722	2,980	3,059	3,170	3,316	3,428	3,549	3,685	3,838	3,974
1,905	2,044	2,061	2,066	2,119	2,211	2,205	2,298	2,379	2,482	2,511
1,750	1,892	1,941	1,923	1,987	2,040	2,092	2,164	2,221	2,284	2,358
2,720	2,931	3,290	3,231	3,197	3,325	3,446	3,561	3,542	3,706	3,865
2,410	2,323	2,377	2,409	2,422	2,495	2,560	2,610	2,721	2,763	2,868
2,029	1,993	2,030	2,064	2,154	2,182	2,255	2,295	2,391	2,431	2,518
2,738	3,291	3,480	3,478	3,559	3,757	3,763	3,907	4,067	4,123	4,214
22,227	23,362	24,572	25,030	26,070	27,299	28,545	29,944	30,882	31,705	32,720
31,857	33,007	34,612	35,582	37,084	38,802	40,522	42,409	43,849	45,132	46,578
(9,630)	(9,667)	(10,091)	(10,601)	(11,065)	(11,577)	(12,074)	(12,580)	(13,094)	(13,568)	(14,011)
9,630	9,641	10,091	10,601	11,065	11,577	12,074	12,580	13,094	13,568	14,011
-	26	-	-	-	-	-	-	-	-	-
9,360	9,667	10,091	10,601	11,065	11,577	12,074	12,580	13,094	13,568	14,011
Other Comprehensive Income										
-	26,059	23,060	22,490	25,243	24,046	25,156	27,101	23,133	23,002	22,013
(780)	26,315	24,803	22,574	26,166	25,274	25,935	27,543	23,935	23,404	23,613

PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME

Annual Plan \$'000	2012/13 Yr 1 \$'000	2013/14 Yr 2 \$'000	2014/15 Yr 3 \$'000	2015/16 Yr 4 \$'000	2016/17 Yr 5 \$'000	2017/18 Yr 6 \$'000	2018/19 Yr 7 \$'000	2019/20 Yr 8 \$'000	2020/21 Yr 9 \$'000	2021/22 Yr 10 \$'000
REVENUE										
6,639	6,487	6,951	6,631	7,043	7,301	7,485	7,513	7,935	8,206	9,219
14,786	14,768	15,985	17,092	17,939	19,128	20,270	21,071	22,133	22,994	23,178
314	1,739	1,801	1,842	2,193	2,237	2,281	3,012	3,065	3,117	3,648
64	65	65	65	65	66	65	65	65	65	65
3,658	3,461	3,383	3,319	3,765	3,857	3,884	3,667	3,730	3,792	4,536
165	290	293	340	396	398	407	429	419	418	428
3	3	3	3	3	3	3	3	3	3	3
1,061	1,077	1,084	1,114	1,136	1,132	1,150	1,163	1,159	1,164	1,177
3,849	4,040	4,027	4,051	4,141	4,316	4,387	4,535	4,712	4,758	4,895
408	1,333	2,763	1,209	1,326	1,592	1,369	1,393	1,430	1,017	1,029
-	-	-	-	-	-	-	-	-	-	-
130	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
31,077	33,263	36,355	35,666	38,007	40,030	41,301	42,851	44,651	45,534	48,178
EXPENDITURE										
6,526	6,677	6,914	7,100	7,311	7,550	7,715	7,938	8,179	8,381	8,630
9,630	9,619	10,040	10,552	11,014	11,503	11,977	12,465	12,967	13,427	13,858
168	242	365	671	1,019	1,288	1,684	2,176	2,275	2,250	2,209
-	-	-	-	-	-	-	-	-	-	-
15,533	16,469	17,293	17,259	17,740	18,461	19,146	19,830	20,428	21,074	21,881
31,857	33,007	34,612	35,582	37,084	38,802	40,522	42,409	43,849	45,132	46,578
(780)	256	1,743	84	923	1,228	779	442	802	402	1,600
-	-	-	-	-	-	-	-	-	-	-
(780)	256	1,743	84	923	1,228	779	442	802	402	1,600
Gain on Asset Revaluations										
-	3,146	2,349	2,400	1,808	3,243	7,020	7,467	1,683	1,810	1,411
-	3,395	4,717	3,697	6,821	5,989	3,788	3,505	4,764	3,017	2,949
-	556	594	464	479	436	430	405	374	443	491
-	18,029	15,594	13,044	15,706	14,662	14,169	16,181	16,801	18,223	17,637
-	873	(241)	2,837	379	(335)	(304)	(511)	(545)	(549)	(534)
-	60	47	48	50	51	53	54	56	58	59
-	26,059	23,060	22,490	25,243	24,046	25,156	27,101	23,133	23,002	22,013
-	26,059	23,060	22,490	25,243	24,046	25,156	27,101	23,133	23,002	22,013
(780)	26,315	24,803	22,574	26,166	25,274	25,935	27,543	23,935	23,404	23,613

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

Annual Plan \$000	2012/13 Yr 1 \$000	2013/14 Yr 2 \$000	2014/15 Yr 3 \$000	2015/16 Yr 4 \$000	2016/17 Yr 5 \$000	2017/18 Yr 6 \$000	2018/19 Yr 7 \$000	2019/20 Yr 8 \$000	2020/21 Yr 9 \$000	2021/22 Yr 10 \$000
PUBLIC EQUITY										
639,125	632,422	658,737	683,540	706,114	732,280	757,554	783,489	811,033	834,968	858,371
Accumulated Funds										
336,480	336,780	337,033	338,773	338,854	339,774	340,999	341,775	342,214	343,013	343,411
(780)	256	1,743	84	923	1,228	779	442	802	402	1,600
(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(4)	(4)
-	-	-	-	-	-	-	-	-	-	-
335,697	337,033	338,773	338,854	339,774	340,999	341,775	342,214	343,013	343,411	345,007
Other Reserves										
Property Revaluation Reserve										
302,585	295,579	321,638	344,698	367,188	392,431	416,477	441,633	468,735	491,868	514,869
-	26,059	23,060	22,490	25,243	24,046	25,156	27,101	23,133	23,002	22,013
-	-	-	-	-	-	-	-	-	-	-
302,585	321,638	344,698	367,188	392,431	416,477	441,633	468,735	491,868	514,869	536,883
Fair Value through Other Comprehensive Income Reserve										
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
60	63	66	69	72	75	78	81	84	87	91
3	3	3	3	3	3	3	3	3	4	4
63	66	69	72	75	78	81	84	87	91	95
302,648	321,704	344,767	367,260	392,506	416,555	441,714	468,819	491,955	514,960	536,978
638,345	658,737	683,540	706,114	732,280	757,554	783,489	811,033	834,968	858,371	881,985

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

Annual Plan \$000	2012/13 Yr 1 \$000	2013/14 Yr 2 \$000	2014/15 Yr 3 \$000	2015/16 Yr 4 \$000	2016/17 Yr 5 \$000	2017/18 Yr 6 \$000	2018/19 Yr 7 \$000	2019/20 Yr 8 \$000	2020/21 Yr 9 \$000	2021/22 Yr 10 \$000
PUBLIC EQUITY										
335,697	337,033	338,773	338,854	339,774	340,999	341,775	342,214	343,013	343,411	345,007
302,585	321,638	344,698	367,188	392,431	416,477	441,633	468,735	491,868	514,869	536,883
-	-	-	-	-	-	-	-	-	-	-
63	66	69	72	75	78	81	84	87	91	95
638,345	658,737	683,540	706,114	732,280	757,554	783,489	811,033	834,968	858,371	881,985
REPRESENTED BY:										
Current Assets										
6,641	5,877	6,543	8,416	8,781	8,425	8,950	9,564	10,516	10,465	11,039
1,588	-	-	-	-	-	-	-	-	-	-
2,162	4,124	4,239	4,358	4,480	4,606	4,735	4,867	5,004	5,144	5,288
11	5	5	5	5	5	5	5	5	5	5
10,402	10,006	10,787	12,779	13,266	13,036	13,690	14,436	15,525	15,614	16,332
Less Current Liabilities										
403	102	102	102	102	102	102	102	102	102	102
3,977	4,468	4,593	4,722	4,854	4,990	5,130	5,273	5,421	5,573	5,729
-	-	-	-	-	-	-	-	-	-	-
156	237	386	766	989	1,139	1,425	1,609	1,168	665	227
4,536	4,807	5,081	5,590	5,945	6,231	6,657	6,984	6,691	6,340	6,058
5,866	5,199	5,706	7,189	7,321	6,805	7,033	7,452	8,834	9,274	10,274
Non-Current Assets										
2,204	-	-	-	-	-	-	-	-	-	-
1,695	1,900	1,850	1,798	1,743	1,685	1,634	1,581	1,47	98	94
233	181	181	181	181	181	181	181	181	181	181
571	624	644	664	685	706	728	751	774	798	823
1,570	1,563	1,610	1,659	1,708	1,760	1,812	1,867	1,923	1,981	2,040
629,732	652,553	678,601	705,241	733,541	761,910	790,872	816,070	834,689	852,436	870,737
636,005	656,821	682,886	709,542	737,858	766,241	795,227	820,450	837,714	855,493	873,875
Less Non-Current Liabilities										
57	52	52	52	52	52	52	52	52	52	52
3,469	3,231	5,000	10,565	12,847	15,440	18,719	16,817	11,528	6,344	2,112
3,526	3,283	5,052	10,617	12,899	15,492	18,771	16,869	11,580	6,396	2,164
638,345	658,737	683,540	706,114	732,280	757,554	783,489	811,033	834,968	858,371	881,985

¹ There is no movement shown within the Intangible Assets as the investment in information systems is forecast to be similar to the amortization.

² Borrowings is our forecasted net borrowings from external sources only. Internal borrowings are not shown.

³ Our most recent forecasts for the financial year ended 30 June 2012, forecast our external borrowing to be nil. These forecasts represent the opening position for the 2012/13 year.

PROSPECTIVE STATEMENT OF CASHFLOWS

Annual Plan \$000	2012/13 Yr 1 \$000	2013/14 Yr 2 \$000	2014/15 Yr 3 \$000	2015/16 Yr 4 \$000	2016/17 Yr 5 \$000	2017/18 Yr 6 \$000	2018/19 Yr 7 \$000	2019/20 Yr 8 \$000	2020/21 Yr 9 \$000	2021/22 Yr 10 \$000
CASH FLOWS FROM OPERATING ACTIVITIES										
Cash was provided from:										
30,779	32,970	35,944	35,204	37,486	39,504	40,762	42,286	44,093	44,973	47,603
165	290	293	340	396	398	407	429	419	418	428
3	3	3	3	3	3	3	3	3	3	3
30,947	33,263	36,240	35,547	37,885	39,905	41,172	42,718	44,515	45,394	48,034
Cash was applied to:										
22,227	23,168	24,135	24,284	24,974	25,934	26,781	27,685	28,523	29,368	30,422
	194	312	617	964	1,230	1,624	2,115	2,212	2,185	2,142
22,227	23,362	24,447	24,901	25,938	27,164	28,405	29,800	30,735	31,553	32,564
8,720	9,901	11,793	10,646	11,947	12,741	12,767	12,918	13,780	13,841	15,470
CASH FLOWS FROM INVESTING ACTIVITIES										
Cash was provided from:										
2,047	2,418	1,397	391	396	402	400	398	401	53	45
-	5,236	-	-	-	-	-	-	-	-	-
298	50	50	52	55	58	51	53	1,434	49	4
2,345	7,704	1,447	443	451	460	451	451	1,835	102	49
Cash was applied to:										
13,547	15,920	14,492	15,161	14,538	16,300	16,258	11,037	8,933	8,307	10,275
-	-	-	-	-	-	-	-	-	-	-
13,547	15,920	14,492	15,161	14,538	16,300	16,258	11,037	8,933	8,307	10,275
(11,202)	(8,216)	(13,045)	(14,718)	(14,087)	(15,840)	(15,807)	(10,586)	(7,098)	(8,205)	(10,226)
CASH FLOWS FROM FINANCING ACTIVITIES										
Cash was provided from:										
3,625	3,512	1,992	6,094	5,746	6,064	7,003	2,368	929	22	90
Cash was applied to:										
-	44	74	149	3,241	3,321	3,438	4,086	6,659	5,709	4,760
3,625	3,468	1,918	5,945	2,505	2,743	3,565	(1,718)	(5,730)	(5,687)	(4,670)
1,143	5,153	666	1,873	365	(356)	525	614	952	(51)	574
5,498	724	5,877	6,543	8,416	8,781	8,425	8,950	9,564	10,516	10,465
6,641	5,877	6,543	8,416	8,781	8,425	8,950	9,564	10,516	10,465	11,039

RESERVE FUNDS

Reserves are held to ensure that funds received for a particular purpose and any surplus created is managed in accordance with the reason for which the reserve was established. Surpluses held in reserves are credited with interest. Restricted reserves are reserves that have rules that can be set by legal obligation that restrict the use that Council may put the funds to. The remaining Council

created reserves are discretionary reserves which the Council has established for the fair and transparent use of monies. Below is a list of current reserves outlining the purpose for holding each reserve and the Council activity to which each reserve relates, together with summary financial information across the 10 years of the Long Term Plan.

Reserves	Opening Balance 2012/13 (\$000)	Transfers In 2012/13 – 2021/22 (\$000)	Transfers Out 2012/13 – 2021/22 (\$000)	Closing Balance 2021/22 (\$000)
Specific Reserves These reserves are designated from a statute or legal document or are to maintain and provide for improvements to separately identifiable areas.	4,241	1,840	255	5,826
Development Contributions To provide for growth in identifiable infrastructure assets.	(5,507)	8,333	10,684	(7,858)
General Reserves These reserves are invested to provide a financial return to ratepayers.	7,500	5,909	1,500	11,909
Property To provide for the purchase of properties.	(1,052)	3,724	955	1,717
Loss of Service Potential and Development To set aside funds for the replacement or provision of assets in identifiable infrastructure areas.	(784)	25,074	32,291	(8,001)
Amenities To provide funding for ongoing operations and assets in amenity areas.	381	32,618	30,522	2,477
Governance To provide funding for the elected member activity, specifically the democratic process.	114	-	115	(1)
District Development To provide funding for ongoing operations and assets in this activity.	127	360	151	336
	5,020	77,858	76,473	6,405

SIGNIFICANT FORECASTING ASSUMPTIONS AND RISKS

In planning for the long term the only certainty is uncertainty. With each assumption we inherit some risk of getting it wrong.

Our really big assumptions are those discussed at the front of this plan. The influences of international, national, regional and local issues are driving our decision-making.

We have also outlined the two key principles that underpin our LTP, being affordability and sustainability. In everything we do as a Council we want to ensure we are operating in an affordable and sustainable manner. Sustainability and our assumptions around climate change, are detailed in the Our Space Our Place section.

We have acknowledged from the start that these issues are so significant and dynamic that we can only react to them as they arise. So we are focusing our efforts on the long-term sustainability of our services. We want to build future resilience from these issues where we can. There is a risk in this approach. But we believe there is an even bigger risk to our community in dedicating time and resources to dynamic problems beyond our immediate control.

This approach highlights the need for close and effective consultation that the community actually understands. It also highlights the need for Council and community boards to assume a strong leadership role.

Fortunately we have the opportunity to update our Long Term Plan each year during the annual plan process in the instance things do change dramatically.

There are however some assumptions we have made with risks we can manage. These are:

Governance and Organisational Structure

Local government reforms have been proposed by Central Government. One of the aims of the reforms is to ease the difficulty for Council's to undergo amalgamation with neighbouring authorities. The significance of a Council amalgamation would be such that a complete review of our LTP would be necessary. However we can only assume that the governance and organisational structure of Council and staffing levels will remain unchanged during the term of this LTP.

Central Government has signalled potential significant changes to the Building Act, Health Act and Food Act which may impact on Council ability to deliver these services. As much as possible we have endeavoured to give some forecast consideration to these issues. The risk of this occurring is high.

Staffing and Resources

The gap between national and Central Otago wages is a known issue for securing and retaining skilled staff. The increased public focus on Council spending and the rebuild of Christchurch compounds this issue. There is an ongoing

risk to the sustainability of our services through skill shortages. But there are unique lifestyle trade-offs that this district can offer to staff and we will continue to focus on these. The risk of this occurring is medium.

Growth Projections

Population, dwelling and demographic projections are produced three-yearly to support long-term planning. They underpin all demand projections within activity management plans. They are also incorporated into development contributions and income projections. Our resident population is projected to be 22,600 by 2022 from approximately 18,000 today. While our peak day population is projected to be 36,400 from approximately 32,200 today. Our growth projections are derived from Statistics NZ with local growth factors included.

An over or under estimation of growth could lead to an over or underinvestment in infrastructure and services. We monitor asset capacity and development contributions income against projections annually and adjust assumptions accordingly. The risk of this occurring is medium.

We acknowledge there is increasing economic vulnerability, particularly in the small rural townships of our district, as we react to increasing expectations and standards, many the result of Central Government driven regulations.

Council is considering the role the district has in balancing the affordability of sustaining our smaller rural towns over the next period of time. The risk of this occurring is medium.

Third Party Funding Sources

A number of projects, including many community facility projects are reliant on funding from other sources. It is assumed that funding will continue to be available as planned, as a conservative approach has been taken. The risk of this funding not being available is low.

District roading is the single most expensive activity we undertake as a Council. A 2011 review of subsidies by the New Zealand Transport Agency (NZTA) had already led to a 1% decrease in the funding ratio for CODC. This means an additional \$92,000 per annum needs to be funded by ratepayers in order to maintain roads at existing service levels.

In another, more recent, example of Central Government decisions impacting rates, a further decrease in funding has been announced. NZTA have advised funding will be capped and final funding is currently being worked through. Council has maintained its corresponding share of the funding in an effort to limit the resulting decrease in service that will inevitably arise as a result of this national cutback. The risk of any further funding not being available is low.

Council has not been advised of any issues with NZTA funding beyond 2015.

Vested Assets

From time to time Council will receive privately constructed infrastructure assets vested in Council for ongoing management. The amount of infrastructure assets being vested in Council has slowed dramatically since the slowdown in subdivision activity. We assume the level of subdivision activity to remain subdued during this Long Term Plan. The long-term financial impacts of vesting assets into Council is assessed before transfer. The risk of this occurring is low.

Natural Disasters and Business Continuity

We assume that in the event of a significant disaster, natural or man-made, Council can continue to provide sufficient services to the community. Council has a Disaster Relief Fund of just under \$2 million in case of a natural disaster. This would likely only fund the initial response effort. We have assumed we could extend our external borrowing to fund the clean-up and ongoing capital work to rebuild damaged underground assets, for which we don't currently insure, should any major disaster occur. There is a risk, in that depending on the extent of the disaster the borrowing may be difficult to acquire. However due to the size and spread of our communities we consider it unlikely a disaster would affect the entire district at any one time which should mitigate any borrowing difficulties. Alongside us, Central Government also has a role in disaster recovery and restoration works after natural disasters happen.

We are also undertaking lifelines planning for all core services to improve the resilience of infrastructure critical to the community's well-being. Assessments of all earthquake-prone buildings is also underway. Other than increased insurance costs, there is no other allowance in this plan for funding the repair of infrastructure and riverbanks damaged by any future natural disasters. Equally, the occurrence of drought has a major impact by reducing the incomes of primary sector businesses; this will influence decisions on the affordability of the LTP. The risk of this occurring is medium.

Asset Sales

Selling some property assets has been proposed within this plan. Money collected from selling property assets will be used to fund proposed upgrades to social infrastructure, particularly the town centre upgrade project in Cromwell, or to reduce financial liabilities. There is a risk that the proceeds from asset sales is not as much as anticipated. The viability of such proposals will be reconsidered in this instance. The risk of this occurring is medium.

Financial Assumptions

Our Financial Strategy specifies how we will manage our finances into the future. We also have a Revenue and Financing Policy that defines how we decide to fund Council expenditure. Each contains specific financial assumptions. The following assumptions are further to these.

Interest Rates

We will be borrowing externally for the first time to fund projects within this Long Term Plan. We have assumed the following interest rates:

- Interest on internal borrowings is 5% throughout the Long Term Plan.
- Interest on external borrowing is 7% throughout the Long Term Plan.
- Interest on investments is 4%.

There is a reasonable risk of interest rate movement, however we will consider hedging against this risk.

We have also assumed that facilities to borrow externally will be available when required, based on recent discussions with our bankers.

Cost Increases

Inflation reflects erosion in the buying power of money. Each dollar buys less and less goods and services over time. Expenditure forecasts for each activity are stated in the dollars of the relevant year. Inflation forecasts for Water, Roading, Property and energy are provided by BERL. These are specific to local government costs. These are reviewed annually and therefore the impact of the risk of movement is stated as being low.

To inflate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	11/12 \$s to 12/13 \$s	12/13 \$s to 13/14 \$s	13/14 \$s to 14/15 \$s	14/15 \$s to 15/16 \$s	15/16 \$s to 16/17 \$s	16/17 \$s to 17/18 \$s	17/18 \$s to 18/19 \$s	18/19 \$s to 19/20 \$s	19/20 \$s to 20/21 \$s	20/21 \$s to 21/22 \$s
Other Activities	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Energy	4.8%	4.8%	4.7%	5.0%	5.1%	4.6%	4.5%	5.1%	4.8%	4.8%
Property	2.9%	2.9%	2.9%	3.0%	3.2%	2.7%	2.8%	3.0%	2.9%	2.9%
Roading	2.6%	2.6%	2.7%	2.6%	2.5%	2.5%	2.7%	2.6%	2.7%	2.7%
3 Waters	planned in 2012/13 \$s	4.2%	3.9%	3.5%	3.7%	3.9%	3.5%	3.5%	3.8%	4.1%

Insurance premiums have been inflated 25% in year 1 only, upon the advice of our broker.

For all other general areas inflation has been factored in at 4% in year 1 (with the exception of staff costs at 3%) and 3% per year thereafter.

Project Estimates

Project estimates of cost and timing are based on the best available scope, asset and market information available at the time of planning. Our Procurement Strategy defines the delegations and tendering requirements of projects. Significant estimates are independently peer reviewed. The timing of projects are assumed to be as planned unless significant changes to a project occurs.

The risk of any significant changes is reasonably low.

Asset Revaluations and Data Accuracy

Assets are revalued at least three-yearly to understand their worth and condition. We make assumptions on an asset’s useful life and its replacement cost based on market information and professional knowledge. We mitigate the risk of these assumptions by revaluing some assets annually and undertaking regular site visits.

Asset renewal and maintenance forecasts are based on the condition and the remaining life of infrastructure assets. This data is captured within the field and stored in dedicated databases. The accuracy of asset data has a direct impact on the accuracy of renewals and maintenance forecasts. We measure the accuracy of this data and have targets to improve its accuracy. We also have acceptable levels of confidence around asset valuations and data which are also targeted for continuous improvement. The risk associated with the revaluations is considered low.

ACCOUNTING POLICIES

1. Reporting Entity

The Central Otago District Council (the Council) is a territorial local authority governed by the Local Government Act 2002 and is domiciled within New Zealand.

The primary objective of the Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Central Otago District Council has designated itself as a public benefit entity for the purposes of the application of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements comprise the activities of the Council. The Council does not have a significant interest in any other entities. The Council adopted the prospective financial statements on 2 July 2012.

2. Basis of Financial Statement Preparation

The financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002 and in accordance with New Zealand generally accepted accounting practice (NZ GAAP). The financial statements comply with FRS 42 and use opening balances from the period ending 30 June 2012, estimates have been restated accordingly if required.

Some rounding variances may occur in the financial statements due to the use of decimal places in the underlying financial data.

The following accounting policies have been applied consistently to all periods presented in these financial statements.

The financial statements are prepared on a historical cost basis, as modified by the revaluation of:

- Available-for-sale financial assets
- Forestry assets
- Certain classes of property, plant and equipment
- Investment property

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

3. Joint Ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. For jointly controlled operations Council recognises in its financial statements the assets it controls, the liabilities and expenses it incurs, and the share of income that it earns from the joint venture. Council currently has jointly controlled operations with Queenstown Lakes District Council in respect to forestry.

4. Revenue

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

i. Rates

Rates are set annually by resolution of 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.

ii. Goods Sold and Services Rendered

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

iii. Interest Income

Interest income is recognised as it accrues, using the effective interest method.

iv. Rental Income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

v. Government Grants

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

vi. Dividend Income

Dividends are recognised when the right to receive payment has been established.

vii. Water Billing Revenue

Water billing revenue is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

viii. Vested Assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is

recognised as income. Vested assets are recognised at the point when Council has issued the certificate prescribed under the Resource Management Act 1991 S224(c), relating to the respective subdivisions.

ix. Development Contributions

Development and financial contributions revenue is recognised at the point where Council has issued an invoice in respect of the development demand notice.

Development contributions are classified as part of "Contributions for capital purposes".

5. Operating Leases

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

6. Grant Expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of Council's decision.

7. Income Tax

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

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

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

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable

surpluses will be available against which the deductible temporary differences or tax losses can be utilised.

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

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

8. Equity

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Public equity is disaggregated and classified into the following components:

- accumulated funds
- restricted reserves
- property revaluation reserve
- fair value through other comprehensive income reserve

Restricted and Council created reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

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

Also included in restricted reserves are reserves created by Council decision. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at Council's discretion.

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

Fair value through other comprehensive income reserves comprises the cumulative net change in the fair value of financial assets through other comprehensive income.

9. Cash and Cash Equivalents

Cash and cash equivalents include cash balances deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

10. Debtors and Other Receivables

Debtors and other receivables are stated at their cost less any provision for impairment (see Impairment Policy 19).

11. Inventories

Inventories represent land being developed for resale and are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

12. Financial Assets

Council classifies its financial assets as available-for-sale financial assets, and loans and receivables.

Available-for-Sale Financial Assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Other financial instruments held by Council are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss recognised in other comprehensive income, except for impairment losses which are recognised on the surplus or deficit.

Financial instruments classified as available for sale investments are recognised / derecognised by Council on the date it commits to purchase / sell the investments. Available-for-sale financial assets are derecognised when they mature. On derecognition, the cumulative gain or loss previously recognised in other comprehensive income is recognised on the surplus or deficit.

Loans and Receivables

Loans and receivables are non-derivative financial assets. They are measured at initial recognition at fair value, and subsequently carried at amortised cost using the effective interest method, subject to a test for impairment. Gains or losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans to community organisations made by 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 present value of expected future cash flows of the loan is recognised in the surplus or deficit.

13. Property, Plant and Equipment

The following infrastructural assets are shown at fair value, based on annual valuations by external independent valuers:

- Stormwater
- Water
- Wastewater

Revaluations of roads, buildings, parks and reserves are completed on a periodic basis by external independent valuers.

Revaluations will be undertaken by independent valuers, suitably qualified in the category and location of the assets. The valuation process shall include verification of asset registers, application of rates representing current replacement cost or market value (if any), asset optimisation and adjustments for asset condition and performance.

Valuations are performed with sufficient regularity to ensure revalued assets are carried at a value that is not materially different from fair value.

Where Council has elected to account for revaluations of property, plant and equipment on a class of asset basis, increases or decreases in the carrying amounts arising on revaluation of a class of assets are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. However, the net revaluation result is recognised in the surplus or deficit to the extent it reverses a net revaluation decrease of the same class of assets previously recognised in the surplus or deficit.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the surplus or deficit during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives.

Assets to be depreciated include:

Operational Assets	
Buildings	
- structures	5-100 yrs
- external fabric	5-100 yrs
- services	5-80 yrs
- internal fit out	5-80 yrs
Equipment, furniture and fittings	3-10 yrs
Motor vehicles and plant	4-12 yrs
Library books	10 yrs
Parks and reserves	2-50 yrs

Infrastructure Assets	
Bridges	30-125 yrs
Footpaths and cycle ways	30-100 yrs
Kerb and channel	70-100 yrs
Roads – sealed	8-17 yrs
Roads – unsealed	3-70 yrs
Roads – land and formation	not depreciated
Sewerage plant and equipment	15-35 yrs
Sewerage reticulation networks	60-80 yrs
Stormwater networks	70 yrs
Water plant and equipment	10-35 yrs
Water reticulation networks	60-100 yrs

Restricted Assets are included in the asset register in the same categories as other assets of a similar nature.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

Assets under construction are not depreciated. The total cost of the project is transferred to the relevant asset when it is available for use, and then depreciated.

14. Non-current Assets (or Disposal Groups) Held for Sale

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

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

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. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. Further, the liabilities of a disposal group

classified as held for sale are presented separately from other liabilities in the statement of financial position. Those assets and liabilities shall not be offset and presented as a single amount.

15. Intangible Assets

i. Computer Software

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three years using the straight line method.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

ii. Other Intangible Assets

Other intangible assets that are acquired by Council are stated at cost less accumulated amortisation (see below) and impairment losses (see Impairment Policy 19).

Easements are not amortised. Branding assets are amortised over their estimated useful lives of 10 years using the straight line method.

iii. Subsequent Expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates, and it meets the definition of, and recognition criteria for, an intangible asset. All other expenditure is expensed as incurred.

iv. Amortisation

An intangible asset with a finite useful life is amortised over the period of that life. The asset is reviewed annually for indicators of impairment, and tested for impairment if these indicators exist. The asset is carried at cost less accumulated amortisation and accumulated impairment losses.

An intangible asset with an indefinite useful life is not amortised, but is tested for impairment annually, and is carried at cost less accumulated impairment losses.

16. Forestry Assets

Forestry assets are predominantly standing trees which are managed on a sustainable yield basis. These are shown in the statement of financial position at fair value less estimated point of sale costs at harvest. The costs to establish and maintain the forest assets are included in the surplus or deficit together with the change in fair value for each accounting period.

The valuation of forests is based on discounted cash flow models where the fair value is calculated using cash flows from continued operations; that is, based on sustainable forest management plans taking into account growth potential. The yearly harvest from forecast tree growth is

multiplied by expected wood prices and the costs associated with forest management, harvesting and distribution are then deducted to derive annual cash flows.

The fair value of the forest assets is measured as the present value of cash flows from one growth cycle based on the productive forest land, taking into consideration environmental, operational and market restrictions. Forest assets are valued separately from the underlying freehold land.

The forestry assets are revalued annually by D W Guild MNZIF of Guild Forestry as at 30 June.

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

17. Emissions Trading Scheme

New Zealand Units (NZUs) allocated as a result of the company's participation in the Emissions Trading Scheme (ETS) will be treated as intangible assets, and recorded at cost. These are yet to be allocated to us.

Liabilities for surrender of the NZUs (or cash) are accrued at the time the forests are harvested, or removed in any other way, in accordance with the terms of the ETS legislation.

18. Investment Property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties generate cash flow largely independent of other assets held by the entity. Investment properties are stated at fair value. An external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued, values the portfolio annually. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

Any gain or loss arising from a change in fair value is recognised in the surplus or deficit.

Rental income from investment property is accounted for as described in the Revenue Policy (4), above.

19. Impairment of Non-financial Assets

The carrying amounts of Council's assets, other than inventories (see Inventories Policy 11), forestry assets (see Forestry Assets Policy 16), and Investment Property (see Investment Property Policy 18) are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

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 an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service 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 for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

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

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

20. Third Party Transfer Payment Agencies

Council collects and distributes monies for other organisations. Where collections are processed through Council's books, any monies held are shown as accounts payable in the statement of financial position. Amounts collected on behalf of third parties are not recognised as revenue, but commissions earned from acting as agent are recognised in revenue.

21. Creditors and Other Payables

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

22. Employee Entitlements

Provision is made in respect of Council's liability for the following short and long-term employee entitlements.

i. Short-term Entitlements

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

These include salaries and wages accrued up to balance date, annual leave earned to date, but not yet taken, at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Liabilities for annual leave are accrued at the full amount owing at the pay period ending immediately prior to the statement of financial position date.

Liabilities for accumulating short-term compensated absences (e.g. sick leave), where material, are measured as the amount of unused entitlement accumulated at the pay period ending immediately prior to the statement of financial position date, that Council anticipates employees will use in future periods, in excess of the days that they will be entitled to in each of those periods.

ii. Long-term Entitlements

Where (for historical reasons) a retirement gratuity entitlement exists, where material, liability is assessed on an actual entitlement basis using current rates of pay taking into account years of service. All remaining staff with this provision in their contracts have completed the qualifying conditions.

Where (for historical reasons) a long service leave entitlement exists in an individual's employment agreement, the value of the entitlement will be recognised on an actual basis for staff who have completed the service entitlement, but not yet taken the leave, and on a discounted basis for the staff members who have not yet completed the qualifying service.

iii. Superannuation Schemes

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

23. Borrowings

Borrowings are recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Council has not capitalised borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, as required under NZ IAS 23 Borrowing Costs (revised 2007), because it has elected to defer the adoption of the revised standard in accordance with its transitional provisions that are applicable to public benefit entities.

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

24. Provisions

A provision is recognised in the statement of financial position when Council has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

25. Landfill Post Closure Costs

Council has a number of closed landfills. The resource consents for these include a legal obligation to provide ongoing maintenance and monitoring services throughout the life of the consent. The provision is measured on the present value of future cash flows expected, taking into account future events, including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure.

The discount rate used is a rate that reflects the current market assessments of the time value of money and the risks specific to Council.

The estimated future costs of meeting this obligation have been accrued and charged. The calculations assume no change in the legislative requirements for post-closure treatment.

26. Goods and Services Tax

The financial statements are prepared exclusive of GST with the exception of debtors and other receivables and creditors and other payables that are shown inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

27. Cost Allocations

The costs of all internal service activities are allocated or charged directly to external service type activities. External service activities refer to activities which provide a service direct to the public. Internal service activities provide support for the external service activities.

Where the user of a service can be identified, the cost recovery is made by way of a direct charge. Where this has not been possible, the costs are allocated by way of general overhead, on the basis of expenditure incurred within the activity.

28. Critical Judgements

Significant assumptions and risks (critical judgements) related to the Long Term Plan (LTP) are identified at various points within the LTP. Estimates and underlying assumptions are regularly reviewed. Any change to estimates is recognised in the period if the change affects only that period, or into future periods if it also affects future periods.

New Standards, Amendments and Interpretations not yet adopted

Standards, amendments and interpretations issued but not yet effective have not been applied in preparing these prospective financial statements.

STATEMENT OF COMPLIANCE

The Central Otago District Council and its officers confirm that all the relevant statutory requirements of Part 6 of the Local Government Act 2002 have been complied with.

The Council and its officers accept responsibility for the preparation of the Long Term Plan and the prospective financial statements.

In the opinion of the Council and its officers, the Long Term Plan for the 10 years commencing 1 July 2012 provides a reasonable basis for long-term integrated decision-making and for participation in decision-making by the public and subsequent accountability to the community about the activities of the Central Otago District Council.



T Lepper
Mayor



P Melhopt
Chief Executive Officer

2 July 2012

Independent Auditor's Report

To the readers of Central Otago District Council's Long-Term Plan for the ten years commencing 1 July 2012

The Auditor General is the auditor of Central Otago District Council (the District Council). The Auditor General has appointed me, John Mackey, using the staff and resources of Audit New Zealand, to report on the Long Term Plan (LTP), on her behalf. We have audited the District Council's LTP for the ten years commencing 1 July 2012.

The Auditor General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTP complies with the requirements of the Act; and
- the quality of information and assumptions underlying the forecast information provided in the LTP.

Opinion

Overall Opinion

In our opinion the District Council's LTP provides a reasonable basis for long term integrated decision-making by the District Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the District Council.

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows.

Opinion on Specific Matters Required by the Act

In our view:

- the District Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment; and
- the underlying information and assumptions used to prepare the LTP provide a reasonable and supportable basis for the preparation of the forecast information.

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 2 July 2012. This is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the International Standard on Assurance Engagements (New Zealand) 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves performing procedures to obtain audit evidence about the forecast information and disclosures in the LTP. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the information in the LTP. In making those risk assessments we consider internal control relevant to the preparation of the District Council's LTP. We consider internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

Our audit procedures also include assessing whether:

- the LTP provides the community with sufficient and balanced information about the strategic and other key issues, and implications it faces and provides for participation by the public in decision making processes;
- the District Council's financial strategy, supported by financial policies is financially prudent, and has been clearly communicated to the community in the LTP;
- the presentation of the LTP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTP are

- compliant with the decision-making and consultation requirements of the Act;
- the information in the LTP is based on materially complete and reliable asset or activity information;
- the agreed levels of service are fairly reflected throughout the LTP;
- the District Council's key plans and policies have been consistently applied in the development of the forecast information;
- the assumptions set out within the LTP are based on best information currently available to the District Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;
- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the District Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTP.

We do not guarantee complete accuracy of the information in the LTP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTP and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council

The Council is responsible for preparing a LTP under the Act, by applying the Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The Council is also responsible for such internal control as it determines is necessary to enable the preparation of a LTP that is free from material misstatement

The Council's responsibilities arise from Section 93 of the Act.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the LTP and reporting that opinion to you based on our audit. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

It is not our responsibility to express an opinion on the merits of any policy content within the LTP.

Independence

When reporting on the LTP we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the External Reporting Board.

Other than this report and in conducting the audit of the LTP Statement of Proposal and the annual audit, we have no relationship with or interests in the District Council.

John Mackey
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

FEES AND CHARGES

While Council has aimed to provide an exhaustive and accurate schedule of charges, if any errors or omissions are identified, charges will be calculated by reference to the appropriate underlying authority/resolution. Council reserves the right to vary and introduce fees and charges at its discretion.

All fees and charges referred to are inclusive of goods and services tax (GST) at 15%.

WATER, WASTEWATER, STORMWATER CHARGES

Where a service connection for water and/or wastewater, or a wheelie bin is provided to a rating unit in the course of a rating year, the rating unit will be charged a proportion of the full year cost of the service as scheduled in the rating section of the annual plan, based on the number of complete months remaining in the financial year.

DESIGNATED WASTEWATER TREATMENT PLANT

Disposal of septage tank load less than 3,000 litres
Every additional 1,000 litres discharges (or part thereof)

TRADE WASTE

Application fee
Application to transfer trade waste discharge consent
Annual fee
Inspection of confidential consents (at cost after first \$115)

WATER, WASTEWATER, STORMWATER – NEW CONNECTION

Approved contractors (per connection)
Non-approved contractors (per connection)

BULK TANKER WATER FROM FIRE HYDRANTS (PER LOAD)

First load (in series)
Subsequent loads (in series)

Includes GST

2012/13

112.00

34.00

180.00

70.00

120.00

At cost

30.00

120.00

65.00

15.00

ROADING CHARGES

LICENCE TO OCCUPY

Single owner
Multiple owner

TRAFFIC MANAGEMENT PLAN APPROVAL

Commercial organisations and events
Non-profit community events

TEMPORARY ROAD CLOSURE

Commercial organisations and events
Non-profit community events

ROAD OPENING NOTICE

Approved service provider
Other service

ROAD STOPPING

Time and disbursements plus legal and survey costs
Miscellaneous fees (other consents, certificates, authorities, services or inspections not specifically provided for to be charged at the cost of time and disbursement)

RAPID NUMBER

New
Replacement

DUST SUPPRESSION

Residential house with 100m of road to Council programme timetable
Residential house with 100m of road outside programme works
Commercial and other applications to Council programmed timetable
Commercial and other applications outside programme works

OTHER

Commercial fingerboard signs
Unauthorised activities
Yard Encroachment Investigation

2012/13

280.00

At cost

70.00

No charge

280.00

No charge

No charge

No charge

At cost

At cost

50.00

20.00

No charge

At cost

49% of cost

At cost

At cost

At cost

50.00

OTHER INFRASTRUCTURE CHARGES

A \$25 booking fee is applicable for non payment on landing.

Where weighing facilities are available Council reserves the right to charge by weight, where no weighing facilities are available Council reserves the right to charge by volume as assessed by the operator.

All fees are user pays (ie waste producer pays) and include a waste minimisation charge to help fund recycling and other waste reduction initiatives. Fees also include charges associated with the Emissions Trading Scheme.

AIRPORTS

AIRPORT LANDING FEES (PER LANDING)

Private aircraft	10.00
Commercial light aircraft/twin engine	20.00
Passenger planes < 18 passenger capacity	30.00
Passenger planes >18 passenger capacity	60.00
Emergency services (Police, Rural Fire, Air Ambulance)	No charge
New Zealand Armed Forces	No charge

WASTE MINIMISATION

TRANSFER STATION CHARGES

Standard size refuse bag	3.00
Car load (small load, minimum fee) load <100 kg or <0.6 m ³	19.00
Van, Ute, Wagon, Trailer Load	
Load <200 kg or <1.0 m ³	37.00
Load >200 kg or >1.0 m ³ charge by volume per cubic metre	53.00
General waste charge by volume per cubic metre	53.00
General waste charge by weight per tonne	262.00
Car body (all tanks pierced and drained)	5.00
Whiteware and separated metal	No charge
Greenwaste Deposited in Greenwaste Area	
Load <0.5 m ³	No charge
Load >0.5 m ³ – 1.0 m ³	10.00
Load >1.0 m ³	20.00
Cleanfill Deposited in Cleanfill Area	
Load <0.5 m ³	No charge
Load >0.5 m ³ – 1.0 m ³	4.50
Load >1.0 m ³	15.00

**Includes GST
2012/13**

DEVELOPMENT & FINANCIAL CONTRIBUTIONS CHARGES

CAPITAL CONTRIBUTIONS – NEW CONNECTIONS (SEE DISTRICT PLAN ALSO)

Patearoa Water

Includes GST
2012/13
1,260.00

Lowburn-Pisa Moorings Sewer (indexed to Dec 12 using SQNEE0000 index)

4,512.00

Bannockburn Sewer (treatment)

1,150.00

Bannockburn Sewer extension

3,450.00

FINANCIAL CONTRIBUTIONS - RESERVES

Urban (indexed to Dec 11 using SQNEE0000 index)

2,030.00

Rural (indexed to Dec 11 using SQNEE0000 index)

1,016.00

DEVELOPMENT CONTRIBUTIONS - NEW CONNECTIONS

WATER SUPPLY

Alexandra

4,676.00

Clyde

3,601.00

Cromwell - Urban

1,333.00

Outer Cromwell

3,387.00

Omakau/Ophir

3,843.00

Ranfurly

2,107.00

Naseby

3,356.00

Roxburgh

1,367.00

WASTEWATER

Alexandra

2,275.00

Cromwell Urban

4,156.00

Outer Cromwell

See financial
contributions

Omakau/Ophir

658.00

Ranfurly

918.00

Naseby

866.00

Roxburgh

882.00

ROADING

Residential

1,931.00

Business

5,5157.00

COMMUNITY SERVICES CHARGES

CEMETERIES

2012/13

ALEXANDRA CEMETERY

Plot Fees

Standard plot fees

690.00

Ashes plot

345.00

Burial Fees

Standard re-opening and burial

720.00

Burial of ashes

360.00

Burial of infants (up to 2 years / re-opening)

410.00

Extraordinary costs

At cost

CLYDE CEMETERY

Plot Fees

Standard plot fees

550.00

Ashes plot

273.00

Burial Fees

Standard re-opening and burial

535.00

Burial of ashes

267.00

Burial of infants (up to 2 years / re-opening)

267.00

Extraordinary costs

At cost

COMMUNITY SERVICES CHARGES CONT.

A \$200 bond is required for social functions; a whole day is more than 6 hours, half day is less than 6 hours.

Bookings for the Jordon lounge are made with the Senior Citizens on 03 448 7007.

CROMWELL CEMETERY

Plot Fees

Standard plot fees	535.00
Ashes plot	267.00
Memorial structures plot	535.00

Burial Fees

Standard re-opening and burial	675.00
Burial of ashes	335.00
Burial of infants (up to 2 years / re-opening)	335.00
Memorial structures burials	655.00
Memorial structures burials stillborns & infants (up to 2 years old)	304.00
Extraordinary costs	At cost

NASEBY CEMETERY

Standard plot fees	257.00
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RANFURLY CEMETERY

Plot Fees

Standard plot fees	257.00
Ashes plot	134.00

COMMUNITY FACILITIES

ALEXANDRA COMMUNITY CENTRE

Hall and Bar

Commercial whole day	245.00
Commercial half day	155.00
Commercial hourly rate	30.00
Non-commercial whole day	145.00
Non-commercial half day	90.00
Non-commercial hourly rate	18.00

Hall, Kitchen and Bar

Commercial whole day	270.00
Commercial half day	180.00
Non-commercial whole day	150.00
Non-commercial half day	110.00

Hall, Reading Room, Kitchen and Bar

Commercial whole day	310.00
Commercial half day	200.00
Non-commercial whole day	185.00
Non-commercial half day	120.00

Whole Complex

Commercial whole day	410.00
Commercial half day	270.00
Non-commercial whole day	250.00
Non-commercial half day	155.00

Hire of Trestles and Chairs (away from hall)

Trestles (each)	5.00
Chairs (each)	2.00

Alexandra Memorial Theatre

Commercial / non-local or by agreement with CEO	
Evening performance	600.00
Matinee performance (afternoon)	450.00
Rehearsal (includes heating)	200.00

**Includes GST
2012/13**

COMMUNITY SERVICES CHARGES CONT.

A \$200 bond is required for social functions; a whole day is more than 6 hours, half day is less than 6 hours.

	Includes GST 2012/13
Amateur local non-profit making incorporated societies and educational institutes	
Evening performance	210.00
Matinee performance (afternoon)	160.00
Rehearsal (no heating)	55.00
Rehearsal (with heating)	110.00
CROMWELL MEMORIAL HALL	
Whole Complex (auditorium, supper room, west wing, kitchen)	
Commercial whole day	435.00
Commercial half day	295.00
Non-commercial whole day	180.00
Non-commercial half day	130.00
Sporting events – tournaments whole day	135.00
Sporting events – club nights/half day tournaments	105.00
Sporting events – schools	105.00
Hourly rate (only available on application to the Cromwell Community Board)	25.00
After 1.00am charge per hour	25.00
Auditorium (not including kitchen)	
Commercial whole day	280.00
Commercial half day	175.00
Non-commercial whole day	150.00
Non-commercial half day	98.00
Sporting events – tournaments	105.00
Sporting events – club nights/half day tournaments	75.00
Sporting events – schools	75.00
Hourly rate (only available on application to the Cromwell Community Board)	20.00
After 1.00am charge per hour	20.00
Supper Room or West Wing (not including kitchen)	
Commercial whole day	145.00
Commercial half day	105.00
Non-commercial whole day	80.00
Non-commercial half day	65.00
Hourly rate (only available on application to the Cromwell Community Board)	15.00
Supper Room and Kitchen	
Commercial whole day	170.00
Commercial half day	115.00
Non-commercial whole day	105.00
Non-commercial half day	80.00
Hourly rate (only available on application to the Cromwell Community Board)	25.00
Kitchen per hour	25.00
Hire of Trestles and Chairs (away from hall)	
Trestles (each)	5.00
Chairs (each)	5.00
Refundable deposit for 1 – 20 chairs	75.00
Refundable deposit for more than 20 chairs	105.00
Crockery breakages (at hall)	At cost
CROMWELL SPORTS PAVILIONS	
Alpha Street Pavilion	
Soccer Club per annum	500.00
Casual day hire	50.00

COMMUNITY SERVICES CHARGES CONT.

	Includes GST 2012/13
Anderson Park Pavilion Club per season	500.00
Casual day hire	100.00
NASEBY HALL	
Whole day hire (not exceeding 24 hours)	75.00
Half day hire (not exceeding 4 hours)	35.00
Hourly rate if less than half day	15.00
WAIPIATA HALL	
24 hour period	100.00
Hourly rate	4.50
Waipiata Darts Club per annum	380.00
WALLACE MEMORIAL HALL	
Whole day hire (not exceeding 24 hours)	30.00
Half day hire (not exceeding 4 hours)	15.00
RANFURLY HALL	
Ranfurlly Drama Club (per annum)	190.00
Meetings	50.00
Meetings in supper room (hourly rate)	15.00
Furniture auctions	50.00
Local concerts	80.00
Visiting artists and concerts	110.00
Weddings and cabarets etc	165.00
Local schools: sports day/events (subject to conditions)	No charge
PATEAROA HALL	
Whole day hire and funerals	100.00
Half day hire	30.00
Meeting room (locals)	15.00
Meeting room (non-locals)	25.00
Discretionary bond	250.00
Hire of Tables and Chairs (away from hall)	
Tables	10.00
Padded chairs	2.00
Plastic chairs	1.00
ROXBURGH ENTERTAINMENT CENTRE	
Theatre	
Evenings	280.00
Conferences	280.00
Matinees, meetings and rehearsals	135.00
Hourly rate for non-profits groups only	16.00
Dance Hall	
Commercial whole day (social functions, weddings, funerals)	280.00
Commercial half day (social functions, weddings, funerals)	135.00
Hourly rate for non-profit groups only	16.00
Track lighting (per day)	50.00
Track lighting – supper room (per day)	26.00
Track lighting – dance hall (per day)	26.00
Kitchen	
Commercial hire whole day (social functions, weddings, funerals)	135.00
Commercial half day (social functions, weddings, funerals)	95.00
Hourly rate for non-profit groups only	16.00
Whole complex (non-discountable)	590.00

A \$200 bond is required for social functions.

A \$200 bond is required for social functions

Track lighting is additional to all other fees.

COMMUNITY
SERVICES
CHARGES
CONT.

ROXBURGH MEMORIAL HALL

Whole Hall

Commercial hire

Hourly rate for commercial hire

Hourly rate for non-profits groups only

Includes GST

2012/13

170.00

55.00

16.00

COUNCIL OFFICE HIRE

WILLIAM FRASER BUILDING

Council Chambers whole day

115.00

Council Chambers half day

55.00

Conference room / Bill McIntosh room whole day

55.00

Conference room / Bill McIntosh room half day

35.00

Assets department meeting room whole day

35.00

Assets department meeting room half day

35.00

Tea making facilities (per person per tea break)

2.00

CROMWELL SERVICE CENTRE

Council Chambers whole day

115.00

Council Chambers half day

55.00

Tea making facilities (per person per tea break)

2.00

RANFURLY SERVICE CENTRE

Council Chambers whole day

55.00

Council Chambers half day

35.00

Meeting room whole day

35.00

Meeting room half day

25.00

ROXBURGH SERVICE CENTRE

Council Chambers whole day

55.00

Council Chambers half day

35.00

CROMWELL MUSEUM

Sale of Museum Photographs

6 x 4 black and white

13.50

7 x 5 black and white

18.50

10 x 8 black and white

23.50

6 x 4 sepia

20.00

7 x 5 sepia

30.00

10 x 8 sepia

40.00

LIBRARIES

Rental books – popular fiction and new releases (per book)

1.00

Interloan books from outside district (plus and externally imposed charges per book)

7.00

Overdue Books (per book per week)

Adults

1.50

Children

1.50

Reciprocal borrowers

10.00

Reservation fee (per book)

1.00

CDs (per week)

CDs up to 2 years old

3.00

CDs up to 2 years old 3 for 2

6.00

CDs over 2 years old

2.00

Videos (per week)

2.00

COMMUNITY
SERVICES
CHARGES
CONT.

	Includes GST 2012/13
DVDs (per week)	3.00
CD Roms (per week)	4.00
Downloading onto disk	2.00
Computer Use (no internet)	
15 mins	2.00
30 mins	4.00
45 mins	6.00
Per hour	7.00
Internet Charges	
15 mins	2.00
30 mins	4.00
Per hour	7.00
Photocopying	
A4 per sheet up to 20 sheets (black and white)	0.20
A4 per sheet up to 20 sheets (colour)	1.30
A4 per sheet more than 20 sheets (black and white)	0.10
A4 per sheet more than 20 sheets (colour)	0.60
A3 per sheet up to 20 sheets (black and white)	0.40
A3 per sheet up to 20 sheets (colour)	2.00
A3 per sheet more than 20 sheets (black and white)	0.20
A3 per sheet more than 20 sheets (colour)	1.00
A4 double sided (black and white)	0.40
A4 double sided (colour)	2.00
A3 double sided (black and white)	0.80
A3 double sided (colour)	4.00
Own paper per sheet (black and white)	0.10
Own paper per sheet (colour)	6.00
Own paper double sided per sheet (black and white)	0.20
Own paper double sided per sheet (colour)	1.00
Providing of regular meeting agenda (per agenda)	33.00
Fax Charges	
All locations up to 3 pages (per fax)	2.50
Additional pages per page	0.50
Book Covering	
Small books (paperback/trade paperback)	5.00
Medium books	8.00
Large books	10.50
Scanning (per page)	1.00
Replacement cards	5.00
Non-residents without a borrowing card (\$25 non-refundable)	25.00
Damaged item charge	10.00

PARKS

MOLYNEUX PARK

Stadium

Sports groups (per hour)	32.00
Vincent sports groups (per hour)	20.00
Gas heating token (20 mins)	7.00
Electric heating token (15 mins)	0.50
Sports groups whole day	275.00

A whole day is more than 6 hours, half day is less than 6 hours. The stadium has a wooden gymnasium floor and is therefore not suitable for events requiring seating or furniture unless provision is made to protect the floor.

COMMUNITY SERVICES CHARGES CONT.

Cricket rates are variable depending on level of pitch preparation; seasonal rates available on application and by negotiation.

A \$400 bond is required for circuses and fairs, amusement device operators are also required to pay the appropriate inspection licensing fees to operate devices in the district.

A \$400 bond is required for circuses and fairs, amusement device operators are also required to pay the appropriate inspection licensing fees to operate devices in the district.

A \$200 bond is required for social functions in the Stadium.

A whole day is more than 6 hours, half day is less than 6 hours. The stadium has a wooden gymnasium floor and is therefore not suitable for events requiring seating or furniture unless provision is made to protect the floor.

Sports groups half day	185.00
Vincent sport groups whole day	155.00
Vincent sport groups half day	110.00
Kitchen whole day (includes foyer toilets)	50.00
Kitchen half day (includes foyer toilets)	25.00
Changing rooms (per room)	10.00

Sports Grounds

Casual (per ground per day)	100.00
Cricket wickets (per day)	85.00
Changing rooms (per room)	25.00

PIONEER PARK

Commercial activity or event including circus, gypsy fair, Blossom Festival	273.00
Community group activity	33.00
Community group activity – a Vincent benefit	125.00
Amusement devices (activity or device)	62.00
Council power box (per hour)	5.00

ANDERSON PARK

Sports club rentals (per player per season)	
Anderson Park grounds	41.00
Netball / tennis courts	16.00
Casual users (per day)	
Playing fields (per player)	2.00
Netball / tennis courts (per player)	2.00
Non-sporting activities (per player plus electricity)	62.00
Touch tournaments (per ground)	57.00

ALPHA STREET RESERVE

Commercial activity or event including circus and gypsy fair	272.00
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Sports Club Rentals (per player per season)

Alpha Street grounds	41.00
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Casual Users (per day)

Playing fields (per player)	2.00
Non-sporting activities (per player plus electricity)	62.00
Touch tournaments (per ground)	57.00
Coin operated BBQ	0.50

MANIOTOTO PARK

Sports clubs (per annum)	775.00
Sports ground (per day)	100.00
Sports ground (half day)	50.00
Outdoor netball / tennis courts	No charge

Stadium

Stadium sports session (not exceeding 2 hours)	15.00
Stadium sports session (not exceeding 4 hours)	34.00
Stadium only (day rate – not exceeding 24 hours)	105.00
Stadium/kitchen/bar (day rate) weddings, cabarets	160.00
Local schools sports day/events (subject to conditions)	No charge

Rugby Clubrooms

Rugby clubrooms (day rate – not exceeding 8 hours)	80.00
Rugby clubrooms (half day rate – not exceeding 4 hours)	40.00
Rugby clubroom/kitchen/bar (day rate not exceeding 24 hours)	135.00
Rugby clubroom/kitchen/bar (half day rate not exceeding 4 hours)	65.00
Local schools sports day/events (subject to conditions)	No charge

Includes GST

2012/13

COMMUNITY
SERVICES
CHARGES
CONT.

	Includes GST 2012/13
Kitchen	
Kitchen whole day (not exceeding 24hours)	50.00
Kitchen half day (not exceeding 4 hours)	25.00
Hire of Trestles away from the Stadium	
Hire of trestles away from the stadium (per trestle)	3.00
Hire of chairs away from the stadium (per chair)	1.00
Charges Per Annum	
Maniototo Squash Club	1,450.00
A&P Association (per show)	770.00
SWIMMING POOLS	
MOLYNEUX AQUATIC CENTRE	
Single Admission	
Adult	4.00
Child	2.00
Preschooler (with maximum of 2 per 1 paying parent/caregiver)	No charge
Gold Card and tertiary student 10%	3.60
Community Services Card holder 10%	3.60
Spectator (when whole pool is hired including competitions)	1.00
Shower	2.00
Membership Card and Yearly Pass	
Adult 11 swims	40.00
Adult 22 swims	80.00
Adult 45 swims	160.00
Adult yearly pass	480.00
Child 11 swims	20.00
Child 22 swims	40.00
Child 45 swims	80.00
Child yearly pass	290.00
Gold Card, Community Services Card and Tertiary Students	
11 swims	36.00
22 swims	72.00
45 swims	144.00
Yearly pass	432.00
Aquarobics and Aqua Fit	
Adult entry and class	8.00
Adult 11 class membership concession (includes pool entry)	80.00
Gold Card, Community Services Card, tertiary student entry and class	7.20
Gold Card, Community Services Card, tertiary student 11 class membership concession (includes pool entry)	72.00
Aqua Fit Class only excluding pool entry	4.00
Swimming Lesson – Central Swim School (includes pool entry)	
8 x toddler/preschool lesson	64.00
10 x school age lessons	90.00
10 x 45 minute stroke development	98.00
Weekday private lesson	
30 minutes	30.00
20 minutes	20.00
5 day block holiday classes	42.50
Saturday private lesson	
20 minutes	30.00
15 minutes	20.00

COMMUNITY
SERVICES
CHARGES
CONT.

	Includes GST 2012/13
School Hire	
District primary schools per lane/block per hour – min charge 1 hour then ½ hour blocks (includes pool entry)	8.00
District high schools per lane/block per hour – min charge 1 hour then ½ hour blocks (includes pool entry)	8.00
Non-district schools – normal pool entry plus non-commercial lane hire	20.00
Central Otago Swimming Clubs / Non-Commercial (as per definition)	
Child – 12 month	290.00
Tues, Thurs non-competitive club nights per lane, no entry (does not include development or squad coaching sessions)	12.00
Lane hire per lane per hour includes pool entry min 1 hour then ½ hour blocks (including development or squad coaching sessions)	12.00
Swim meets / competition nights full 25 metre pool hire includes pool entry min 1 hour then ½ hour blocks (or by agreement with Chief Executive Officer)	115.00
Commercial Operators	
Lane hire per lane per hour includes pool entry min 1 hour then ½ hour blocks (or by agreement with Chief Executive Officer)	45.00
Additional Charges	
Additional staff after hours	\$20/hr/staff
Surcharge for outside normal opening hours	%
Meeting Room Charges (where available)	
Non-commercial per hour min 1 hour then ½ hour blocks	10.00
Commercial per hour min 1 hour then ½ hour blocks	30.00
Kitchen surcharge	30.00
CROMWELL SWIM CENTRE	
Single Admission	
Adult	4.00
Child	2.00
Preschooler (with maximum of 2 swimming parents/caregivers)	No charge
Gold Card and tertiary student 10%	3.60
Community Services Card holder 10%	3.60
Spectator (when whole pool is hired including competitions)	1.00
Membership Card and Yearly Pass	
Adult 11 swims	40.00
Adult 22 swims	80.00
Adult 45 swims	160.00
Adult yearly pass	480.00
Child 11 swims	20.00
Child 22 swims	40.00
Child 45 swims	80.00
Child yearly pass	290.00
Gold Card, Community Services Card and Tertiary Students	
11 swims	36.00
22 swims	72.00
45 swims	144.00
Yearly pass	432.00
Aquarobics and Aqua Fit	
Adult entry and class	8.00
Adult 11 class membership concession (includes pool entry)	80.00
Gold Card, Community Services Card, tertiary student entry & class	7.20
Gold Card, Community Services Card, tertiary student 11 class membership concession (includes pool entry)	72.00
Aqua Fit class only excluding pool entry	4.00

COMMUNITY
SERVICES
CHARGES
CONT.

	Includes GST 2012/13
Swimming Lesson – Central Swim School (includes pool entry)	
8 x toddler/preschool lesson	64.00
10 x school age lessons	90.00
10 x 45 minute stroke development	98.00
Weekday private lesson	
30 minutes	30.00
20 minutes	20.00
5 day block holiday classes	45.50
Saturday private lesson	
20 minutes	30.00
15 minutes	20.00
School Hire (off peak hours only)	
District primary schools per lane/block per hour – min charge 1 hour then ½ hour blocks (includes pool entry)	8.00
District high schools per lane/block per hour – min charge 1 hour then ½ hour blocks (includes pool entry)	8.00
Non-district schools – normal pool entry plus non commercial lane hire	20.00
Central Otago Swimming Clubs / Non-Commercial (as per definition)	
Child – 12 month (July – June)	290.00
Tues, Thurs non-competitive club nights per lane, no entry (does not include development or squad coaching sessions)	12.00
Lane hire per lane per hour includes pool entry min 1 hour then ½ hour blocks (including development or squad coaching sessions)	12.00
Swim meets / competition nights full 25 metre pool hire includes pool entry min 1 hour then ½ hour blocks (or by agreement with Chief Executive Officer)	115.00
Commercial Operators	
Lane hire per lane per hour includes pool entry min 1 hour then ½ hour blocks (or by agreement with Chief Executive Officer)	45.00
Additional Charges	
Additional staff after hours	\$20/hr/staff
Surcharge for outside normal opening hours	%
Meeting Room Charges (where available)	
Non-commercial per hour min 1 hour then ½ hour blocks	10.00
Commercial per hour min 1 hour then ½ hour blocks	30.00
Kitchen surcharge	30.00
RANFURLY SWIM CENTRE	
Admission	
Adult	4.00
Child	2.00
11 x child swims (swim card)	20.00
11 x adult swims (swim card)	40.00
Season pass (single)	82.00
Season pass (family) plus \$10 per child	105.00
Maniototo Area School	731.00
St John's School	132.00
Aquabelles (per session)	352.00
Other groups (per session)	352.00
Professional coaching	\$20 per hr

DISTRICT DEVELOPMENT CHARGES

TOURISM CENTRAL OTAGO

Central Otago Visitor Guide

Quarter page	350.00
Half page	700.00
Full page	1,200.00

Central Otago Online

Basic website listing - 1 image	No charge
Website listing - 5 images	300.00
Full online package - 6 images, fact sheet, booking engine	420.00

Central Otago Visitor Guide plus Website Package

Quarter page advert plus full online	500.00
Half page advert plus full online	850.00
Full page advert plus full online	1,350.00

Booking Commission on Operator Bookings via Website Booking Engine	10-20%
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Central Otago related products/operators registration fee (outside region operators as approved by TCO)	350.00
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There may be one-off projects carried out during the year where operators who participate contribute to the costs on a case by case basis	As required
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Located at Alexandra, Cromwell, Ranfurly and Roxburgh.

VISITOR INFORMATION CENTRES

Toll Calls

National (per 2 minutes)	1.00
International (per 5 minutes)	6.00

Booking commission (on operator bookings)	10-20%
Cancellation fee (payable by customer)	10-15%
Event tickets	Up to 20%
Booking fee	6.00
Cheque clearance fee	0.30
Ladder hire – Cromwell (per half day)	29.00
Photocopying and faxes (refer to Administration Services)	

Display

Wall / poster (per month) A4	35.00
Wall / poster (per month) A3 or larger	50-100
Large panel display (per year)	800-2,000
Light box (per month)	25.00
Local operators – all information centres (professionally printed brochures only)	96.00
Outside region operators (per brochure per centre, per annum)	96.00
Commercial series publications per centre	525.00
Commercial series publications all four centres	1,350.00
Commercial individual publications (per centre per annum)	165.00

Plasma TV Operator Advertising

Per month	65.00
Per 6 months (summer/winter)	300.00
Per year	500.00

Internet Charges

15 min	2.00
30 mins	4.00
1 hour	7.00

One-off projects carried out during the year where operators who participate contribute to the costs on a case by case basis	As required
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PLANNING & ENVIRONMENT CHARGES

Estimated value of work, includes Project Check Fee.

The cost of any peer review of professional documents is at the applicant's cost.

BRANZ Levy (exempt from GST) - \$1 for every \$1,000 or part thereof (projects under \$20,000 are exempt).

BIA Levy - \$1.97 for every \$1,000 or part thereof (projects under \$20,000 are exempt).

All Building Control Fees are based on the average time taken to complete administration, processing and inspections based on the value of the building consent or other building work. Work in excess of this time may be charged for at time and disbursements.

Any other charge for information, certification or inspection, or recording of safe and sanitary certificates not specifically provided for to be charged at time and disbursements (\$60 minimum).

BUILDING CONTROL CHARGES

Up to and including \$5,000	
Over \$5,000 and not exceeding \$10,000	
Over \$10,000 and not exceeding \$20,000	
Over \$20,000 and not exceeding \$40,000	
Over \$40,000 and not exceeding \$80,000	
Over \$80,000 and not exceeding \$200,000	
Over \$200,000 and not exceeding \$350,000	
Over \$350,000 and not exceeding \$500,000	
Over \$500,000 and not exceeding \$750,000	
Over \$750,000 and not exceeding \$1,000,000	
Exceeding \$1 million (min deposit plus additional time if necessary)	

Commercial Alterations & New

Up to \$10,000	
\$10,000 - \$20,000	
\$20,000 - \$40,000	
\$40,000 - \$80,000	
\$80,000 - \$200,000	
\$200,000 - \$350,000	
\$350,000 - \$500,000	
\$500,000 - \$750,000	
\$750,000 +	
Multi-proof building consents (deposit) actual cost of work to be recovered at time and disbursements	
Amendments to Building Consents (deposit) actual cost of work to be recovered at time and disbursements	
Erection of marquee	
Heating / fire appliances - free standing	
Inbuilt secondhand	
Wind machines (horticultural)	
Plan perusal fee for withdrawn applications	

OTHER BUILDING INSPECTIONS

Certificate of Acceptance	
Minor work up to \$5,000	
Residential \$5,000 to \$20,000	
Residential \$20,000 +	
Commercial – \$550 deposit plus hourly rate plus travel	
Relocated house within the district	
New compliance schedule	
Amended compliance schedule	
WOF Monitoring Fee	
Certificate of Public Use	
Notice to Fix	
Fire Service assessment of building consents (plus costs)	
Demolition – non-commercial	
Demolition – commercial	
Inspection of unsatisfactory work (per visit or inspections not already provided for)	
Swimming pool exemption (referred to Council)	
Water test fee (fee plus actual test cost)	

Project Information Memorandum – Residential

Up to and including \$5,000	
Over \$5,000 and not exceeding \$10,000	
Over \$10,000 and not exceeding \$20,000	
Over \$20,000 and not exceeding \$40,000	
Over \$40,000 and not exceeding \$80,000	
Over \$80,000 and not exceeding \$200,000	
Over \$200,000 and not exceeding \$350,000	
Over \$350,000 and not exceeding \$500,000	
Exceeding \$500,000 (min deposit plus additional time if necessary)	
Minor appliances (heaters – inbuilt, second-hand)	

Includes GST

2012/13

260.00
530.00
990.00
1,420.00
1,600.00
2,260.00
2,760.00
2,940.00
3,220.00
3,490.00
3,490.00+

660.00
1,220.00
1,650.00
1,790.00
2,400.00
2,880.00
3,050.00
3,330.00
3,590.00

160.00
70.00
220.00
190.00
340.00
430.00
70.00

770.00
1,090.00
1,880.00
560.00+
150.00
70.00
70.00
70.00
360.00
160.00
70.00
220.00
430.00
70.00
270.00
50.00

30.00
70.00
120.00
190.00
250.00
280.00
320.00
320.00
320.00+
30.00

PLANNING &
ENVIRONMENT
CHARGES
CONT.

	Includes GST 2012/13
Project Information Memorandum – Commercial	
Alteration / new building up to \$10,000	190.00
Alteration / new building \$10,000 - \$20,000	355.00
Alteration / new building \$20,000 - \$1,000,000	420.00
Alteration / new building over \$1,000,000	430.00
Reactivate a lapsed consent (deposit)	70.00
Assessment of building consent exemption application (deposit)	70.00
Local Authority Compliance Certificate	110.00
Time and Disbursements	
Hourly rates for processing all applications	90.00
Mileage (cents per km)	0.50
ENVIRONMENTAL HEALTH	
Establishment of new premises	150.00
Annual Inspection	
Food premises	170.00
Camping grounds	470.00
Hairdresser shops	170.00
Offensive trades	170.00
Funeral directors	170.00
Follow up inspection fee	170.00
Change of ownership	65.00
Annual Renewal	
Food premises	85.00
Camping grounds	85.00
Hairdresser shops	85.00
Offensive trades	85.00
Funeral directors	85.00
Miscellaneous Bylaw and general licence fees	150.00
Late payment fee	50%
Food Control Plans	
Application	65.00
Audit	170.00
Renewal	85.00
Corrective action (hourly rate)	80.00
BYLAW AND POLICY	
Trading General Bylaw in Public Place	
Trading stalls (per week)	50.00
Trading stalls in public places (per annum)	300.00
TAB and gambling venues application fee (deposit)	140.00
Additional sandwich board	80.00
LIQUOR LICENSING	
Local Authority Compliance Certificate	
Building	60.00
Planning	60.00

PLANNING & ENVIRONMENT CHARGES CONT.

Any dog classified as dangerous under the Dog Control Act shall pay 150% of the registration fee prescribed in this schedule.

All applications for resource and subdivision consent and changes to the District Plan will be charged on a time charge, plus disbursements basis although a minimum payment is required as set out below.

Applications will not be processed unless accompanied by the appropriate application or deposit fee.

In accordance with Section 36 of the Resource Management Act where a charge is payable, the Council will not perform the action to which the charge relates until the charge has been paid in full. Note: This applies to all fees and charges in relation to Resource Management functions.

Applications which are incomplete or require the applicant to undergo remedial works will incur further costs on a time and disbursement basis.

ANIMAL CONTROL

Dog Registration Fees

Non-working dogs	50.00
Working dogs	11.00
Late penalty fee (percentage of base fee)	50%

Dog Impounding Charges

First impounding (for each 12 months)	100.00
Second impounding (for each 12 months)	125.00
Third and subsequent impounding (for each 12 months)	160.00
Sustenance	21.00
Destruction of dog	55.00
Notification	20.00
Microchipping	30.00

Licence to keep four or more dogs – inspection fee	60.00
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PLANNING

SUBDIVISION CHARGES

Land Subdivision Consent

Consent application deposit (notified to formal hearing)	2,000.00
Consent application deposit (non notified to formal hearing)	1,500.00
Consent application deposit (under delegated authority)	800.00
Plan Certification - 223	140.00
Plan Certification - 224(c)	140.00
Minor amendment to cross lease/unit title plan (deposit)	510.00

Other Subdivision Charges

Completion certificates	75.00
Compliance certificates (deposit)	540.00
Certified copy of Council resolution	75.00
Registered bond	At cost
Release from registered bond	At cost
Right of way consents (348 Certificate)	100.00
Certificate of approval of survey plans (s.226(1)(e)(ii))	140.00
Change or cancellation of amalgamation condition (deposit)	100.00
Cancellation of easement (Section 243)	100.00

LAND USE CONSENT

Consent application deposit (notified to formal hearing)	2,000.00
Consent application deposit (non-notified to formal hearing)	1,500.00
Consent application deposit (under delegated authority)	500.00
Non-compliance with bulk and location requirements (delegated authority)	140.00
Minor breach of standards (e.g. colour palette) (deposit)	250.00
Application for Extension of Time for a Resource Consent (deposit)	140.00
Minor Change or Cancellation of Consent Condition (delegated) (deposit)	260.00
Complex Change or Cancellation of Consent Condition (delegated) (deposit)	520.00
Change or Cancellation of Consent Condition to Formal Hearing (deposit)	785.00
Monitoring Consent Holders (per hour + mileage)	90.00
Hearing of Objection to Resource Consent (deposit)	785.00

Application for Heritage Orders and Designations (deposit)

Minor, no research (plus public notification)	1,000.00
Moderate, standard research requirements (plus public notification)	5,000.00
Major, affects large area of district (plus public notification)	10,000.00

**Includes GST
2012/13**

PLANNING & ENVIRONMENT CHARGES CONT.

Because such procedures are lengthy and involved, it is appropriate that provision be made for ongoing fee charging, for the processing, report preparation, briefing of Chairperson, attendance of planning consultant and/or staff at hearing or in preparation of application to the Chief Executive Officer in the event of an application under delegated authority and for the preparation and drafting of the decision and release to all parties.

DBH and BRANZ levies apply to work over \$20,000.

APPLICATION FOR DISTRICT PLAN CHANGE (DEPOSIT)

Moderate effect – requiring limited research (plus public notification and disbursements and all costs associated with conducting a hearing, including Councillors fees. Applicant to provide all documentation to Council’s satisfaction).

Minor effect – not requiring research (plus public notification and disbursements and all costs associated with conducting a hearing, including Councillors’ fees. Applicant to provide all documentation to Council’s satisfaction).

Major effect – affects significant part of District Plan/major land use effects (plus public notification and disbursements and all costs associated with conducting a hearing, including Councillors’ fees. Applicant to provide all documentation to Council’s satisfaction).

Information Charges

Resource Management Act information

All other information requested in writing (time charge +disbursements basis min)

LAND INFORMATION MEMORANDUM (LIM)

Residential Search

Provided in 10 working days

Provided in 5 working days

Commercial Search

Provided in 10 working days

Provided in 5 working days

Other charges (engineering, technical consultancy and valuation fees) – to be in addition to all fees where additional information may be required or a report commissioned, or where attendance at a meeting is requested and for administration, inspection and/or supervision.

Includes GST
2012/13

1,000.00

5,000.00

10,000.00

At cost

75.00

150.00

190.00

210.00

280.00

At cost

GOVERNANCE & CORPORATE SERVICES CHARGES

PHOTOCOPYING

A4 per sheet up to 20 sheets (black and white)	0.20
A4 per sheet up to 20 sheets (colour)	1.30
A4 per sheet more than 20 sheets (black and white)	0.10
A4 per sheet more than 20 sheets (colour)	0.60
A3 per sheet up to 20 sheets (black and white)	0.40
A3 per sheet up to 20 sheets (colour)	2.00
A3 per sheet more than 20 sheets (black and white)	0.20
A3 per sheet more than 20 sheets (colour)	1.00
A4 double sided (black and white)	0.40
A4 double sided (colour)	2.00
A3 double sided (black and white)	0.80
A3 double sided (colour)	4.00
Own paper per sheet (black and white)	0.10
Own paper per sheet (colour)	0.60
Own paper double sided per sheet (black and white)	0.20
Own paper double sided per sheet (colour)	1.00
Providing of regular meeting agenda (per agenda)	33.00

FAX CHARGES

All locations up to 3 pages (per fax)	2.50
Additional pages per page	0.50

WORD PROCESSING

First page	7.00
All subsequent pages	3.00

RATING SERVICES

Water rates final read	50.00
Rating Information Database (RID) particulars	2.50

MAPS/AERIAL PHOTOGRAPHY

Black and white A4	2.00
Black and white A3	4.00
Colour A4	6.00
Colour A3	11.00
Custom maps (per hour cost)	70.00
Electronic copies of aerials	POA

VIDEO CONFERENCING

Not for profit and other community groups	Actual phone charge
Business users	\$56/hr + Actual phone charge
Private users	\$28/hr + Actual phone charge

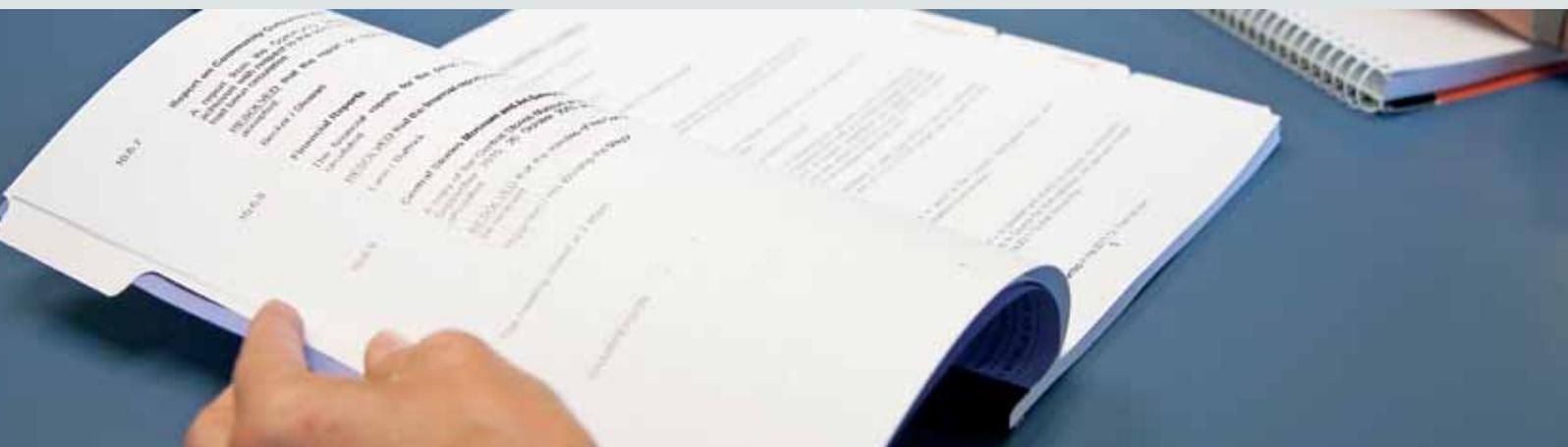
**Includes GST
2012/13**

CHANGE HAPPENS

Change happens whether we like it or not - the challenge is to define the type of change you prefer

POLICIES

revenue and finance rating
development and
financial contributions



Revenue & Financing Policy

PURPOSE

This policy sets out the District Council's policies in respect to funding operating and capital expenditure. This policy has been reviewed in line with the preparation of the Long Term Plan to ensure it is aligned with the LTP and has considered the principles of our Financial Strategy.

Council has reviewed each individual activity with a view to determining an equitable funding policy. In doing so Council considered the nature of the service and the benefits and beneficiaries for each service. Items taken into account during that deliberation were:

- Community outcomes to which an activity contributes
- The distribution of benefits between the community as a whole, identifiable parts of the community and individuals
- The period during which the benefits are expected to occur
- The extent to which actions, or inactions, of individuals or groups contribute to the need to undertake the activity
- Costs and benefits of funding the activity distinctly from other activities

The revenue and financing policy is not just an aggregation of policies for the individual activities Council carries out, but is also a means for Council to consider the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community.

Council's overall approach is that, where practicable, areas that directly benefit, fund the service/activity, or bundle of services in that area. It implements this philosophy through the use of distinct ward rating areas.

FINANCIAL MANAGEMENT

The Local Government Act 2002 places specific responsibility on Council to manage its revenue, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the Central Otago District community. In doing so, Council is required to make adequate and effective provision for the expenditure needs of the Council.

FUNDING OF OPERATING EXPENDITURE

Council is required to have a balanced budget. It must set each year's projected operating revenues at a level sufficient to meet that year's projected operating expenses. Council may only vary this when it is financially prudent to do so.

Council must also give consideration to the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life.

Operational expenditure is the cost of providing the level of service in a given year and includes depreciation on assets. Depreciation is defined as the measure of consumption of the economic benefits of an asset arising from its use overtime. Those who benefit from the use of an asset should contribute towards its cost/consumption.

Because of the size of Council's depreciation expenses within a balanced budget, rate funding of depreciation provides resources to pay for the renewal of the asset at the end of its useful life or for related debt repayment.

There are circumstances whereby fully rate funding depreciation may result in some ratepayers bearing a funding burden that is not entirely fair and equitable. This is where funds for capital project replacement are provided from sources outside Council, for example where a community has raised funds for a hall. Council would not rate fund the depreciation on the hall, as any replacement of that facility would be the responsibility of that community.

Council reviews the effects on ratepayers of fully rate funding increased depreciation from the revaluation of assets. Council considers each revaluation and may in fact chose to not fully rate fund an increase or to introduce the increase in funding required over time.

OVERVIEW OF FUNDING MECHANISMS USED BY COUNCIL

Council will make use of a mix of revenue sources to meet operating expenses.

The extent to which the provision of a service by the Council is a public or private good will largely determine the extent to which rates and fees and charges become the funding source. The income from fees and charges and subsidies may vary based on economic circumstances.

The mechanisms are outlined below:

General Rate

General rates are used to fund activities where it is not possible to clearly identify customers or users. The general rate is also used to fund activities where, for reasons of fairness and equity, consideration of the wider community good indicates that this is the most appropriate way to fund an activity.

Differentials detailed in the Schedule of Rates are applied to this rate. Differentials have been applied to the residential rating unit base rate in order to maintain an equitable rating impact and preserve the relationship which exists between residential, rural, commercial and utilities.

Targeted Rates

Targeted rates are used where an activity benefits an easily identifiable group of ratepayers and where it is appropriate that only this group be targeted to pay for some or all of a particular service, for example, water supply. Differentials detailed in the Schedule of Rates are applied to this rate. Differentials have been applied to the residential rating unit base rate in order to maintain an equitable rating impact and preserve the relationship which exists between residential, rural, commercial and utilities.

Fees and Charges

These are direct charges to individuals or organisations who use certain activities such as pools and building consents.

Other Sources of Funding

Other sources of funding received by Council include dividends, interest, proceeds from asset sales and income from external agencies. These are used to support an activity for example, government assistance such as the New Zealand Transport Agency for the roading activity.

The table on the next pages outlines the funding mechanism used for the individual activities. These mechanisms fall under three headings: General rates, Targeted Rates, and fees and subsidies.

FUNDING OF CAPITAL EXPENDITURE

Council categorises capital expenditure into three main areas being:

- Renewal of existing assets at the end of their useful lives
- Growth related assets
- Expenditure on assets that are an improvement or addition to the asset including expenditure on assets driven by statutory requirement. This expenditure is seen as an increase in the level of service provided and intergenerational by nature.

Council's use of funding mechanisms to fund capital expenditure is as follows:

Council will first apply any relevant subsidies, for example relevant NZ Transport Agency subsidies, and Development Contributions for any growth related assets.

Special Funds are also used for funding new capital and or renewals. These funds are contributed from a number of sources, for example, historical funds, proceeds from the sale of assets and proceeds from the sale of endowment land.

It is the intention the Council will get to the point where asset renewals are being met from operating rates revenue through depreciation, except for assets where the Council's policy is not to fund depreciation. To ensure the Council achieves value for money, there will be times where we group works in one year, but equalize the rate take over a period of years.

Borrowing will be applied to new 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 use of internal funds as a source of borrowing.

Proceeds from asset sales may be used to fund capital works or repay debt. This method is favoured due to its transparency and the neutral effect it has on rating. Land available for sale in Cromwell is projected to be sold and the monies used to fund the Cromwell Town Centre Upgrade within this plan.

Activity Group	Community Outcome	Rationale for Allocation	Funding Source						Fees & Charges
			General		Targeted Rate		Land Value	Capital Value	
			UAGC	Capital Value	Land Value	Uniform Charge			
Water		<p>We supply households and the community with treated water at a suitable pressure and quantity. Water is treated to a required health standard and then pressurised for distribution and public firefighting. All water usage is measured through meters. From July 2012, we will introduce volumetric charging across the district (except Roxburgh). Income from volumetric charging reflects the private benefit of water at the connection, but is priced to achieve an overall objective of reducing per connection usage.</p>	<p>Residual Targeted rate set by ward, assessed differentially</p>					Volumetric Charge	
Wastewater		<p>Wastewater generated by private and public premises is conveyed and treated to minimise public health risks and impacts on the environment. Where wastes from industrial processes are known to dramatically increase demand for the activity, we capture costs through our Trade Waste Bylaw.</p>	<p>Majority Targeted rate set by ward, assessed differentially</p>					Trade Waste Fees	
Stormwater		<p>The stormwater activity provides for the safe removal of excess rainfall that does not naturally permeate into the ground. We have a responsibility to ensure individuals, households and businesses are not adversely impacted by localised flooding. Localised flooding risk is greater in urban areas where development reduces the permeability of the ground. Flood risks from large catchments, like the Clutha and Taieri rivers, are managed separately by the Otago Regional Council (ORC).</p>	<p>Connected – any rating unit (including vacant sections) that is connected to (laterals provided) a Council operated wastewater system charged at 100%. Serviceable – any rating unit (including vacant sections) that is not connected to (no lateral provided) a Council operated wastewater system but is within 30 metres of a wastewater drain, charged at 50%. An additional 25% charge for subsequent urinal or water closet for commercial accommodation land uses will apply.</p>					Full Targeted rate set by ward assessed differentially (Urban properties only)	
								Rural properties greater than 2 hectares will not be assessed for this rate as they do not receive the service.	

Activity Group	Community Outcome	Rationale for Allocation	Funding Source						Fees & Charges
			General		Targeted Rate		Land Value		
			UAGC	Capital Value	Land Value	Uniform Charge		Capital Value	
Public Toilets	 	<p>We provide public toilets in towns across the district and at recreation facilities and parks. These are available for residents and visitors. They provide social well-being to the public by maintaining health and hygiene. They also provide economic well-being by supporting tourism activity. We understand there is individual benefit but feel it is uneconomic and impractical to charge for toilets. Depending on the facility, public toilets are funded by either a district-wide or ward rate.</p>		Full District Toilets General rate set by District			Full Ward Toilets, Targeted rate set by ward		
Forestry	 	<p>We own and manage a number of forestry blocks across the district. These forests are regarded as a financial investment while providing land stabilisation and amenity value for the community for walking and biking. Council seeks to obtain maximum value for timber sold with the aim of recovering costs plus some return on capital invested. Income will be raised on and by sale only.</p>						Sale via tender/quote	
District / Commercial Property	 	<p>We own and lease a variety of commercial and farm properties. We also develop land for sale that is not contributing to community outcomes and where it is considered unlikely to do so in the future.</p>					Residual Targeted rate set by ward	Market	
Airports	 	<p>We manage the assets at the aerodromes at Alexandria, Cromwell and Roxburgh. Council believes the aerodromes are assets of importance to all residents of the district due to the potential role they play in emergencies and alternate transport options for tourists and business. The users are generally recreational private pilots and some commercial users for such things as top dressing of farms.</p>		Majority General rate set by District				Landing Fees	

Activity Group	Community Outcome	Rationale for Allocation	Funding Source						Fees & Charges
			General		Targeted Rate		Land Value	Fees & Charges	
			UAGC	Capital Value	Land Value	Uniform Charge			
Community Services									
Parks and Reserves		<p>Access to parks, reserves, rivers and recreational facilities are important for individual and public well-being. Maintaining high quality open spaces is what makes our district an attractive place to live, work and play. This includes Clutha River and Lake Dunstan recreation. Private users of sports fields and courts directly benefits also.</p>			Majority Targeted rate District set Lake Dunstan, Balance set by ward, assessed differentially	Clyde and Omakau Recreation Reserve Committee Targeted rate set by ward	User Charges		
Cemeteries		<p>The provision of cemeteries assists with peace of mind for people, knowing their loved ones will rest in peaceful, well-kept environments. We have a responsibility to the public, and under the law, for the maintenance of burial records, maintenance of cemetery grounds, burial of human remains, interment of human ashes and protection of the district's heritage.</p>			Residual Targeted rate set by ward		Majority		
Community Facilities		<p>Our community facilities and buildings provide places for social, sporting and cultural interaction. They provide both private and public well-being to users within the respective ward, unless regarded as a district facility.</p>			Availability Targeted rate set by ward, assessed differentially		User Charges		

Activity Group	Community Outcome	Rationale for Allocation	Funding Source					Fees & Charges
			General		Targeted Rate			
			UAGC	Capital Value	Land Value	Uniform Charge	Capital Value	
Libraries		<p>Our libraries promote literacy, education and the exchange of information and ideas. We run libraries in Alexandra, Clyde, Cromwell and Roxburgh and share resources of those based in the Queenstown Lakes District. We also have a partnership with schools in Millers Flat, Omakau and Maniototo. We recognise the private benefits of literacy and education but feel there should be equal access to all users, especially children and low income households who could not afford this service if it was funded completely by user fees.</p>			Availability Targeted rate set by District, assessed differentially		Fees, Fines and Charges	
Swimming Pools		<p>Swimming pools contribute to the health and well-being of the community and add to the attractiveness of the area. They provide a place for people to be active and to learn to swim, particularly for our young people, which we have recognised as being increasingly important when so much of our district is surrounded by water. We also acknowledge that making charges too high would decrease usage.</p>			Availability Targeted rate set by ward, assessed differentially		User Charges	
District Development								
Business Development		<p>We directly facilitate economic opportunity with the provision of a business development programme, a regional tourism organisation, community planning, visitor centres, managing the regional brand and a modest promotional grants fund. There is direct benefit in district promotion to all in the form of increased economic activity, but particularly to tourism operators.</p>		Full General rate set by District, Differential only in respect to electricity generators			<p>The targeted rate will be assessed on the basis of where the rateable land is situated.</p> <p>The targeted rate will be assessed on the number of separated used or inhabited parts (SUP) of the rating unit. For the Vincent Board the Molyneux Aquatic Centre and Clyde Pool rate will be set and assessed across the whole Vincent ward based on distance from Alexandra, in 3 bands.</p> <p>The larger dams contribute about 10% of the capital value of the district. If a differential were not applied they would contribute at an inequitable level of the rate take of the district. Therefore Council will apply a differential to remove this inequity. The differential will ensure that the hydro dams contribution each year reflects the overall movement in all rates.</p>	

Activity Group	Community Outcome	Rationale for Allocation	Funding Source						Fees & Charges	
			General		Targeted Rate					
			UAGC	Capital Value	Land Value	Uniform Charge	Capital Value	Land Value		
Tourism			Majority General rate set by District assessed differentially						User Charges	
Visitor Information Centres		We directly facilitate economic opportunity with the provision of a business development programme, a regional tourism organisation, community planning, visitor centres, managing the regional brand and a modest promotional grants fund. There is direct benefit in district promotion to all in the form of increased economic activity, but particularly to tourism operators.		Majority General rate set by District assessed differentially					User Charges	
Community Planning										
Central Otago Brand				Full General rate set by District						
Assessed on the use to which the land is put and where the land is situated.										

Activity Group	Community Outcome	Rationale for Allocation	Funding Source					Fees & Charges
			General		Targeted Rate			
			UAGC	Capital Value	Land Value	Uniform Charge	Capital Value	
Promotions and Grants	 <p>We directly facilitate economic opportunity with the provision of a business development programme, a regional tourism organisation, community planning, visitor centres, managing the regional brand and a modest promotional grants fund. There is direct benefit in district promotion to all in the form of increased economic activity, but particularly to tourism operators.</p>	<p>Promotions are differentiated on the basis of the following:</p> <p>The larger dams contribute about 10% of the capital value of the district. If a differential were not applied they would contribute at an inequitable level of the rate take of the district. Therefore Council will apply a differential to remove this inequity. The differential will ensure that the hydro dams contribution each year reflects the overall movement in all rates.</p> <p>There is a further split by land use category.</p> <p>Vincent Community Board:</p> <ul style="list-style-type: none"> Alexandra ward – 25% residential, 75% commercial/industrial Earnsluegh/Manuhirikia ward – 40% commercial, 30% residential, 30% rural <p>Cromwell Community Board:</p> <ul style="list-style-type: none"> Commercial 60%, residential 20%, rural 20% <p>Vincent Community Board grants to Central Stories will be set and assessed across the Alexandra ward only.</p>	Full District Grants General rate set by District	Full Targeted rate set by ward, assessed differentially Promotions	Full Targeted rate set by ward Community Board Grants			
Planning and Environment								
Resource Management	 <p>We prepare and manage the District Plan under the Resource Management Act (RMA). The District Plan controls the way we use, develop and subdivide land by identifying what activities can take place, and what landscapes and features should be protected. The activity controls the development of the district and the protection of the natural environment for all. We implement the District Plan by processing resource consent and LIM applications for individuals, companies and groups.</p>	Majority General rate set by District, Differential only in respect to electricity generators				Resource Consent and Enforcement Fees		
		We waive resource consent fees for heritage items, or activities in a heritage precinct which require consent solely because of the rules relating to heritage values.						

Activity Group	Community Outcome	Rationale for Allocation	Funding Source						Fees & Charges
			General			Targeted Rate			
			UAGC	Capital Value	Land Value	Uniform Charge	Capital Value	Land Value	
Building Control		<p>The purpose of building control is to uphold public safety in generally privately owned buildings. We do this by issuing building consents, carrying out building inspections and responding to building related enquiries and complaints. Buildings and their owners directly benefit also through consent that the building is safe and complies with the law.</p>	Residual General rate set by District, Differential in respect to electricity generators					Building Consent Fees	
Environmental Health		<p>This activity provides confidence to the public and visitors that our water, food premises, hairdressers, camping grounds and funeral directors are free from harmful contaminants. Premises directly benefit also by receiving certification that they are safe and comply with the law.</p>	Residual General rate set by District, Differential in respect to electricity generators					Enforcement Fees	
Liquor Licensing		<p>We maintain the social well-being of the district by monitoring and controlling the sale of alcohol and the number of gaming machines (pokies) in the district. Premises directly benefit also by receiving licenses to trade and assurance they comply with the law.</p>	Residual General rate set by District, Differential in respect to electricity generators					Enforcement Fees	
Dog Control and Registration		<p>We provide the public a healthy and safe environment, free from dangerous and aggressive dogs and to minimise nuisance. Dog owners benefit from legal registrations and impounded dogs being returned. Council feels, on the grounds of fairness and equity, the costs of controlling and registering dogs should be borne by those generating the demand, dog owners.</p>						Registrations and Fines	
Rural Fire		<p>Our dry and fertile environment creates a significant public fire risk, particularly during the heat of summer. Central Otago District Council is a rural fire authority with jurisdiction over 782,000 hectares of rural land. With such a wide area of fire risk to manage, we regard this activity as wholly of public benefit. We attempt to recover costs where fires are proven to be deliberately or inadvisably lit. We fund this activity to reflect the property and residents we work to protect and we cannot legally charge for fire permits.</p>	Working dogs are differentiated at 0.2 of a non-working dog charge.					Recovery of costs through fault	
			Majority General rate set by District, Differential in respect to electricity generators						

Activity Group	Community Outcome	Rationale for Allocation	Funding Source						Fees & Charges	
			General		Targeted Rate		Land Value	Fees & Charges		
			UAGC	Capital Value	Land Value	Uniform Charge				Capital Value
Emergency Management		<p>We have the responsibility to plan and provide for civil defence emergency management within the district. This activity is for the safety of our community, as any part or all of the district may be affected by an emergency event. An emergency may be declared in response to threats to life or property. We fund this activity to reflect the property and residents we work to protect.</p>	Full General rate set by District, Differential in respect to electricity generators							
Governance and Corporate Services										
Governance		<p>While the Council and Community Boards provide many different services, it is the governance activity that supports elected members to be effective and responsible decision-makers. Each person has an equal right to partake in the democratic process of Council and so benefit equally. Community Boards represent residents of each ward and are funded as such.</p>	Councillors General rate set by District			Community Boards Targeted rate set by ward				
Corporate Services		<p>The corporate services activities provide both direct and indirect support across the organisation that allows Council to function efficiently and effectively. Residents requesting information or staff time is a direct private benefit.</p>							Staff Time Charged User Charges	

Explanation of Notations made in the table

1. **Full** means that all, or almost all, of the cost of the activity is funded from that particular source. If the comment is made in the rates column it does not preclude making minor charges for the service but indicates that the charges are a negligible part of the total funding.
2. **Availability** means that the cost of having the service available is met from that funding source. For these services Council believes that charges can be a major barrier to access for some members of the community. Revenue in these services reflects revenue from programmes, hire of the facility and added value services.
3. **Subsidy** means that a portion of the activity is funded from a Government subsidy. In some instances the subsidy makes a relatively minor contribution, but in others, such as roading, the subsidy is a substantial contributor to the cost of the activity. Those subsidies are identified within the individual plan of the activity.
4. **Majority** means the majority of the service is funded from this source. When used in the fees and charges column it reflects the view that the services should be recovered from users but that legislation imposes some constraints which may mean that full recovery is not possible.
5. **Marginal** reflects that the service has a level of public benefit but also recognises that the level of the service required is influenced by the actions or inactions of others. The revenue reflects a contribution to the cost from those parties.
6. **Market** means that the Council attempts to set its charges at a level that is affordable for the users and competitive with similar services either within the city or outside the city. It is used where market rates are not sufficient to meet the full costs of the service. The balance is funded from rates.
7. **Residual** indicates that a portion of funds comes from this source. It reflects that in some circumstances there are constraints on Council charges, or that the alternative revenue source may include enforcement revenue which is imposed to achieve compliance and may not always cover the costs of enforcement.
8. **Licence and enforcement fees** can be charged for some services. Licence fees may be set by the Council or by regulation, and may not always cover the full costs of the service. Enforcement fees are charged to achieve compliance and do not necessarily meet the full costs of the enforcement activity.

The Local Government rating Act defines matters that may be used to define categories of rateable land. These are outlined below as per Schedule 2 of the Rating Act. CODC Uses Schedule 2 to define the apportionment of land for rateable purposes, and for the setting of differentials.

EXTRACT FROM LOCAL GOVERNMENT (RATING) ACT 2002

Schedule 2 – Matters that may be used to define categories of rateable land

1. The use to which the land is put.
2. The activities that are permitted, controlled, or discretionary for the area in which the land is situated, and the rules to which the land is subject under an operative district plan or regional plan under the Resource Management Act 1991.
3. The activities that are proposed to be permitted, controlled, or discretionary activities, and the proposed rules for the area in which the land is situated under a proposed district plan or proposed regional plan under the Resource Management Act 1991, but only if –
 - a. no submissions in opposition have been made under clause 6 of the First Schedule of that Act on those proposed activities or rules, and the time for making submissions has expired; or
 - b. all submissions in opposition, and any appeals, have been determined, withdrawn, or dismissed.
4. The area of land within each rating unit.
5. The provision or availability to the land of a service provided by, or on behalf of, the local authority.
6. Where the land is situated.
7. The annual value of the land.
8. The capital value of the land.
9. The land value of the land.

DIFFERENTIAL MATTERS AND CATEGORIES

Differentials based on Land Use

The Council proposes to use this matter to differentiate the general rate, tourism rate, economic development rate, planning and environment rate, promotion rate (all wards except Maniototo), and the Alexandra Town Centre 08 loan rate.

The differential categories are:

General Rate

Clyde Dam – Earnsclough and Roxburgh Dam – Roxburgh.

Paerau Dam – Maniototo.

Teviot Dams – Roxburgh.

All other properties.

Economic Development rate and Planning and Environment rate

Clyde Dam – Earnsclough and Roxburgh Dam – Roxburgh.

All other properties.

Tourism

Residential – all rating units that are primarily used for residential purposes.

Rural – all rating units used primarily for the purpose of agriculture, viticulture, horticulture or silviculture.

Commercial and industrial – all rating units which are primarily used for commercial or industrial purposes, other than commercial accommodation, hydro-electric dams, and utilities.

Accommodation – all rating units which are primarily used for commercial accommodation purposes.

Contact Energy dams – Clyde Dam – Earnsclough and Roxburgh Dam – Roxburgh.

Small dams – Paerau Dam – Maniototo and Teviot Dams – Roxburgh.

Utilities – distribution networks of utility companies, including Council owned utilities.

Promotion

Alexandra

- Commercial and industrial – all rating units used primarily for commercial and industrial purposes within the Alexandra ward.
- Residential – all other rating units in the Alexandra ward which are not included within the commercial and industrial category.

Cromwell

- Urban commercial and industrial – all rating units used primarily for commercial and industrial purposes within the town of Cromwell and included on valuation roll numbers 28504, 28505, 28506, 28507.
- Urban residential – all rating units that are primarily used for residential or recreational purposes within the town of Cromwell and included on valuation roll numbers 28504, 28505, 28506, 28507 and properties located in Scott Tce, valuation roll 28421
- Rural – all other rating units within the Cromwell ward.

Earnsclough/Manuherikia

- Contact Energy dam – Clyde Dam – Earnsclough.
- Commercial and Industrial – all rating units used primarily for commercial and industrial purposes within the Earnsclough/ Manuherikia ward except Clyde Dam.
- Residential – all rating units that are primarily used for residential or recreational purposes within Earnsclough/Manuherikia ward.
- Rural – all other rating units within Earnsclough/Manuherikia ward.

Roxburgh

- Contact Energy dam – Roxburgh Dam – Roxburgh
- Teviot Dams – Roxburgh
- All other rating units within Roxburgh ward.

Alexandra Town Centre 08 Loan

Commercial – all commercial properties within the boundaries of the area defined by the resolution determining the area of benefit.

Residential – all other properties within Alexandra Ward.

Properties which have more than one use (or where there is doubt as to the primary use) will be placed in a category with the highest differential factor. 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.

Differentials based on Location

The Council proposes to use this matter to assess rates for the library services rate, the Vincent recreation and culture rate for the Vincent Community Board, the Clutha Management rate, and the Earnsclough/Manuherikia Ward Services rate.

Library Services

Maniototo Ward – all rating units located within the Maniototo ward to recognise the agreement between Council and Maniototo Area school.

District excluding Maniototo – all rating units within the district apart from those units within the Maniototo ward.

Vincent Recreation and Culture (Alexandra Ward and Earnsclough/Manuherikia Ward).

Band 1 – all rating units within Alexandra ward.

Band 2 – all rating units within a 17km circle centred on the Soldiers' Memorial in Alexandra (to Chatto Creek), and excluding rating units within Alexandra Ward.

Band 3 – all other rating units within Earnsclough / Manuherikia Ward.

Clutha Management

Alexandra, Cromwell, Earnsclough/Manuherikia and Roxburgh wards – all rating units within these wards as the Clutha River flows in those wards.

Earnsclough/Manuherikia Ward Services

Earnsclough and Manuherikia Wards were combined following the Local Government Commission's Representation Determination in 2007. The Vincent Board has continued to apply the local roading content within the works and services rate in accordance with the former wards. In this statement reference to "Former" wards refers to the area covered by the valuation rolls included in those wards.

Former Earnsclough represents Valuation Roll Numbers 28451, 28461, 28462, and 28476.

Former Manuherikia represents Valuation Roll Numbers 28241, 28250, 28431, and 28471.

Where a rating unit is situated in more than one ward, the Council will assign the rating unit to a ward based on whichever part of the rating unit has the "home" block.

Differentials based on Area

The Council proposes to use this measure to differentiate the Alexandra stormwater rate within the Alexandra ward.

The following categories apply:

- Rating units up to 2 hectares in area
- Rating units over 2 hectares.

Differentials based on Availability of Service

Water Supply

The categories for the proposed water supply rates are:

- Connected – any rating unit (including vacant sections) that is connected to (lateral/s provided) a council operated water supply
- Serviceable – any rating unit (including vacant sections) that is not connected to (no lateral provided) a council operated water supply but is within 100 metres of a water supply reticulation system.

Wastewater

The categories for the proposed wastewater rates are:

- Connected – any rating unit (including vacant sections) that is connected to (lateral/s provided) a council operated wastewater system
- Serviceable – any rating unit (including vacant sections) that is not connected to (no lateral provided) a council operated wastewater system but is within 30 metres of a wastewater drain.

Waste Management

The categories for the proposed waste management rates are:

- Waste management with collection – a wheelie bin is provided by the Council and a weekly collection service is available to the rating unit
- Waste management without collection – no wheelie bin is provided and no weekly collection service is available to the rating unit.

The Local Government Rating Act 2002 defines factors that may be used in calculating liability for targeted rates. CODC relies on Factor 7 of Schedule 3 Separately Used and Inhabited Parts. CODC further defines separately used and inhabited parts below:

EXTRACT FROM LOCAL GOVERNMENT (RATING) ACT 2002

Schedule 3 – Factors that may be used in calculating Liability for Targeted Rates

1. The annual value of the rating unit.
2. The capital value of the rating unit.
3. The land value of the rating unit.
4. The value of improvements to the rating unit.
5. The area of land within the rating unit.
6. The area of land within the rating unit that is sealed, paved, or built on.
7. The number of separately used or inhabited parts of the rating unit.
8. The extent of provision of any service to the rating unit by the local authority, including any limits or conditions that apply to the provision of the service.
9. The number or nature of connections from the land within each rating unit to any local authority reticulation system.
10. The area of land within the rating unit that is protected by any amenity or facility that is provided by the local authority.
11. The area of floor space of buildings within the rating unit.
12. The number of water closets and urinals within the rating unit.

CENTRAL OTAGO DISTRICT COUNCIL DEFINITION OF SEPARATELY USED OR INHABITED PARTS

Council has elected to use Factor 7 of Schedule 3 of the Local Government (Rating) Act 2002 "the number of separately used or inhabited parts of the rating unit" in its Revenue and Financing Policy for calculating the liability of certain rates.

Rating units, parts or portions of rating units are terms used to define separately used or inhabited rating units and include any part of a rating unit used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of tenancy, lease or other agreement. At a minimum, the land or premise intended to form the SUIP must be capable of actual habitation, or actual separate use.

These are defined by Council as those properties meeting the conditions and criteria:

Conditions and criteria

1. General:

- 1.1 Where more than one rating unit is owned by the same ratepayer and they are utilised as a single rating unit, then only one unit will count for the purposes of assessing any rate calculated on the basis of a SUIP.
- 1.2 Similarly, where an adjoining rating unit is leased and utilised as part of another rating unit in a manner that is contiguous, then only one rating unit will count for the purposes of assessing any rate calculated on the basis of a SUIP.
- 1.3 Where a residential rating unit contains two or more separately habitable units, flats or houses each of which is separately inhabited or is capable of separate habitation (i.e. have all the facilities such as bathroom, toilets, kitchens, reticulated power, separate entrance ways, etc.), then each separately habitable unit will count as separate units for the purposes of assessing any rate calculated on the basis of a SUIP.
- 1.4 A commercial or other non-residential rating unit that contains separate residential accommodation in addition to its commercial or other primary use will attract rates calculated on the basis of a SUIP for each identified use and/or part, except where the owner of the commercial operation resides on the same rating unit in that accommodation, and that that accommodation is the owners usual place of residence.

2. Business/Commercial Properties:

- 2.1 Where multiple professional or business practices operate from shared premises on a single rating unit, each practice constitutes a separate use for

the purpose of assessing any rate calculated on the basis of a SUIP.

- 2.2 Where a commercial rating unit is used partly for non-business purposes (e.g. a business with a flat attached), each business unit and each non-business unit will count as separate parts for the purposes of assessing any rate calculated on the basis of a SUIP.
- 2.3 Business 'parts' that are vacant will be considered a separate part on the basis of potential use and demand on services.
- 2.4 A premise on a commercial rating unit which contains separate shops, kiosks or other retail or wholesale outlets, which are operated as separate businesses or are capable of operation as separate businesses, will attract rates on each separately used or inhabited part, office, shop, kiosk or other retail or wholesale outlet.

3. Motels, Hotels & Traveller Accommodation:

- 3.1 An exception is made for motels, hotels, etc. which will be treated as one business use even if each accommodation unit may be capable of separate habitation.
- 3.2 For the owner's accommodation to be deemed a separate part, the accommodation must be capable of actual separate habitation, (i.e. have all the facilities such as bathroom, toilets, kitchens, reticulated power, separate entrance ways, etc.) and be capable of habitation in its own right, regardless of the Motel/Hotel.

4. Residential/Business Properties:

- 4.1 Residential rating units which are partially used for business - the number of parts will equal the number of residential units plus one for each business use, e.g. a house with a hairdressing salon contains two parts, as does a house and doctor's surgery.
- 4.2 For the business to be considered a separate use, the rating unit in question must be the business's standard 'place of business'. To clarify, a self employed person who resides on a rating unit, but performs their business activities elsewhere, is not considered a separate use (for example electricians and builders).

5. Small Businesses:

Where a small business is used in conjunction with the residential use and the uses are 'co-dependent' i.e. one would not operate/exist without the other, this will be considered one use for the purposes of assessing any rate calculated on the basis of a SUIP. Co-dependency is further explained as follows:

- *"The two separate uses are co-dependent when the very nature or the scale of the business operation is such that the sustainability of the business carried out on site may not be viable over time if the business was not physically co-located with the place of residence of the owner. Typically, in this example the ability of the business to deliver service over time would be threatened by a separation from the place of residence and therefore for that reason the owner chooses not to operate from a separate rating unit."*

Where a rating unit contains both a commercial operation and residential accommodation, the two separately used parts of the rating unit identified will each attract rates calculated on the basis of a SUIP. The exception to this will be when any rating unit contains a small business use and a residential use. Where that small business is used in conjunction with the residential use; and

- *the small business is owned and operated by the same person who resides in the dwelling contained in the rating unit; and*
- *that small business is operated on a sole charge basis by the resident owner identified in the rating information database for that rating unit, then –*
- *both the small business use and the residential use will be considered to be one use for the purposes of assessing any rate calculated on the basis of a SUIP.*

6. Homestay Operations (including Bed & Breakfasts):

- 6.1 A bed & breakfast or 'homestay', as defined in Section 18 of Council's District Plan shall be considered one part for the purposes of assessing any rate calculated on the basis of a SUIP.
- 6.2 A rating unit which operates 'Travellers Accommodation', as defined in Section 18 of Council's District Plan, for up to six persons and does not comply with the definition of 'homestay' as outlined under Section 18 of Council's District Plan, will be considered two parts for the purposes of assessing any rate calculated on the basis of a SUIP.
- 6.3 A rating unit which operates 'Travellers Accommodation', as defined in Section 18 of Council's District Plan, for more than six persons, will be rated as a commercial activity and will be assessed SUIP charges in accordance with Section 3. Motels, Hotels & Traveller Accommodation.

7. Farming

- 7.1 For rating units which are farm properties less than 100ha in area, and contain additional dwellings each additional dwelling will constitute a separate use for the purpose of assessing any rate calculated on the basis of a SUIP.
- 7.2 Where rating units are farm properties, are greater than 100ha in area, and contain additional dwellings which are inhabited by persons who work on that farm, they will for the purposes of separate habitation, be treated as a single use.
- 7.3 Owners of farm properties greater than 100ha in area with multiple dwellings will be asked as required, to make a declaration that the additional dwellings are in use by persons working on the farm.

8. Exceptions

Council has recognised 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 farm, orchard, vineyard or horticultural operation contains accommodation which is let on a rent-free basis for the owner, staff or share milkers associated with the enterprises' productive operation*
- *Where a residential property contains not more than one additional separately inhabited part and where members of the owner's family inhabit the separate part on a rent-free basis*
- *Where an orchard, vineyard or horticultural operation contains a stall for the sale to goods produced solely by that operation.*

9. Extracts (ex District Plan) – 'Section 18 Definitions':

'Residential Activity'

- *means a use of land and building by people for the purpose of living accommodation in a household unit and includes a dwelling. It includes accessory buildings, sleepouts, leisure activities associated with needs generated principally from living on the site; home occupation as defined; and homestay as defined.*

'Household Unit'

- means one or more persons whether related or not, who live together in a residential building which is self contained, in respect of sleeping, cooking, dining bathing and toilet facilities.

'Residential Building'

- means any building or part of a building used or intended to be used for human habitation as a residential activity.

'Homestay'

- means the use of a residential building for short term living accommodation for up to six persons on a commercial fee paying basis and who share use of the residential building with person(s) who permanently occupy the residential building as their permanent residential address.

'Travellers Accommodation'

- means land and buildings used for the accommodation of travellers on a daily tariff and includes ancillary facilities and includes camping grounds (excluding at 'Travellers accommodation' listed in Schedule 19.3.4) but does not include homestays.

Rating Policy

SCHEDULE OF RATES

To enable flexibility between the processes of the 10-year plan and the Annual Plan, a Schedule of Rates has been created. This is in response to the need to distinguish rating policy from the notification of annual operational rates funding requirements.

The Schedule of Rates will allow Council to respond to these circumstances without the necessity of engaging in the complex processes required to amend the 10-year plan for items of a minor nature and dealt with in other consultative procedures.

Council will annually review each matter described in the Schedule of Rates. This is to ensure that the information is current and presents a true and correct statement to the ratepayers of Central Otago. This will include the review of definitions of rating categories, rates and charges, and other such information that applies in the ensuing rating year.

For the financial year 1 July 2012 to 30 June 2013

All rates and charges referred to in this policy are inclusive of goods and services tax at 15%.

The system of rating for the Central Otago District is the land value system. The general rate is set out on this basis. Some rates are levied on capital value, as specified. Unless otherwise specified, references to "defined areas" means sub-divisions of wards as described in the Council resolutions which established the differential rating.

At various points throughout this document a level of rate or charge is specified. These are indicative figures only included to give an estimate of what rates are likely to be in the financial year. These figures are not final and will be subject to possible change until the rating database is finalised. Any movements in the rating base, e.g. as a result of subdivision activity will change the figures until the rates are set by the Council.

General

Uneconomic Rates – Rates levied on any one rating unit of less than \$10 for the year are deemed by the Council to be uneconomic to collect.

Where a payment made by a ratepayer is less than the amount now payable, the Council will apply the payment firstly to any arrears from previous years, and then proportionately across all current year rates due.

Due Dates for Payment of Rates

All rates other than metered water charges will be payable in four instalments due on:

- 20 August 2012
- 20 November 2012
- 20 February 2013
- 20 May 2013

Charges for Metered Water will be due on:

Bannockburn, Ranfurly, Naseby, Omakau and Patearoa:

- 23 October 2012, for the reading to be taken in September 2012
- 20 February 2013, for the reading to be taken in January 2013
- 20 June 2013, for the reading to be taken in May 2013

Cromwell Township and Pisa:

- 20 November 2012, for the reading to be taken in October 2012
- 20 March 2013, for the reading to be taken in February 2013
- 22 July 2013, for the reading to be taken in June 2013

Alexandra:

- 20 September 2012, for the reading to be taken in August 2012
- 21 January 2013, for the reading to be taken in December 2012
- 20 May 2013, for the reading to be taken in April 2013

Clyde and Roxburgh:

- 20 August 2012, for the reading to be taken in July 2012
- 21 December 2012, for the reading to be taken in November 2012
- 20 April 2013, for the reading to be taken in March 2013

Penalties

The Council will apply penalties under section 58 and 59 of the Act on unpaid rates as follows:

- i. A charge of 10% on any amount of any instalment assessed after 1 July 2012 and which is unpaid after the due date
- ii. A charge of 10% on so much of any rates (including metered water) levied before 1 July 2012 which remain unpaid on 1 October 2012
- iii. A further charge of 10% on any rates (including metered water) levied before 1 July 2012 which remain unpaid on 1 April 2013.

Payment of Rates

A discount of 2.5% be given where payment of the year's rates is made in full on or before the due date for the first instalment of the year.

INDICATIVE RATES FOR THE FINANCIAL YEAR 1 JULY 2012 TO 30 JUNE 2013

Rates

The system of rating for the Central Otago District is the land value system. The general rate is set on this basis. Some rates are levied on capital value, as specified. Unless otherwise specified, references to 'defined areas' mean sub-divisions of wards as described in the Council resolutions which established the differential rating.

It is important to note at various points throughout this document a level of rate or charge is specified. These are indicative figures only included to give an estimate of what rates are likely to be in the financial year. These figures are not final and will be subject to possible change until the rating information database is finalised. Any movements in the rating base, e.g. as a result of subdivision activity will change the figures until the rates are set by the Council.

Water Rates and Charges

The Council proposes to set a targeted rate for water supply. The targeted rate will be assessed differentially, per connection to any rating unit (including vacant sections) within the district which is either connected to (lateral provided) at 100% charge, or serviceable, any rating unit (including vacant sections) that is not connected (no lateral provided) to a council operated water supply but is within 100 metres of a water supply reticulation system, at 50% charge. Rating units which are not connected to a scheme, and which are not serviceable will not be liable for this rate. The rates for the respective schemes are shown in the table below:

Location	Connected (lateral provided) \$	Serviceable (No lateral provided) \$
Alexandra	192.70	96.35
Cromwell	105.70	52.85
Clyde	52.35	26.16
Naseby	469.70	234.86
Omakau	729.25	364.64
Pisa	254.40	50.88
Ranfurly	490.65	245.31
Roxburgh	675.20	337.61

The Council proposes to set a targeted rate for water supply that is based on volume of water supplied to all consumers connected to the Patearoa water schemes.

	Per Unit \$
Patearoa Water Supply	407.29

The Council proposes to set a targeted rate for water charges that is based on volume of water supplied to

consumers who will be metered and billed under the Council Water Supply Bylaw 2008.

- All users of water on the Patearoa rural supply (Section 9.5.3a) the Patearoa Urban supply.

	Volumetric Charge per cubic metre
Alexandra	\$0.58
Clyde	\$0.58
Cromwell	\$0.58
Pisa Village	\$0.58
Omakau	\$0.58
Patearoa	\$1.2392
Naseby	\$0.86
Ranfurly	\$0.86
Roxburgh	\$0.86

Waste Management and Collection Charges

The Council proposes to set an annual waste collection charge per property as a uniform charge per separately used or inhabited part of a rating unit within the district, based on the level of service provided. Where a Council provided collection service is available the charge is set on the basis of the number of containers of waste that the Council is prepared to collect as part of its normal waste collection service, that is one wheelie bin per property per week. Additional bins provided to a rating unit will be subjected to an additional annual charge on a per bin basis. The provision of additional bins is at the discretion of the Council.

		\$
Waste Management with collection	Per Part	274.86
Waste Management no collection	Per Part	75.00
Waste Management second and subsequent bin	Per Bin	274.86

All waste management charges will be applied to the costs of waste collection and its disposal, waste minimisation including monitoring of waste sites.

Wastewater Charges

The Council proposes to set a targeted rate for wastewater as a uniform charge assessed differentially per connection to any rating unit (including vacant sections) within the district which are connected to (lateral/s provided) a council operated wastewater system at 100% or serviceable, any rating unit (including vacant sections) that is not connected to (no lateral provided) a council operated wastewater scheme, but is within 30 metres of a wastewater drain at 50%. Rating units which are not connected to a scheme, and which are not serviceable will not be liable for this rate. The Council proposes to set a targeted rate as a uniform charge for each additional pan or urinal in excess of one for those rating units providing commercial accommodation.

The rates for the respective schemes are shown in the table below:

Location	Connected (lateral provided) \$	Serviceable (no lateral provided) \$	Second and subsequent WC Accommodation \$
Alexandra	534.14	267.07	133.53
Cromwell	347.44	173.72	86.86
Omakau	453.65	226.82	113.41
Naseby	260.52	130.26	65.13
Ranfurly	327.93	163.97	81.98
Roxburgh	497.01	248.50	124.25

The wastewater charges will be applied for operations and maintenance of the individual schemes.

The Council proposes to set a targeted rate for wastewater management as a uniform charge of a rating unit within Clyde (identified by Valuation Roll 28461).

	\$
Clyde Wastewater Management	55.32

The wastewater management charges will be applied for ground water monitoring and preliminary costs for a Clyde wastewater scheme.

Works and Services

The Council proposes to set a targeted rate for each ward for ward services calculated on the basis of land value for each rating unit for non-subsidised roading, housing and property, grants, recreation reserve committees, public toilets (ward funded) and other works.

Ward	Cents in \$
Alexandra	0.115
Cromwell	0.037
Former Earnsclough	0.019
Former Manuherikia	0.008
Maniototo	0.048
Roxburgh	0.055

The Council proposes to set targeted rates based on location for village caretakers (calculated on land value) within Earnsclough/Manuherikia ward for each rating unit within the area benefiting from the work, as follows:

	Cents in \$
Clyde	0.02391
Omakau	0.01397

The Council proposes to set a targeted rate based on location on those rating units within the defined area for the Alexandra town centre upgrading (calculated on land value of all rateable properties) for servicing the loan raised for the 1991 upgrade works.

	Cents in \$
Alexandra Town Centre Upgrading 1991	0.186

The Council proposes to set a targeted rate based on location on those rating units within the defined area for the Alexandra town centre upgrading 2008 set on a differential basis (calculated on land value of all rateable properties) for servicing the loan raised for the 2008 upgrade works as follows:

	Cents in \$
Alexandra Town Centre Upgrade 2008 Commercial	0.057
Alexandra Town Centre Upgrade 2008 Residential	0.002

The Council proposes to set a targeted rate for stormwater in the Alexandra Ward calculated on land value on rating units within the Alexandra Ward. This rate will be set on a differential basis based on area (with the categories being rating units up to 2 hectares in area and rating units greater than 2 hectares). This rate will not be applicable to those rating units which are greater than 2 hectares in area as they are outside the area of benefit.

	Cents in \$
Alexandra Stormwater	0.035

The stormwater rate is applied to Alexandra stormwater operations, maintenance and loan charges.

The Council proposes to set targeted rates for ward services within each ward on the basis of a uniform charge for each separately used or inhabited part of a rating unit.

Ward	Per Part \$
Alexandra	26.19
Cromwell	34.02
Earnsclough/Manuherikia	29.89
Maniototo	54.27
Roxburgh	58.45

Ward services charges are used to fund Community Board elected members' costs and other works for each respective ward.

Recreation and Culture

The Council proposes to set a targeted rate for recreation and culture within each ward. The targeted rates will be based on a uniform charge per separately used or inhabited part of a rating unit as shown in the table below.

Ward	Per Part \$
Alexandra	185.97
Cromwell	353.97
Earnsclough/Manuherikia	95.02
Maniototo	363.22
Former Manuherikia Ward	95.02
Roxburgh	224.64

Recreation and culture charges fund the operations and maintenance of parks and reserves, swimming pools (other than Vincent), museums, sports club loan assistance, community halls (other than Earnsclough/Manuherikia) and other recreation facilities and amenities.

The Council proposes to set a targeted rate for certain Vincent recreation and culture activities within Vincent Community Board area. This will be on a differential basis based on location (with the categories being "Band 1 - Alexandra Ward", "Band 2 - Alexandra Ward boundary to Chatto Creek 17km" and "Band 3 - Chatto Creek 17km and Beyond"). The targeted rates will be based on a uniform charge per separately used or inhabited part of a rating unit as shown in the table below.

	Per Part \$
Band 1 - Alexandra Ward	282.20
Band 2 - Alexandra Ward Boundary to Chatto Creek 17km	169.32
Band 3 - Chatto Creek 17km and beyond	28.22

Vincent recreation and culture charges fund the operations and maintenance of Molyneux Aquatic Centre, Clyde Pool, Molyneux Stadium and Molyneux Park.

The Council proposes to set targeted rates based on location for community pools within Earnsclough/Manuherikia ward based on a uniform charge for each separately used or inhabited part of a rating unit, within Ophir township, as follows:

	Per Part \$
Ophir	10.65

The Council proposes to set a targeted rate for community halls within Earnsclough/Manuherikia ward based on a uniform charge for each separately used or inhabited part of a rating unit.

	Per Part \$
Community Halls	31.89

The Council proposes to set a targeted rate for library services as a uniform charge per rating unit, on a differential basis based on location, (with the categories being "Maniototo ward" and "District excluding Maniototo"). The targeted rates will be based on a uniform charge for each separately used or inhabited part of a rating unit, as shown in the table below.

Category	Per Part \$
District excluding Maniototo	91.44
Maniototo	54.86

Library charges are applied to operations and maintenance of libraries.

The Council proposes to set a targeted rate for Clutha Management as a uniform charge per rating unit, on a differential basis based on location, within Alexandra, Cromwell, Earnsclough/Manuherikia and Roxburgh Wards. The targeted rate will be based on a uniform charge for each separately used or inhabited part of a rating unit, as follows:

	Per Part \$
Clutha Management	9.89

Clutha Management charges are applied to operations and maintenance of facilities associated with Lake Dunstan and the Clutha River.

Promotion

The Council proposes to set a targeted rate for promotion within each ward. For each ward, other than Maniototo, the rate will be on a differential basis, based on the use to which the rating unit is put (with the categories for Cromwell ward being "Rural", "Urban Commercial and Industrial" and "Urban Residential", the categories for Alexandra ward being "Commercial and Industrial" and "Residential", the categories for Earnsclough/Manuherikia ward being "Clyde Dam", "Commercial and Industrial", "Residential" and "Rural" and the categories for Roxburgh ward being "Roxburgh Dam", "Teviot Power Scheme", and "Ward except Hydro Dams").

The targeted rates will be based on the capital value of all rating units as shown in the table below.

	Cents in \$
Alexandra Ward	
Commercial and Industrial	.02379
Residential	.00152
Cromwell Ward	
Rural	.00209
Urban Commercial and Industrial	.00293
Urban Residential	.02699
Earnsclough/Manuherikia	
Commercial and Industrial	.01193
Clyde Dam	.00011
Residential	.00111
Rural	.00045
Maniototo Ward	
	.00307
Roxburgh Ward	
Ward except Hydro Dams	.00092
Roxburgh Dam	.00009
Teviot Power Scheme - Roxburgh	.00099

The rate revenue is used to promote local areas within the District.

Loan Rates

The Council proposes to set targeted rates to service loans on each unit within the historical area benefiting from the works relating to each loan on all properties which have not elected to pay a lump sum contribution. The targeted rates will be based on the land value of all rating units as shown in the table below.

	Cents in \$
Alexandra Capital Works 1991	.003
Alexandra Capital Works 1993	.011
Roxburgh Water Supply	.025

The Council proposes to set a targeted rate for each rating unit within the historical area benefiting from the works relating to each loan on all properties which have not elected to pay a lump sum contribution. The targeted rates will be based on a uniform charge for each separately used or inhabited part of a rating unit as shown in the table below.

	Per Part \$
Roxburgh Wastewater Extension 1993	14.39

The loan rates and charges are levied to fund the debt servicing cost of capital work as defined.

Planning and Environment

The Council proposes to set a planning and environment rate on a differential basis based on use (with the differential categories being "Clyde Dam Earnsclough, Roxburgh Dam Roxburgh" and "all areas excluding Clyde Dam Earnsclough and Roxburgh Dam Roxburgh") on all rating units. The rate will be charged on the capital value of all rating units in the district according to the table below.

	Cents in \$
All areas excluding Clyde Dam - Earnsclough and Roxburgh Dam - Roxburgh	.01840
Clyde Dam - Earnsclough, Roxburgh Dam - Roxburgh	.03643

Planning and Environment rates are used to fund functions including Resource Management, Environmental Health and Building, Civil Defence and Rural Fire.

Economic Development

The Council proposes to set an economic development rate on a differential basis based on use (with the differential categories being "Clyde Dam Earnsclough, Roxburgh Dam Roxburgh" and "All areas excluding Clyde Dam Earnsclough and Roxburgh Dam Roxburgh") on all rating units. The rate will be charged on the capital value of all rating units in the district according to the table below.

	Cents in \$
All areas excluding Clyde Dam - Earnsclough and Roxburgh Dam - Roxburgh	.01078
Clyde Dam - Earnsclough, Roxburgh Dam - Roxburgh	.02135

The Economic Development rate is used to fund district development and business development activity.

Tourism

The Council proposes to set a tourism rate on a differential basis based on use (with the differential categories being "Residential", "Rural", "Commercial and Industrial", "Contact Energy Dams", "Small Dams", "Utilities", and "Accommodation") on all rating units. The rate will be charged on the capital value of all rating units in the District except for community, sporting or recreational organisations in accordance with the following table.

	Cents in \$
Residential	.01361
Rural	.01056
Commercial and Industrial	.07252
Accommodation	.07784
Contact Energy Dams	.01959
Small Dams	.04495
Utilities	.01034

The tourism rate will be used to fund visitor information centres and tourism development within the district.

General Rate

The Council proposes to set a general rate on a differential basis based on use (with the differential categories being "Clyde Dam - Earnsclough, Roxburgh Dam - Roxburgh" , "Paerau Dam - Maniototo" , "Teviot Power Scheme - Roxburgh" and "All areas excluding Clyde Dam - Earnsclough, Paerau Dam - Maniototo, Roxburgh and Teviot Dams - Roxburgh") on all rating units. The rate will be charged on the land value of all rating units in the district according to the table below.

	Cents in \$
All areas excluding Clyde Dam - Earnsclough, Paerau Dam	
- Maniototo, Roxburgh and Teviot Dams - Roxburgh	0.118
Clyde Dam - Earnsclough , Roxburgh Dam - Roxburgh	5.954
Paerau Dam - Maniototo	5.698
Teviot Power Scheme - Roxburgh	10.769

Note: The roading content of the 'all areas' general rate equates to a rate of 0.104 cents in the dollar.

General rates are used to fund the costs of functions not delegated to a Community Board and not covered by any other rate or charge. Included are housing, district grants, regional identity, roading (other than the uniform charge contribution), noxious plant control, public toilets (district funded), airports and other.

Uniform Annual Charge

The Council proposes to set a uniform annual charge on every rating unit.

	Per Property \$
All areas	117.89

The uniform annual charge is used to fund democracy, roading (\$60 of the charge), and other amenities controlled by the Council.

TOTAL RATES TO BE COLLECTED

The table below shows the total rates inclusive of GST to be collected for Council's activities for 2012/13 compared to 2011/12.

REVENUE AND FINANCING MECHANISMS	2011/12	2012/13
General Rate	4,217	3,989
Uniform Annual Charge	1,352	1,441
GENERAL RATES		
Planning & Environment	1,282	1,280
Economic Development	784	750
TARGETED RATES		
Clutha Management	99	111
Tourism	1,076	1,126
Refuse	2,370	2,457
Library	1,058	1,107
WARD TARGETED RATES		
Vincent Community Board		
Alexandra Ward Services Rate	366	521
Alexandra Ward Services Charge	78	85
Ward Services E/M Charge	69	70
Ward Services Earnsclough/Manuherikia	-	-
Ward Services Earnsclough	61	67
Ward Services Manuherikia	21	25
Village Caretaker Clyde	23	23
Village Caretaker Omakau	2	2
Village Caretaker St Bathans	-	-
Alexandra Recreation Uniform Charge	546	601
Community Pools - Clyde	-	-
Manuherikia Recreation Charge	56	64
Earnsclough Recreation Charge	139	158
Community Pools - Ophir	1	1
Community Halls E/M	58	75
Vincent Recreation & Cultural	1,019	1,212
Promotion - Alexandra Ward	52	54
Promotion - E/M Ward	12	12
Alexandra Wastewater [Operating]	1,204	1,463
Omakau Wastewater	56	74
Clyde Wastewater Management	26	45
Alexandra Water Supply	1,324	553
Omakau Water Supply	162	171
Clyde Water Supply	247	44
Alexandra Stormwater	116	124
Alexandra Town Centre Upgrading 1991	23	28
Alexandra Capital Works Loan 1993	29	29
Alexandra Capital Works Loan 1991	7	6
Alexandra Wastewater Renewal	-	-
Alexandra Town Centre Upgrading 2008	29	29
Cromwell Community Board		
Cromwell Ward Services Rate	536	461
Cromwell Ward Services Charge	146	152
Cromwell Recreational & Cultural	1,407	1,577
Cromwell Promotions	109	112
Cromwell Water Supply	738	337
Pisa Village Water Supply	66	50
Cromwell Wastewater	972	1,173
Maniototo Community Board		
Maniototo Ward Services Rate	146	241
Maniototo Ward Services Charge	82	84
Maniototo Recreational & Cultural	554	562
Maniototo Promotion	23	23
Ranfurlly Wastewater	176	164
Naseby Wastewater	88	85
Ranfurlly Water Supply	296	258
Naseby Water Supply	201	157
Patearoa Water Supply	142	141
Roxburgh Community Board		
Roxburgh Ward Services Charge	71	67
Roxburgh Ward Services Rate	127	160
Roxburgh Recreational & Cultural	233	258
Roxburgh Promotion	5	5
Roxburgh Water Supply	340	337
Roxburgh Wastewater	214	238
Roxburgh Wastewater Extension 1993	3	3
Roxburgh Water Supply Loan	1	1
	24,640	24,443

Note: These figures are GST inclusive whereas the Funding Impacts Statements are GST exclusive. These rates to be collected do not include volumetric water charges.

OPERATIONAL RATING PRINCIPLES

Payment Options

Rates may be paid by:

- cash
- cheque
- eftpos (excluding from a credit card account)

during the hours of 8.30am to 5pm, Monday to Friday at any of the following:

- Council Offices, William Fraser Building, Dunorling Street, Alexandra
- Cromwell Service Centre, 42 The Mall, Cromwell
- Maniototo Service Centre, 15 Pery Street, Ranfurly
- Roxburgh Service Centre, 120 Scotland Street, Roxburgh (9am to 4.30pm)

Rates may be paid by:

- direct debit (Council's preferred method of payment)
- automatic payment
- internet transfer or telephone initiated direct credit

or by prior arrangement with the Rates Department on 03 440 0617.

Rates may be paid by credit card on the Internet via www.codc.govt.nz. There will be a service charge payable direct to Council's bankers by ratepayers who use this option.

Due Dates for Payment of Rates

Rates will be payable in four instalments, with due dates as follows:

Installment	Due Date
1	Mid August
2	Mid November
3	Mid February
4	Mid May

The actual instalment dates will be notified annually in the Rates Assessment.

Early Payment of Rates

Early payment of all rates assessed in the current financial year may be made at any time.

A discount of 2.5% will be given if payment is made in full on or before the due date for the first instalment of the year.

Penalties on Rates

Penalties for unpaid rates will be applied as follows:

- 10% on any outstanding amount of any instalment not paid by the due date
- 10% on amounts outstanding from earlier years, such penalty being applied on 1 October and 1 April

Requests for waiver of penalties should be sent, in writing, to the Rates Officer.

Requests for waiver of penalties on water accounts should be sent, in writing, to the Water Billing Officer.

Inspection of and Objection to Rating Information and Records

The Complete Rating Information Database (CRID) and related rates records are available for inspection between 8.30am to 4.30pm, Monday to Friday, at any of the following:

- Council Offices, William Fraser Building, Dunorling Street, Alexandra
- Cromwell Service Centre, 42 The Mall, Cromwell
- Maniototo Service Centre, 15 Pery Street, Ranfurly
- Roxburgh Service Centre, 120 Scotland Street, Roxburgh (9am to 4pm)

Any interested person may inspect the CRID. Inspection is free but there may be a fee payable for the supply of particulars from the CRID.

The following persons may inspect the rates records for a rating unit:

- the ratepayer
- anyone authorised, in writing, by the ratepayer to do so
- any person who has become liable to pay the rates under the recovery provisions of the Local Government (Rating) Act 2002
- a solicitor, landbroker or real estate agent
- any member of the public with respect to rates assessed, but not including arrears, remissions or postponed rates

Any ratepayer named in the Rating Information Database (RID) can object to the information in the RID on the following grounds:

- rating unit listed in the district valuation roll (DVR) has been omitted from the RID
- information from the DVR has been omitted or incorrectly entered in the RID
- information entered in the RID (other than information from the DVR) is incorrect

- a lawful amendment to the DVR has not been entered in the RID

Objections to the rates records of a rating unit may only be made by:

- the ratepayer, or
- someone who has become liable to pay the rates on the unit under the recovery provisions

Objections to rates records may only be made on the following grounds:

- the rates have been incorrectly calculated, or
- the balance shown as owing on the rating unit is incorrect

The Council will notify objectors in writing of its decision regarding an objection.

Delegations

Section 132 of the Local Government (Rating) Act 2002 allows Council to delegate the exercise of functions, powers or duties conferred by the Act to any specific officer of the Council. It cannot delegate:

- the power to delegate, or
- any of the powers to set and assess rates or replacement rates

Council has put in place the following delegations:

1. The decision whether disclosure of a name is necessary to identify a rating unit (s28 (2) of the Act) – to the CEO and Corporate Services Manager, acting singly.
2. Authority to determine the fee payable for supplying a copy of the Rates Information Database (RID) (Section 28 (3) of the Act) – to the Corporate Services Manager.
3. Authority to determine objections to the RID – to the CEO, Corporate Services Manager and Accountant, any two acting jointly.
4. Authority to remove names from the RID (Section 35 (b) of the Act) – to the Corporate Services Manager, Accountant, and Rates Officer acting singly.
5. Authority to determine objections to rates records (Section 39 of the Act) – to the CEO, Corporate Services Manager and Accountant, any two acting jointly.
6. Authority to correct errors in RIDs and Rate Records (Section 40 of the Act) – to the Corporate Services Manager, Accountant and Rates Officer, acting singly.
7. Authority to fix the interest rate to be charged on reassessed rates (Section 41 (3) of the Act) – to the Corporate Services Manager.

8. Authority to issue invoices based on previous year's rates (Section 50 of the Act) – to the Corporate Services Manager and Accountant, acting singly.
9. Determine agreeable method of rates payments (Section 52 (2) of the Act) – to the Corporate Services Manager.
10. Authority to recover unpaid rates from owner (Section 61 (1) of the Act) – to the Corporate Services Manager, Accountant and Rates Officer, any two acting jointly.
11. Authority to recover unpaid rates from persons other than owners (Section 62 of the Act) – to the Corporate Services Manager, Accountant and Rates Officer, acting singly.
12. Authority to commence proceedings for unpaid rates (Section 63 of the Act) – to the CEO and Corporate Services Manager, acting jointly.
13. Commencement of rating sale or lease provisions (Section 67 of the Act) – to the CEO and Corporate Services Manager, acting jointly.
14. Authority to sell by private treaty (Section 72 of the Act) – to the CEO and Corporate Services Manager, acting jointly.
15. Authority to sell abandoned land (Section 77 to 83 of the Act) – to the Corporate Services Manager and Property Officer, acting singly.
16. Authority to administer remission and postponement policies (Sections 85/87 of the Act) – to the Corporate Services Manager.
17. Authority to impose penalties on unpaid rates (Section 57 and 58 of the Act) - to the Corporate Services Manager.

OPERATIONAL RATING POLICIES

Maori Freehold Land

Central Otago District Council has no Maori freehold land and therefore has no policy relating to rates relief thereon.

Postponement of Rates

The objective of the Council's policy on postponement of rates is to assist ratepayers experiencing extreme financial circumstances which affect their ability to pay rates.

Only rating units used solely for residential purposes (as defined by the Council) will be eligible for consideration for rates postponement for extreme financial circumstances.

Only the ratepayer, or his/her authorised agent, may make application for rates postponement. Such application must be in writing.

The ratepayer must have owned the rating unit for at least five years.

When considering whether extreme financial circumstances exist, all of the ratepayer's circumstances will be relevant, including:

- age
- physical and/or mental disability
- injury or illness
- family circumstances
- eligibility for DIA Rate Rebate

Additionally, Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for:

- normal health care
- proper provision for maintenance of his/her home and chattels at an adequate standard
- normal day to day living expenses

Any postponed rates will be postponed until:

- the death of the ratepayer; or
- the sale of the rating unit

Postponed rates will be registered as a statutory land charge on the rating unit title. This means that the Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

Postponement of rates will apply from the beginning of the rating year in which the application is made.

Postponed rates will incur a postponement fee, equivalent to interest calculated on the total amount postponed at 30 June each year, plus an administrative charge. The interest will be calculated at Council's internal investment rate, as used for internal loans.

Remission of Rates

The general objectives of the Council's policy on remission of rates are to:

- mitigate the effects of anomalies and inequities in its rating system, i.e. fairness and equity, i.e. economic well-being
- assist new and existing businesses to increase their contribution to district employment, i.e. social and economic well-being
- assist conservation of natural, historic and cultural resources, i.e. environmental and cultural well-being

Specific objectives are set out in each element of the policy.

Remission of Penalties

The objective is to enable Council to act fairly and reasonably in its consideration of rates which have not been received by the due date due to circumstances outside a ratepayer's control.

Remission of penalty will be considered in the case of death, illness or accident of a close family member (as defined by Council) as at the due date.

Remission of penalty will be considered when a payment plan for arrears is agreed and operational.

Remission of penalty will be considered if the ratepayer is able to provide evidence that payment has gone astray in the post or by failure to act by a bank in the case of automatic payments.

Remission of penalty will be considered where the penalty has been incurred during the processing of settlements following changes in ownership of rating units.

Application for remission of penalty must be in writing to the Council.

Remission of Uniform Annual Charges and Fixed Charge Targeted Rates on Rural Rating Units

The objective is to prevent a ratepayer paying several uniform annual charges and fixed charge targeted rates on rural land where land is contiguous, farmed as a single entity but is owned by more than one family member, including a family trust (but excluding a limited liability company)

Application for remission of uniform annual charges must be in writing to the Council. It will not be necessary to reapply each year unless circumstances change.

Remission will include any targeted rate set on the basis of a fixed dollar charge per rating unit, as well as any uniform annual charges, with the exception of water and waste water.

The ratepayer will remain liable for at least one set of each charge.

Remission of uniform annual charges and fixed charge targeted rates, where granted, will take effect from the commencement of the next rating year.

Remissions will not be granted where the Council views the contiguous properties as held for investment purposes; for example, where a new deposited plan has been approved. [Refer also to the Council's policy on remission for development land - paragraphs 8.43ff.]

Where a remission of uniform annual charges and fixed charge targeted rates has been granted to a rating unit, and that remission ceases to be applicable through change in ownership or usage, the rating unit will be charged a proportion of the targeted rates and uniform annual charges applicable for the remainder of the year, commencing from the beginning of the next rating instalment period.

Remission for Extreme Financial Hardship

The objective is to assist ratepayers who experience temporary extreme financial circumstances which affect their ability to pay rates.

Application must be in writing, on the prescribed form (available at Council offices). This is to enable Council to verify that extreme financial circumstances exist.

If the ratepayer would not qualify for the DIA rates rebate, Council may remit some or all of the rates due, based on its assessment of the situation.

Remission for Anomalous and/or Iniquitous Rates Increases

The objective is to allow Council to mitigate the effects of:

- changes in funding policies
- changes arising from general revaluation of the district's rating units
- changes in legislation
- changes arising from unforeseen and/or unusual circumstances

Council will each year receive a report, as part of its Annual Plan process, detailing properties which, unless remissions were granted, would suffer an anomalous or iniquitous rates increase in the year to which the Annual Plan relates.

Council may remit such part of the potential increase as it sees fit, subject to such remission not being so great that the rating unit pays a lesser increase than the average for the ward or district.

Ratepayers eligible for such remission will be notified in writing before the first instalment falls due. However, ratepayers not so notified may make application in writing for such remission.

Remission of Rates on Rural Land with a Capital Value less than \$1,000

The objective is to recognise that undeveloped rural land with a capital value below \$1,000 should only pay minimum rates.

To qualify, ratepayers must hold other land in the district on which full rates are payable.

The minimum rate may vary, but is currently deemed to be \$10.

Ratepayers eligible for such remission will be notified in writing before the first instalment falls due.

Remission of Rates on Land Protected for Natural, Historic or Cultural Conservation Purposes

The objective is to preserve and promote natural resources and the district's heritage.

Applications must be made in writing to the Council.

Applications must be supported by documentary evidence of the protected status of the rating unit.

In considering an application for remission, Council will apply the following criteria:

- the extent to which the preservation of natural, cultural or historic heritage will be promoted by the granting of a rates remission
- the degree to which features of natural, cultural or historic heritage are present on the land
- the degree to which features of natural, cultural or historic heritage inhibit the economic utilisation of the land

Council will decide what amount of rates to be remitted on a case by case basis, subject to a maximum of 30% of rates assessed in a year.

In granting a remission, Council may specify certain conditions. Applicants will be required to agree in writing to any such conditions, and to pay any remitted rates if the conditions are violated.

Ratepayers are only eligible to apply for this remission if they voluntarily protect any features of cultural, natural or historic heritage.

Land that is non-rateable under section 8 of the Local Government (Rating) Act 2002 and is liable only for rates for water supply, sewage disposal or refuse collection will not qualify for remission under this part of the policy.

Remissions for Community, Sporting and Other Organisations

The objective is to:

- assist the organisation's survival, and
- make membership of the organisation accessible to the general public, particularly disadvantaged groups

Part 2 of Schedule 1 of the Local Government (Rating) Act 2002 makes land 50% non-rateable where it is:

- owned or used by a society incorporated under the Agricultural and Pastoral Societies Act 1908 as a showground or place of meeting
- owned or used by a society or association of persons (whether incorporated or not) for games or sports, except galloping races, harness races or greyhound races
- owned or used by a society or association of persons (whether incorporated or not) for the purpose of any branch of the arts

Such land is still liable to pay any uniform annual charges or targeted rates for water supply, sewage disposal or refuse collection.

The definition of land does not include land used for the private pecuniary profit of any members of the society or association.

Council will treat land in paragraph 8.34 in the same manner as land in paragraph 8.33.

Ratepayers receiving rates remission under paragraph 8.35 will be notified in writing before the first instalment falls due.

Remission for Crown Land used for Private or Commercial Purposes

The objective is to ensure lessees using Crown land for private or commercial use do not pay unreasonable levels of rates. Such land is subject to the remissions supporting contiguous land.

Part 1 of Schedule 1 of the Local Government (Rating) Act 2002 states that Crown land is non-rateable, but excludes land used primarily or exclusively for private or commercial purposes under a lease, licence or other agreement.

Applications for remission under this part of the policy must be in writing to the Rates Officer. Applications should give evidence as to why it is unreasonable for the ratepayer to be assessed for rates on the land.

Remission for Land Affected by Natural Disasters

The objective is to provide relief to ratepayers whose land or property has been seriously adversely affected by a natural disaster. A natural disaster is considered as including, but not necessarily limited to, flooding, earthquake damage, wildfire or storm.

Applications for remission under this part of the policy must be in writing to the Council. Applications should give evidence as to why the ratepayer’s enjoyment of the land or property has been seriously adversely affected by the natural disaster.

This part of the policy will only be relevant if the natural disaster had a widespread effect in the district.

Remission for Development Land

The objective is to ensure that unsold development land which is in one parcel, but has separate valuation assessment numbers, does not pay more than one set of uniform annual charges and fixed charge targeted rates, excluding water.

Applications under this part of the policy must be in writing to the Council.

Any remission granted shall be for four years.

For each development (defined as one deposited plan):

- in years 1 and 2 the ratepayer shall pay uniform annual charges and fixed charge targeted rates on one allotment and receive 100% remission on second and subsequent allotments

- in years 3 and 4 the ratepayer shall pay uniform annual charges and fixed charge targeted rates on one allotment and receive 50% remission on second and subsequent allotments Remission shall cease for any allotment if:
 - any interest in the land is passed by the developer to another party, or
 - an application for a building consent is granted, or
 - the land is developed in some other way

Remission ceases from the end of the quarter in which any of these events occur.

Remission for Business Development

The objective is to promote employment and economic development within the district by assisting new businesses (i.e. not in competition with existing businesses) and/or the expansion of existing businesses.

This part of the policy applies to:

- commercial and/or industrial development that involves the construction, erection or alteration of any building, fixed plant and machinery, or other works intended to be used for industrial, commercial or administrative purposes. Investment in capital improvements (excluding the cost of the land) must be in excess of \$1,000,000 and significant new employment opportunities created
- residential developments are specifically excluded from consideration for remission under this part of the policy

Applications must be made in writing to the Council and must be supported by:

- a description of the development
- a plan of the development (where possible)
- an estimate of costs
- an estimate of the likely number of new jobs to be created by the development

Any rates remission granted will apply during the course of the development for a period of up to three years.

The amount of remission to be granted will be on a case by case basis, subject to a maximum of 50% of rates assessed.

In granting any remission under this part of the policy the Council may specify certain conditions before the remission will be granted. Applicants will be required to agree in writing to such conditions and to pay any remitted rates if the conditions are violated.

Remission of Water Rates Attributable to Leakage

Background

From time to time water consumers experience a loss as a result of leaks or damage to their water supply system. It is the normal practice for the consumer to be responsible for the maintenance of the reticulation from the water meter to the property, and to account for any consumption of water supplied through the meter. This is currently enforced through the Water Supply Bylaw 9.13.5.

Council has taken the view that some consumers may experience an occasional water leak without them being aware of the problem. They have therefore decided that it would be reasonable to allow for a reduction in charges to these consumers in certain circumstances.

This policy statement addresses that decision.

Objective of the Policy

To standardise procedures to assist ratepayers who have excessive water rates due to a fault (leak) in the internal reticulation serving their rating unit.

Whilst at the same time ensuring that consumers retain responsibility for the maintenance of their private reticulation, as required by the Water Supply Bylaw 9.15.

Conditions and Criteria

The Council may remit the excess water rates where the application meets the following criteria:

- the policy will apply to applications from ratepayers who have excess water rates due to a fault(s) in the internal reticulation
- that all applicants are requested to submit their application in writing before the due date of an invoice
- that a report from a registered plumber be supplied stating that the property has experienced a water loss as a result of a leak
- that proof of the repairs to the internal reticulation be submitted for verification (i.e. plumber's repair account) within 60 days of the due date of an invoice
- that the ratepayer be charged the full charge for normal consumption
- the maximum relief that will be provided will be 50% of the difference between the normal consumption and the actual water consumption for that period
- any remission under this policy will be limited to one application within any two year period for any particular rating unit
- the Corporate Services Manager be delegated authority to consider applications for remission of

excess water rates and, if appropriate, approve or decline them

Notes:

- "Internal reticulation" refers to the underground and indoor pipe work and specifically excludes irrigation and leaking toilets, taps etc.
- The "normal consumption" will be calculated at Council's discretion from the information available.
- No adjustment shall be backdated beyond the current period invoiced.
- This is a financial remission only based on the volumetric charge.

General

All applications for remissions will be considered in the first instance by the Corporate Services Manager. In certain cases, particularly requests for remission for:

- business development
- land protected for natural, historic or cultural conservation purposes
- land affected by natural disaster

the application will be referred to Council for a decision.

All applications considered by Council will be discussed in open session, or the results of its deliberations in closed session will be disclosed in open session at its next meeting.

Development & Financial Contributions

OVERVIEW

The overall policy document is split into four parts with Part 1 being included within the 2012-22 LTP. This overview briefly outlines what is contained within each part.

Part 1 is CODC's 2012/13 Policy on Development and Financial Contributions.

Parts 2, 3 and 4 make up the Detailed Supporting Document. These contain:

Part 2 outlines the calculation methodology used for calculating development contributions.

Part 3 provides the details of specific elements of the development contributions calculation model.

Part 4 provides the background and direction for assessing development contributions for specific developments and subdivisions.

The Policy and Detailed Supporting Document is publicly available from CODC upon request. Provisions for both development and financial contributions are discussed as they have different procedural matters relating to them.

MAJOR CHANGES FROM THE PREVIOUS POLICY

The major changes from the previous policy (as included in the 09-19 LTCCP) and the Detailed Supporting Document are listed below:

- Remissions for new small business developments.
- Amended approach for assessing roading contributions for small non-residential developments.
- Implementation of a growth apportionments process for roading development contributions based on the type of vehicle movements driving roading capital expenditure and the growth in these vehicle movements.
- A review of the growth apportionments of historic projects for water supply, wastewater and roading.
- Additional Council decisions on the funding of growth costs for certain contributing areas.

PART 1: POLICY ON DEVELOPMENT AND FINANCIAL CONTRIBUTIONS

Introduction

The Policy has been prepared to meet the disclosure requirements of the Local Government Act (LGA) 2002, particularly Section 106 of this Act – Policy on Development Contributions and Financial Contributions.

This Policy defines what development and financial contributions Council will require when subdivisions and developments increase the demand for Council services. Included are methods for assessing residential and non-residential contributions. The policy defines the value of the contributions required for various catchments or contributing areas.

There are a number of contributions that Council considers appropriate to levy on subdivisions and developments. The principal basis for levying these contributions against subdivisions and development is to ensure that those who create the demand for additional services/assets pay fairly and reasonably for this.

Council is required to adopt a policy on development contributions and financial contributions as part of its Long Term Plan (LTP). This policy may be amended outside the LTP adoption process. However any amendment of this nature must proceed using the Special Consultative Procedure as outlined in Section 83 of the LGA 2002.

Financial Contributions are defined by s108 of the Resource Management Act (RMA) 1991 and collected using the provisions of the District Plan. Contributions are assessed based on the environmental effects of growth. These are defined in Chapter 15 of the Central Otago District Plan.

Financial contributions has the meaning given to it by s109(a) of the Resource Management Act 1991 i.e.

- a. *Money; or*
- b. *Land, including an esplanade reserve or esplanade strip (other than in relation to a subdivision consent), but excluding Maori land within the meaning of the Maori Land Act 1993 unless that Act provides otherwise; or*
- c. *A combination of money and land.*

Financial contributions will continue to be collected under the District Plan Provisions.

Development Contributions are contributions defined by the provisions of Part 8 Subpart 5 and Schedule 13 of the LGA 2002. Development contributions are assessed based on the fiscal implications of growth. The terminology used in this

Policy is consistent with the definitions in Section 197 of the LGA 2002 where *Community Facilities* means reserves, network infrastructure, or community infrastructure for which development contributions may be required in accordance with section 199.

Activities Covered By This Policy

Council activities included in this policy are:

1. **Network infrastructure** for water supplies, wastewater and roading
2. **Reserves**
3. **Financial contributions of non-fiscal nature** as defined by Chapter 15 (operative) of the Central Otago District Plan and any subsequent variation

Purpose

Council considers the provision of suitable infrastructure as one of its key strategic activities that aid in the provision of social, economic, environmental and cultural well-being of the community. Providing infrastructure in anticipation of growth is an obligation of Council. Council will often invest in infrastructure capacity well in advance of the uptake of that capacity. Therefore recouping the growth component of this investment is an obligation Council has on behalf of the community.

Council also considers it important to ensure that the funding of this infrastructure is fair, reasonable and equitable. The existing community has invested in its needs and enjoys the benefits derived from those assets and services. Council considers it appropriate to use development and financial contributions where new subdivision and development benefit from existing infrastructure, generate need for additional infrastructure and/or require infrastructure extensions.

Section 106(2)(c) of the LGA 2002 requires Council's development contributions policy to explain why the Council has determined that it is appropriate to use development contributions as a funding source, by reference to the matters in section 101(3) of the LGA 2002.

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

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

- a. *in relation to each activity to be funded -*
 - i. *the community outcomes to which the activity primarily contributes; and*
 - ii. *the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and*
 - iii. *the period in or over which those benefits are expected to occur; and*

- iv. *the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and*
 - v. *the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and*
- b. *the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.*

For each activity, Council has specifically considered these matters in relation to the Policy on Development and Financial Contributions. The Council considers that development contributions are an appropriate method of funding growth costs. The considerations are documented in Table 1. The activities have been grouped into:

- Water Supply, Wastewater
- Roading

Each of these matters has been considered for each activity however in some cases the reasons given are valid for all activities. Where this is the case Table 1 shows the common reasons applicable to all activities.

Table 1:- Considerations of Section 101(3) of the LGA 2002

Water Supply and Wastewater		Roading
Water supply and wastewater networks across the district are provided to levels appropriate to sustain the density of use provided for in that locality. The two networks are grouped together as they share similarities in their management and in terms of the effects any extensions have upon them.		The roading network is maintained throughout the district at an appropriate level to ensure accessibility for all possible origins and destinations, and to provide for all possible activities.
S101(3) (a) (i) the community outcomes to which the activity primarily contributes;		
Community Outcomes A Thriving Economy A Safe and Healthy Community - Maintain services in local communities.		Community Outcomes A Thriving Economy A Safe and Healthy Community – Transportation and Communications
S101(3) (a) (ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals;		
Existing Community and Growth Community Capital expenditure will provide capacity, and therefore benefit, to the existing community, the growth community, or both these groups. Council intends to pass the cost of growth onto the growth community through development contributions. Improving levels of service, historical catch-up or asset renewal will be funded from other sources of revenue by the existing community. The capital expenditure undergoes a cost driver analysis to define the benefit and the cost attributable to each part of the community using one or many of the following cost drivers: <ul style="list-style-type: none"> • Growth • Renewal • Other (Level of Service, Statutory and Deferral) The growth costs provide for new or additional assets or assets of increased capacity to meet the demands growth places on community facilities.		
Contributing Areas		
Council intends to use the scheme boundaries to define the contributing areas for water supply and wastewater contributions. These are:		All developments within the district’s boundaries have the ability to use the roading network therefore all developments shall be assessed for a development contribution. Roading development contributions fund growth related capital expenditure for all components of the transportation network.
<u>Water Supply</u> Alexandra Cromwell Urban Cromwell Outer Clyde Naseby Omakau/Ophir Ranfurly Roxburgh	<u>Wastewater</u> Alexandra Cromwell Naseby Omakau Ranfurly Roxburgh	
Only those developments connecting or utilising the water supply and/or wastewater network shall pay a development contribution. Development contributions fund growth related capital expenditure for all components of the utilities network including storage, treatment plants, firefighting, reticulation and pump stations.		
S101(3) (a) (iii) the period in or over which those benefits are expected to occur;		
The purpose of development contributions is to assist in providing intergenerational equity. The approach determines the capacity of each asset and the amount of capacity that will be utilised by the growth community. The length of time over which the asset created will provide a benefit to the future community has been considered. If this benefit extends beyond the 10-year Long Term Plan planning horizon then the growth costs shall be recovered in this LTP window and the next as the capacity is taken up. Funding the cost of providing increased capacity in community facilities through development contributions, rather than rates serviced debt, promotes equity between the existing community and the growth community. Once a development contribution has been paid in relation to a subdivision or development, the benefits of the asset, service, or environmental enhancement shall occur indefinitely.		
S101(3) (a) (iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity;		
Council has projected the extent of growth within the district. Council has also identified capital expenditure necessary to meet the needs of the growth community. The contributing areas discussed above in 101(3) (a) (ii) also ensures the growth costs are attributed to those which contribute to the need to undertake the activity.		
<u>Land Use Categories</u> Council intend to use land use categories to ensure the growth costs are attributed to identifiable parts of the growth community which contribute to the need to undertake the activity. Growth in each land use category generates a different demand for community facilities and therefore each land use shall pay an appropriate contribution.		

Water Supply and Wastewater	Roading
<p>The land use categories used for Water Supply and Wastewater are:</p> <ul style="list-style-type: none"> • Residential • Housing Multi Unit • Retail/ Commercial • Restaurants/ Bars • Accommodation • Industrial 	<p>The land use categories used for Roading are:</p> <ul style="list-style-type: none"> • Residential (includes all residential dwellings and multi units) • Business (includes Retail/ Commercial, Restaurants/ Bars, Accommodation, Industrial)
<p>S101(3) (a) (v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities;</p>	
<p>Development contributions received for a specific activity will only be used for, or towards, the capital expenditure of that activity for which the contribution was required. Using development contributions to fund the cost of providing additional community facilities provides greater transparency. The benefits of this approach include intergenerational equity, fairer apportionment of costs and a more targeted, user pays system. These benefits are deemed to exceed the costs of assessing development contributions.</p>	
<p>S101(3) (b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community</p>	
<p>The liability for revenue falls directly with the growth community. At the effective date of this Policy, Council considers that any negative impact on the social, economic, environmental and cultural well-being of this particular sector of the community is outweighed by a positive impact on the wider community. At any stage in the future where there maybe impacts of this nature, Council may revisit this policy.</p>	

Section 106 of the LGA 2002 identifies that both development and financial contributions can be used. However the Local Authority must clearly demonstrate that no 'double dipping' (charge twice for the same effect/benefit) will occur. This policy clearly defines when a development contribution versus a financial contribution will be required.

Implementation Date

This 2012/13 Policy has been consulted on and adopted as part of the 2012-22 LTP process. The financial and development contributions identified in this Policy shall be applied to all consents with an application date on or after 2 July 2012.

Any consent applied for prior to 2 July 2012 will be assessed under the provisions of the Policy in place on the date of consent application.

Schedules of Development and Financial Contributions Payable

Council may levy contributions in accordance with Tables 3 and 4 over the duration of the LTP. This policy may be amended under the annual update process as described in the Monitoring, Review and Development/Financial Contributions Policy Update section in the Policy.

The two tables demonstrate the type of contribution sought by geographical area, by asset type and under what legislation these will be collected. Development contributions are detailed in Table 3 and financial contributions are detailed in Table 4. The figures provided in Tables 3 and 4 are GST exclusive.

Development contributions for water supply, wastewater and roading have been calculated where growth costs have or are expected to occur. These are detailed in Table 3 below and are calculated in accordance with the conversion factors and assessment rules in the following section.

Council has decided to fund 100% of growth costs from development contributions for all activities, land uses and areas of benefits, with the following exceptions:

Table 2 : Portion of Growth Costs Funded from Development Contributions

Area of Benefit	Land Use Category	Funded from:	
		Development Contributions	Rates
Water Supply			
Alexandra	All	75%	25%
Omakau/Ophir	All	75%	25%
Roxburgh	All	50%	50%
Wastewater			
Alexandra	All	75%	25%
Omakau	All	75%	25%
Roxburgh	All	50%	50%
Roading			
All	Business	60%	40%

The figures in the following tables reflect these decisions.

Maps showing the water and wastewater network scheme boundaries can be found in the final section of this policy. Should Council approve a water supply or wastewater connection to a property outside the scheme boundaries, the applicable development contribution shall be required.

Table 3:- Schedule of Development Contributions (excludes GST)

Contributing Area	Water Supply (per DE)	Wastewater (per DE)	Roading
Alexandra	\$4,066	\$1,978	Res \$1,639 per DE Bus \$4,375 per standard business lot
Clyde	\$3,131	n/a	
Cromwell – Urban	\$1,159	\$3,614	
Outer Cromwell - Rural Residential, Residential Resource Areas, Bannockburn, Pisa and Lowburn	\$2,945	See Financial Contributions – Table 4.	
Omakau/Ophir	\$2,907	\$572	
Ranfurlly	\$1,832	\$798	
Roxburgh	\$1,189	\$767	
Naseby	\$2,615	\$753	
Patearoa	See Financial Contributions – Table 4		
Other Urban Areas	Watching brief should growth create demand for additional assets/services.		
Other Rural Areas			

Note 1: Stormwater development contributions will not be charged at present however this is open for review should growth create demand for additional assets/services.

Note 2: Council may consider a single water supply development contribution for Cromwell as part of the 2015/16 LTP or before.

Table 4: Schedule of Financial Contributions (excludes GST)

Area	Water Supply	Wastewater	Roading	Reserves
Alexandra Clyde Cromwell – Urban Omakau/Ophir Roxburgh Ranfurly Naseby Other Urban Areas	n/a	n/a	Environmental effects based.	\$1,766
Lowburn and Pisa	n/a	Sewer extension contributions = \$3,924		Maintain existing provisions in the District Plan 1. Land; or 2. Cash in lieu of land; or 3. Both
Bannockburn	n/a	Treatment = \$1,000 Sewer Extension= \$3,000		
Patearoa	Town and Rural Water Supply = \$1,096			
Other Rural Areas	n/a	n/a		\$884

Note 1: Financial Contributions (with the exception of the Patearoa Water Supply and Bannockburn Wastewater Financial Contributions) are inflated annually based on Statistics NZ Construction Index PPIQ.SQNEE0000. They are updated to the December 2011 quarter in the above table. The Cromwell Wastewater Financial Contribution may be reviewed as part of the 2015/16 LTP or before.

Note 2: Financial Contributions for Bannockburn Water Supply are now fully subscribed and were removed from the 2009 Policy on Development and Financial Contributions. Alexandra Pines and Reservoir Upgrades are now fully subscribed and were removed from the 2005 Policy on Development and Financial Contributions.

Note 3: General Financial Contribution provisions in the operative District Plan allow for contributions to be sought against various assets and for various environmental effects (no explicit contributions identified). These are detailed in Chapter 15.6 of the District Plan and will be maintained.

Conversion Factors and Assessment Rules

The following table shows the Conversion Factors used to assess non-residential developments or subdivisions. The detail and derivation of these conversion factors can be found in Part 3 and Part 4 of the Detailed Supporting Document. These apply only to development contributions. The assessment rules below the table must also be considered, specifically for business roading development contributions.

Table 5: Conversion Factors for Development Contributions

Land Use Category	Water Supply		Wastewater	Roading
	Working Charge	Network Charge		
Residential	1.0 DE per dwelling		1 DE per dwelling	1 DE per dwelling
Housing Multi Unit	0.38 DE per unit	0.4 DE per lot	0.64 DE per unit	1 DE per unit
Residential Flats of 60m ² GFA or less	0.5 DE per residential flat		0.5 DE per residential flat	0.5 DE per residential flat
Retail/ Commercial	0.05 DE per peak no. of persons	1.24 DE per lot	0.09 DE per peak no. of persons	Typically 2.67 DE per standard business lot, but subject to assessment rules where applicable.
Restaurants/ Bars	0.05 DE per peak no. of persons	1.24 DE per lot	0.14 DE per peak no. of persons	
Accommodation	0.16 DE per peak no. of persons	1.4 DE per lot	0.27 DE per peak no. of persons	
Industrial	0.08 DE per peak no. of persons	1.24 DE per lot	0.18 DE per peak no. of persons	

For roading contributions the residential land use includes rural and residential lifestyle subdivisions or developments.

Assessment Rules

Water Supply and Wastewater

Any development that does not connect to Council's water supply or wastewater network will not be levied a development contribution for that activity.

The peak number of persons for each land use category is as follows:

Retail/Commercial	Peak full-time staff equivalents
Restaurants/Bars	Maximum Number of Patrons + Peak full-time staff equivalents
Accommodation	Number of fee paying guests + (Peak full-time staff equivalents / 5)
Industrial	7 for typical industrial development, otherwise consumption determined at the time of site development.

The NCF for water supply will have regard to the underlying zoning (and hence the firefighting standards) of the subject lot, e.g. the NCF for a small accommodation development in a residential zone will be 0.4 per lot.

Roading

Small Business Assessment – For all small business developments, daily vehicle movements shall be assessed as a percentage of a standard business demand of 90 movements per day. Where the assessed daily vehicle movement is less than 100% of the standard demand, roading development contributions shall be due on a percentage pro-rata basis of the fixed business fee. Developments with less than 10% of the standard business daily vehicle movements shall attract a nil roading development contribution.

For this calculation a broad consideration of traffic movements is required. Specialist traffic assessments are not required except for complex developments, or where the assessments are disputed. The special assessment provision for larger developments is unchanged. For developments of multi units on one site, or units covering multiple lots the above principles shall apply to the development as a whole.

Special Assessment: A special assessment tool has been used in conjunction with the previous Policy to assess developments that have a greater than normal impact on the roading network.

Council deems that a development which exceeds three business contributions should be the point where a special assessment is appropriate. This equates to 270 vehicle movements per day.

A summary of the above two assessment rules is shown below for business developments or subdivisions (vpd = vehicles per day).

0-9 vpd	0 DE
10-89 vpd	pro-rate of 90vpd x 2.67 DE
90-269 vpd	2.67 DE
Greater than 270 vpd	pro-rate of 90vpd x 2.67 DE

Rural and Rural Residential Development and Subdivision: A roading development contribution will be assessed for all developments or subdivisions, including those in rural and rural residential zones.

Alterations: Where alterations are made to an existing business building and work exceeds \$500,000, a fixed fee will be charged. Any alterations to an existing business building where work is less than \$500,000 shall be exempt a roading development contribution.

Traveller Accommodation: The following table shall be used to determine the proportion of the business roading contribution payable.

Table 6 : Roding Development Contributions for Traveller Accommodation

Fee Paying Guests	5 or less	6-7	8-9	10-11	12 or More
Percentage of the Business Roding Contribution Payable	Nil	50%	67%	83%	100%

Homestay activities are also exempt roading development contributions.

Rural Selling Places and Cellar Doors: These are defined in the District Plan in section 4.7.2 (iii) and (v) respectively. Council considers these activities do not generally create any additional demand as they are places where passers-by make purchases as opposed to being a destination causing additional demand on the roading infrastructure. These activities shall be exempt from roading development contributions.

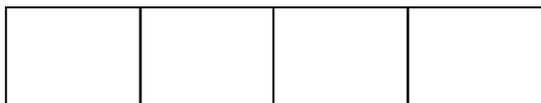
Multi Unit / Multi Lot Development Scenarios: Multi unit and multi lot developments caused confusion when assessing roading contributions under the earlier policies. The following section clarifies the charging of development contributions for certain scenarios.

1. Existing Building – Building Modification for Separately Tenanted Space(s).



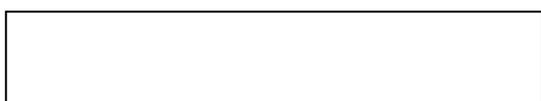
Solution: At building consent charge a separate business or residential fixed fee roading development contribution for the additional tenanted space.

2. Building to be constructed where it is clear separate tenancies will occur and meet building standards for that purpose.



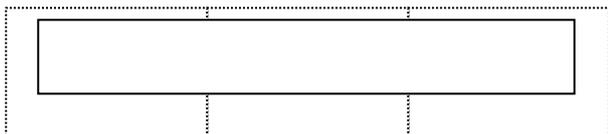
Solution: Each separately tenanted space shall be charged a fixed fee roading development contribution.

3. Building shell to be constructed where it can potentially be modified to have separate tenancies.



Solution: Charge a single fixed fee roading contribution at the time of construction. When building is modified additional contributions should be charged. The owner and not the tenant shall be liable for any future development contributions upon building modification.

4. Development(s) covering multiple lots.



Solution: A fixed fee roading contribution shall be charged for each lot used by the development. For this purpose development includes buildings and ancillaries, e.g. car parking.

Significant Assumptions

Best Available Knowledge

All information used in the calculation of development contributions is the best available at the time of the calculation models being prepared. Council is proceeding with numerous strategic studies which will aid in delivering improved information. Council will update the Policy at reasonable intervals. Council considers it fiscally prudent to have contributions in place now to ensure the recovery of growth costs. Delays to implement this process are considered unacceptable and would unfairly burden the existing population with these costs.

Growth Projections

The findings of a district-wide growth projections study completed by Rationale Ltd in July 2008, and updated in March 2011, were used as the basis for forecasting growth. The growth study considers Statistics New Zealand (SNZ) census data and SNZ projections. The study provides growth projections for each Census Area Unit and a more detailed analysis of specific urban areas.

Growth estimates have been prepared for each contributing area using dwelling equivalents. The starting point uses existing connections from the CODC rates database. These are converted to dwelling equivalents for non-residential connections using the differentials described in Part 3 and 4 of the Detailed Supporting Document. The annual growth factors from the above study are applied to forecast the growth in dwelling equivalents.

Financial Considerations

The following are key financial considerations applied in the model:

1. All figures are in current New Zealand dollars – effective 1 July 2012 and are GST exclusive.
2. Inflation is applied to past capital projects only.
3. Interest costs have been assessed based on the weighted average cost of capital over the 10 year period from 2012. The cumulative net deficit between the contributions anticipated to be collected and the growth costs over the 10-year period are used to determine the proportion of the growth cost that will be funded by debt. An interest rate of 5.0% has been applied.
4. Capital expenditure (CAPEX) projections are those that have been forecast in the Long Term Plan Statement of Proposal effective at 1 July 2012. Actual expenditure for the years to and including 2010/11 has been used. Amendments to the CAPEX programme have been made to account for budgets carried forward and expenditure changes. The public nature and auditability of these capital projections provides additional confidence to the process. Schedule 10 of the LGA 2002 prescribes significant disclosures including growth, renewal and level of service apportionments.

Monitoring, Review and Update of the Policy on Development and Financial Contributions

Council may update the Policy through the Annual Plan or LTP consultation processes or using the special consultative procedure. Council will monitor and review the following:

- Annual Calculation Updates:
 - Identify capital expenditure actually undertaken and whether the projections remain reasonable. This may include adding more capital projects or deleting others.
 - Update capital costs to reflect a year of inflation. This will be based on a 50/50 split of the SNZ Labour Cost Index: Private Sector: Construction and the Producer Price Index: Construction.
 - Review population projections.
 - Any Asset Planning initiatives including changing levels of service and updated capital projections.
 - Update any new information that comes available. This may include updated population projections, additional zoning and scheme boundary changes.
 - Correction of any errors or omissions.
 - Amendment of growth apportionments.
 - Update Financial Contributions (with the exception of the Patearoa Water Supply and the Bannockburn Treatment and Sewer Extension Financial Contributions) for inflation based on Statistics NZ Construction Index PPIQ:SQNEE0000.
- Annual Policy Reviews:
 - Any changes to the policy direction of Council that affect this policy. This may include changes to the LTP, Revenue and Financing Policy and strategic studies
 - New information affecting the land use differential analysis.

Financial contributions will be updated for inflation annually as part of the Annual Plan process. Where financial contributions are inflated, and differ from those contained within this Policy on Development and Financial Contributions, the financial contributions defined in the Annual Plan will take precedence.

This policy was first adopted by Council in 2004. It was amended and updated following the 2005 annual review. A 2006 Policy was then adopted as part of the 2006 LTCCP process and amended for roading in 2007. A 2009 Policy was then adopted as part of the 2009 LTCCP process.

Contribution Triggers

Statutes define different triggers for financial contributions and development contributions. These are:

1. Financial Contributions - As defined by chapter 15.5.1 of the District Plan, namely required as a condition of:
 - Subdivision consent and/or
 - Land use consent
2. Development Contributions – As defined by s198 of the LGA 2002 may be required when.
 - A resource consent is granted; or
 - A building consent is granted; or
 - A service connection is authorised.

Both financial contributions and development contributions relate to demand for assets and/or resources. Once the Council has assessed the demand and a contribution has been determined and paid, provided the demand does not change then no further contributions will be required. Council will consider issues of equity, fairness and reasonableness when applying development contributions at these phases of subdivision and development.

The sequence of development is not always consistent. Hence financial and development contributions will be required at the first available opportunity. At each and every subsequent opportunity the development may be reviewed in terms of both types of contributions. Additional contributions will be required if the demand assessed for the development exceeds those previously paid for.

Notification

Notification procedures are different for both financial and development contributions.

Financial contributions are a condition of resource consent and are payable to ensure compliance with that consent. Financial contributions payable will be notified on both subdivision and land use resource consent decisions.

Development contributions are not a condition of resource consent. Council will however attach a Development/Financial Contributions Demand to the following documents where appropriate:

- Resource Consents – subdivisions and land use.
- Building Consent
- Service Connection Authorisations

The Development/Financial Contributions Demand will include a list of contributions payable, details of any calculations undertaken in terms of assessing demand, details of existing credits known to Council and when payment is required.

The Development/Financial Contributions Demand includes a statement of contributions for a specific allotment.

Therefore any changes in demand can be assessed giving consideration of existing credits.

Timing of Payment

Financial Contributions – timing of payments are defined in section 15.5.1 of the District Plan. This section identifies the following:

- "a. Financial Contributions of money shall generally be paid as follows:*
- i. In the case of a resource consent for land use prior to the commencement of that use.*
 - ii. In the case of a resource consent for subdivision prior to the issue of a certificate under section 224 of the Act* provided that in circumstances where the adverse effect (or a significant portion of that effect) created by the subdivision and/or development will not occur until sometime in the future then Council may defer the financial contribution through the use of covenants, bonds, consent notices or the review of conditions as appropriate.*
 - iii. In the case of financial contributions of money on permitted activities, prior to the issue of the building consent or commencement of the activity.*
- b. Financial contributions of land shall be vested in Council immediately upon the land being able to legally vest."*

* Act meaning the Resource Management Act 1991

Development Contributions – will be payable as follows:

- Resource consent (subdivision) - prior to the issue of S224c certificate (See section 208 of Local Government Act 2002). Council will consider applications for deferral of payment under the following clause:
 - *In the case of a subdivision consent prior to the issue of a certificate under section 224(c) of the Resource Management Act 1991, provided that in circumstances where the effects, or a significant portion of the effects, created by the subdivision will not occur until sometime in the future, then the Council may defer the payment of the development contribution provided it is satisfied that appropriate security by way of registering the development contribution under the Statutory Land Charges Registration Act 1928, as a charge on the title of the land in respect of which the development contribution was required and within a timeframe agreed being no greater than 5 years from the issue date of the certificate under section 224(c) of the Resource Management Act 1991.*

- Resource consent (other) – prior to commencement of the consent except where a building consent is required then payment shall be as noted for building consents below;
- Building consent – prior to the issue of the code of compliance certificate. In the event of undue delays in applying for code of compliance certificate Council may require payment 90 days from the granting of the building consent.
- Service connection – prior to connection.

Unusual Developments

Council reserves the right to individually assess any development or activity that it deems to create a significantly different demand on infrastructure than could usually be expected under their relevant category. For example, a swimming pool may be classified under commercial but it will have a significantly different water use than generally allowed for under the commercial category.

Where alterations are made to an existing business building and work exceeds \$500,000, a fixed roading development contribution will be charged. Any alterations to an existing business building where work is less than \$500,000 shall be exempt a roading development contribution. Section 15.6.4 of Council's District Plan identifies developments required to pay a Development Impact Levy. Developments meeting the test for a development impact levy are also considered unusual developments in relation to this Policy.

Developer Provision of Assets

Where any service serves or is intended to serve land in a subdivision or development and other land, the liability of the consent holder shall be limited to the extent to which the service serves or is intended to serve the land in the subdivision or development.

Where a developer provides works or services in excess of that required by the Council and this is documented by way of a written agreement the works will be valued and then deducted from the relevant contribution category.

Credits

Different credit systems apply to financial contributions and development contributions.

Financial Contributions – credits and refunds are detailed in section 15.5.2 of the District Plan. This section identifies the following in relation to credits.

- b. With respect to assessing financial contributions for reserves the following credit shall apply:*
 - i. In the case of residential subdivision and/or development, a credit will be given for any financial contribution paid at the time of a previous subdivision and/or land use consent.*

- ii. *In the case of subdivision, credit will be given for the number of allotments that existed prior to the subdivision, including the number of allotments that could have accommodated dwellings in the context of residential subdivision.*
 - iii. *Credit will be given when the facilities for general public use are provided as part of the subdivision and/or development.*
 - c. *When as a condition of a resource consent a financial contribution was made in respect to the provision of two or more households on one allotment without subdivision and the allotment is subsequently subdivided to create separate allotments to accommodate those household units no further financial contribution shall be paid.*
- Credits are based on the underlying zoning of the lot and not the proposed activity. i.e. the credit for a business development on a residential lot will be based on the residential land use.
 - Credits are to be site specific (not transferable) and non-refundable unless the refund provisions of the Act apply.
 - The existing demand of any lot that is to be developed or subdivided will be converted to a dwelling equivalent credit when assessing development contributions. Thus development contributions are solely for additional demand created by the new development or subdivision.
 - Any credit will be identified on the Development / Financial Contribution Demand.

Development Contributions – the following credit considerations apply to all development contribution assessments:

- Credits will be specific to the activity for which they were paid (i.e. a water supply credit will not be able to offset a wastewater contribution).

Following the above two considerations, there are two types of development contribution credits that may be applied:

1. Actual Credits
2. Deemed Credits

The applications of the credits are described in the following table.

Table 7: Summary of Development Contribution Credits Applicable

When do they apply?	Who is responsible for them?	The following credits are anticipated (not intended as an exclusive list) :		Time Limit	Comments
		Stage / Type of Development	Details of Credit		
Actual Credit					
Actual credits apply when development contributions have already been paid.	Developers may request an actual credit. The Council invites applicants to submit with their applications records of development contributions paid.	Any development or subdivision on all zoned lots.	Actual credits will be applied to subdivisions or developments where a development contribution has been paid at an earlier stage, under this, or a previous version of the Policy on Development and Financial Contributions. The actual credit includes any deemed credit applied at the time of assessment. The actual credit will be quantified in dwelling equivalents. Any earlier development contribution payment will be converted to a dwelling equivalent credit for each activity based on the policy in place at the time of assessment.	There will be no time limit within which these credits must be used.	In some instances, particularly business sites, the contribution paid may exceed the contribution required under the new policy. This remaining credit may be used to offset contributions that would otherwise be payable on future development of the lot.
Deemed Credit					
Deemed credits will only apply to vacant lots that existed prior to the requirement for development contributions. A deemed credit will only apply when an actual credit does not exist.	Council will determine if a lot is entitled to a deemed credit.	Residential Subdivision or Development	Any underlying residential lot shall be allocated a credit of one dwelling equivalent.	Any excess deemed credits that are identified as a result of an amalgamation of individual lots will accrue on the new amalgamated lot but will lapse if not utilised within a period of three years.	
		Rural Subdivision or Development	Any underlying rural lot shall be allocated a credit of one dwelling equivalent.		
		Business Subdivision or Development	Any underlying business lot shall be allocated a credit of one dwelling equivalent, except for roading contributions where deemed credits will not apply.		

Development contributions and credits will remain with the original underlying lot. For example if a business relocates then the development contribution or credit cannot be transferred to the new lot.

Commercial and Industrial Developments on Rural Zoned Land

When the need for a Resource or Building Consent on rural zoned land arises or a service connection is made a development contribution may be required. Pastoral land is considered the baseline land use for rural zoned land. When the land use changes a development contribution may be required.

Where development occurs that supports the pastoral land use, but does not change it, the developer will not be liable for contributions. In this instance it is assumed that supporting the existing land use will not generate additional demand on Council's infrastructure. The construction, for example of a hay or implement shed would not generate any additional demand if its sole purpose was to support a pastoral land use.

Where the land use deviates from pastoral, contributions will be assessed and may be payable. The land uses or types of development that follow are not considered to be pastoral:

- Pack houses
- Processing plant
- Dairy farms
- Buildings or works supporting land uses other than pastoral
- Forestry

Any activity that increases demand on Council infrastructure may be assessed for development contributions. This includes the addition of a residential dwelling to rural land.

Objections Process

Stage 1: An applicant can request an internal review. This will be completed by CODC at an officer level. This may include seeking additional professional advice should there be a serious question to answer. This process will focus on the calculations and any procedural matters. If this proves to be unsatisfactory to the applicant, the applicant can progress to stage 2.

Stage 2: An applicant can seek remedies via the justice system. This may be by way of an Environment Court hearing to the conditions of resource consent for financial contributions or seeking a judicial review in the High Court for development contributions.

Council maintains the right, at any stage, to direct the applicant to Stage 2 on the basis Council considers there is no reasonable question to be answered. However, Council will take all practicable and reasonable steps to avoid this.

Remission and Reimbursement

Remission

There will be no remissions, other than those listed below, except in exceptional circumstances. Remissions are at the discretion of the Chief Executive.

Seasonal Activity Remission: Remissions on the basis of seasonal activity or reduced demand on specific assets will only be allowed where the actual demand can be demonstrated to be significantly different from a typical development. Furthermore it must be demonstrated that the demand will not increase if the development was to be used differently.

Small Business Remission: A remission will be provided to small business and non-residential service developments on the following basis:

Where the average assessed additional demand across the roading, water and wastewater activities is less than or equal to 1.5 dwelling equivalents, the development contributions shall be remitted.

The small business remissions principle was implemented with effect from 1 July 2011, and will apply only to development contributions that are due to be paid on or after that date. Remission considerations for developments that have already been assessed but not paid will be initiated by an application from the developer. The remission is not available to developments where contributions were due to be paid prior to 1 July 2011, but where payment has been delayed by the developer.

Not-for-Profit Remission: Developments linked to a not-for-profit organisation may also be considered for remission.

Reimbursement

A reimbursement maybe sought where it can be demonstrated that the subdivision or development has amassed development/financial contribution credits against it. Example: Where a contribution has been assessed as a condition of a land use consent (subdivision) based on likely future land use and where that future (conceivable final land use) is substantially and materially different.

Non Payment

If financial contributions are not paid in accordance with the above provisions and to the satisfaction of Council, Council may:

1. Withhold issue of a certificate under section 224 of the Act for subdivision;
2. Prevent commencement of a land use consent.

If development contributions are not paid in accordance with the above and to the satisfaction of Council, Council may as it is permitted under section 208 of the Local Government Act 2002:

- Withhold S224c Certificate on a subdivision;
- Prevent the commencement of a resource consent for a development;

- Withhold a code of compliance certificate under the Building Act;
- Withhold a service connection to a development;
- In each case the Council may register the Development Contribution under the Statutory Land Charges Registration Act 1928 as a charge on the title of the land for which the contribution was required.
- In the event where a lawful debt is unrecovered Council will commence debt collection in accordance with normal debt collection processes.

Refund of Contributions

Different refund rules apply to financial contributions and development contributions.

Financial Contributions – credits and refunds are detailed in section 15.5.2 of the District Plan. This section identifies the following in relation to refunds.

a. *Where:*

- A resource consent which includes a condition requiring a financial contribution lapses or is cancelled or surrendered in accordance with the provisions of the Act; or*
- The activity or relevant part of the activity in respect of which the resource consent was granted does not proceed.*

Council shall pay or return to the person entitled in accordance with 15.5.3(a)(v) below the financial contribution less a value equivalent to the costs incurred by the Council in relation to the activity and its discontinuance provided that Council shall not repay or credit the value of any work or services actually provided as a result of a financial contribution of money before the resource consent lapses, or is cancelled or surrendered, or does not proceed. And:

- Where a financial contribution is made for the provision of a particular work or service and the Council subsequently resolves not to proceed with that work or to provide that service or where the work does not proceed within a time period of 10 years from the date that the contribution is paid or such shorter or longer time period as stated in the resource consent, the financial contribution shall be refunded to that person entitled in accordance with 15.5.3(a)(v) below plus the value of any interest accrued on the financial contribution whilst in the possession of the Council less the costs incurred by the Council in relation to design or other costs incurred in planning for the provision of the particular work or service.*

Development Contributions – Sections 209 and 210 of the LGA 2002 outline the circumstances in which the Council must refund or return to the consent holder a development contribution. These include:

- Where a development or building does not proceed, the resource consent or building consent lapses or the resource consent is surrendered.
- Where the Council does not provide the reserve, network infrastructure or community infrastructure for which the development contribution was required.

Where Council required a development/financial contribution as part of subdivision or development activities and where the documentation (resource consent, building consent or service connection authorisation) permitting that subdivision or development has lapsed, Council will refund the contribution if paid. This does not prevent Council from requiring development/financial contributions in the future. Council may retain a portion of the contribution of a value equivalent to the costs incurred by the Council in processing / assessing the contribution required by the subdivision or development.

Delegations

Council shall determine where a development or financial contribution will be sought. It has the authority to set the quantum of those contributions. The Chief Executive will ensure the Policy is implemented.

Administration

Council's planning department will be responsible for issuing Development Contribution Demands on the relevant applications.

Summary Disclosure Tables

The following tables show a summary of each contributing area for the 10-year period between 2012/13 and 2021/22. The tables demonstrate the nature and level of expected capital expenditure required by Council and the portion that is attributable to growth. A table is produced for each activity which shows the CAPEX for each contributing area where a contribution has been assessed. The CAPEX attributable to growth is apportioned equitably among the growth population to define a set charge for each dwelling equivalent.

The following tables also detail the growth related debt levels for each contributing area. These define the interest component of the contributions. The tables show the growth CAPEX consumed by each contributing area and the dwelling equivalent growth used to calculate the development contributions.

The disclosure tables show the full development contribution. A final revenue table shows the impact of Council and Community Board decisions on the funding of growth costs. These decisions are detailed in Table 2.

The detailed disclosure tables can be found in the appendices of the Detailed Supporting Document.

Table 8: Water Supply - Capital Expenditure for Development Contributions (Policy Year \$'s)

Contributing Area	LTP CAPEX	LTP Growth CAPEX	LTP CAPEX Funded by Other Sources	LTP - Percentage Attributable To Growth	Historic Growth CAPEX (Capacity) Consumed over LTP Period	Future Growth CAPEX (Capacity) Consumed over LTP Period	Total Growth CAPEX (Capacity) Consumed over LTP Period	10 Year LTP Growth in Dwelling Equivalents	Standard Development Contribution (\$/DE)
Alexandra	12,839,003	1,295,694	11,543,308	10.1%	673,092	813,014	1,486,106	274	5,422
Clyde	1,741,985	82,149	1,659,836	4.7%	311,777	57,053	368,830	118	3,131
Cromwell Outer	1,848,564	419,792	1,428,772	22.7%	753,067	195,587	948,653	322	2,945
Cromwell Urban	4,117,216	469,018	3,648,198	11.4%	700,363	194,262	894,625	772	1,159
Naseby	999,059	39,387	959,672	3.9%	23,977	23,275	47,252	18	2,615
Omakau	1,353,807	142,993	1,210,814	10.6%	52,721	64,065	116,786	30	3,876
Ranfurly	2,206,200	25,558	2,180,642	1.2%	32,815	26,656	59,471	32	1,832
Roxburgh	2,006,600	25,043	1,981,557	1.2%	58,560	20,244	78,804	33	2,379
District Total	27,112,434	2,499,634	24,612,799	9.2%	2,606,372	1,394,156	4,000,528	1,600	

Table 9: Water Supply - Debt Funding Ratio - 10 Year Net Growth versus Revenue Assessment

Contributing Area	LTP CAPEX (Inflated \$)	LTP CAPEX (Policy Year \$)	LTP Growth CAPEX (Policy Year \$)	New Dwelling Equivalents	Cumulative Development Contributions Received (Policy Year \$)	Development Contributions Received over 10 Yr LTP Period (Inflated \$)	Debt Balance	Debt Funding Ratio
Alexandra	14,227,565	12,839,003	1,295,694	274	1,486,106	1,758,271	450,065	55%
Clyde	2,000,932	1,741,985	82,149	118	368,830	428,545	-109,152	29%
Cromwell Outer	2,220,554	1,848,564	419,792	322	948,653	1,123,449	-118,792	40%
Cromwell Urban	4,972,508	4,117,216	469,018	772	894,625	1,045,893	-2,129	44%
Naseby	1,124,236	999,059	39,387	18	47,252	56,311	25,500	60%
Omakau	1,558,269	1,353,807	142,993	30	116,786	140,638	-10,411	14%
Ranfurly	2,595,399	2,206,200	25,558	32	59,471	68,916	-2,382	53%
Roxburgh	2,281,288	2,006,600	25,043	33	78,804	93,228	-15,903	45%
District Total	30,916,182	27,114,928	2,496,453	1,600	4,023,477	4,742,818		

Table 10: Wastewater - Capital Expenditure for Development Contributions (Policy Year \$s)

Contributing Area	LTP CAPEX	LTP Growth CAPEX	LTP CAPEX Funded by Other Sources	LTP - Percentage Attributable To Growth	Historic Growth CAPEX (Capacity) Consumed over LTP Period	Future Growth CAPEX (Capacity) Consumed over LTP Period	Total Growth CAPEX (Capacity) Consumed over LTP Period	10 Year LTP Growth in Dwelling Equivalents	Standard Development Contribution (\$/DE)
Alexandra	7,215,500	497,417	6,718,083	6.9%	332,877	292,468	625,346	237	2,637
Cromwell	13,865,014	4,134,383	9,730,631	29.8%	1,495,292	1,348,536	2,843,829	787	3,614
Naseby	561,800	18,400	543,400	3.3%	2,610	10,289	12,899	17	753
Omakau	372,397	27,212	345,185	7.3%	5,071	8,812	13,882	18	763
Ranfurlly	810,407	13,216	797,191	1.6%	9,775	12,709	22,484	28	798
Roxburgh	879,417	2,207	877,210	0.3%	42,024	1,710	43,734	28	1,535
District Total	23,704,535	4,692,835	19,011,700	20%	1,887,650	1,674,525	3,562,175	1,116	

Table 11: Wastewater - Debt Funding Ratio - 10 Year Net Growth versus Revenue Assessment

Contributing Area	LTP CAPEX (Inflated \$)	LTP CAPEX (Policy Year \$)	LTP Growth CAPEX (Policy Year \$)	New Dwelling Equivalents	Cumulative Development Contributions Received (Policy Year \$)	Development Contributions Received over 10 Yr LTP Period (Inflated \$)	Debt Balance	Debt Funding Ratio
Alexandra	8,285,929	7,215,500	497,417	237	625,346	741,767	136,928	52%
Cromwell	16,280,790	13,865,014	4,134,383	787	2,843,829	3,324,722	978,739	21%
Naseby	633,248	561,800	18,400	17	12,899	15,396	5,860	54%
Omakau	435,138	372,397	27,212	18	13,882	16,770	-31,689	0%
Ranfurlly	878,219	810,407	13,216	28	22,484	26,128	-5,204	30%
Roxburgh	1,056,487	879,417	2,207	28	43,734	51,775	-21,968	20%
District Total	27,569,811	23,704,535	4,692,835	1,116	3,562,175	4,176,558		

Table 12: Roading- Capital Expenditure for Development Contributions (Policy Year \$s)

Contributing Area	LTP CAPEX	LTP Growth CAPEX	LTP CAPEX Funded by Other Sources	Percentage Attributable To Growth	Historic Growth CAPEX (Capacity) Consumed over LTP Period	Future Growth CAPEX (Capacity) Consumed over LTP Period	Total Growth CAPEX (Capacity) Consumed over LTP Period	10 Year LTP Growth in Dwelling Equivalents	Standard Development Contribution (\$/DE)
District Wide	39,770,943	2,705,924	37,065,020	6.8%	2,204,531	1,469,478	3,674,008	2,242	1,639

Table 13: Roading - Debt Funding Ratio - 10 Year Net Growth versus Revenue Assessment

Contributing Area	LTP CAPEX (Inflated \$)	LTP CAPEX (Policy Year \$)	LTP Growth CAPEX (Policy Year \$)	New Dwelling Equivalents	Cumulative Development Contributions Received (Policy Year \$)	Development Contributions Received over 10 Yr LTP Period (Inflated \$)	Debt Balance	Debt Funding Ratio
District Wide	44,806,699	39,770,943	2,705,924	2,242	3,674,008	4,116,542	2,598,743	63.0%

Table 14 : Funding of Growth Capex – Adjusted Growth Capex and Development Contribution Income

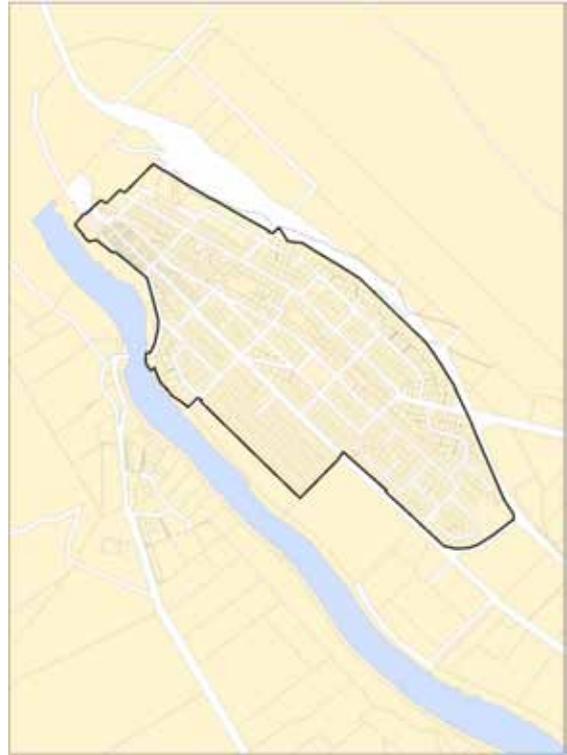
Activity/ Contributing Area	Funding of Growth Costs	LTP Growth Capex (inf \$s)	Adjusted LTP Growth Capex (inf \$s)	10 Year Development Contributions Income (inf \$s)	10 Year Adjusted Development Contributions Income (inf \$s)
Alexandra	75%	1,405,339	1,054,004	1,758,271	1,318,703
Clyde	100%	94,231	94,231	428,545	428,545
Cromwell Outer	100%	501,872	501,872	1,123,449	1,123,449
Cromwell Urban	100%	573,042	573,042	1,045,893	1,045,893
Naseby	100%	44,170	44,170	56,311	56,311
Omakau	75%	161,780	121,335	140,638	105,478
Ranfurly	100%	28,392	28,392	68,916	68,916
Roxburgh	50%	27,663	13,832	93,228	46,614
Water Supply		2,836,489	2,430,878	4,715,250	4,193,909
Alexandra	75%	554,964	416,223	741,767	556,326
Cromwell	100%	4,913,795	4,913,795	3,324,722	3,324,722
Naseby	100%	20,456	20,456	15,396	15,396
Omakau	75%	32,577	24,432	16,770	12,577
Ranfurly	100%	14,033	14,033	26,128	26,128
Roxburgh	50%	2,415	1,207	51,775	25,888
Wastewater		5,538,238	5,390,146	4,176,558	3,961,036
Roading	60% of Business DC	3,045,775	2,712,066	4,116,542	3,653,201
Total		11,420,502	10,533,090	13,008,351	11,808,147

SCHEME MAPS

Alexandra Water Supply – Scheme Boundary



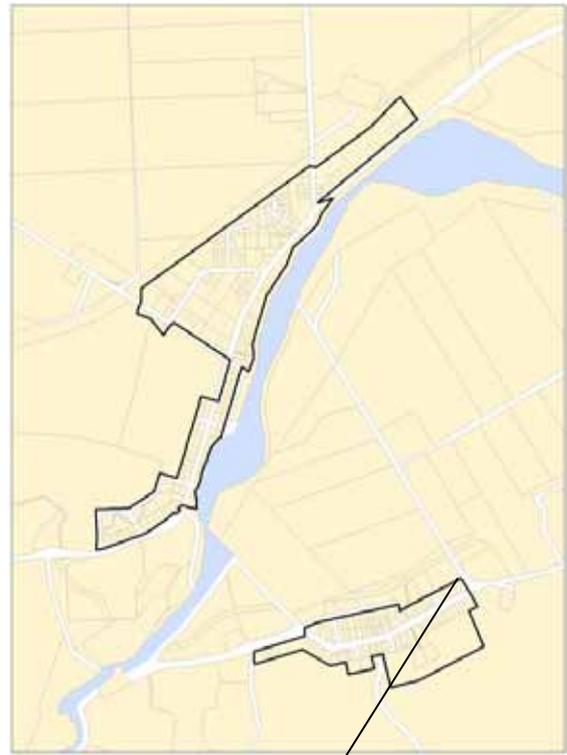
Clyde Water Supply – Scheme Boundaries



Alexandra Wastewater – Scheme Boundary

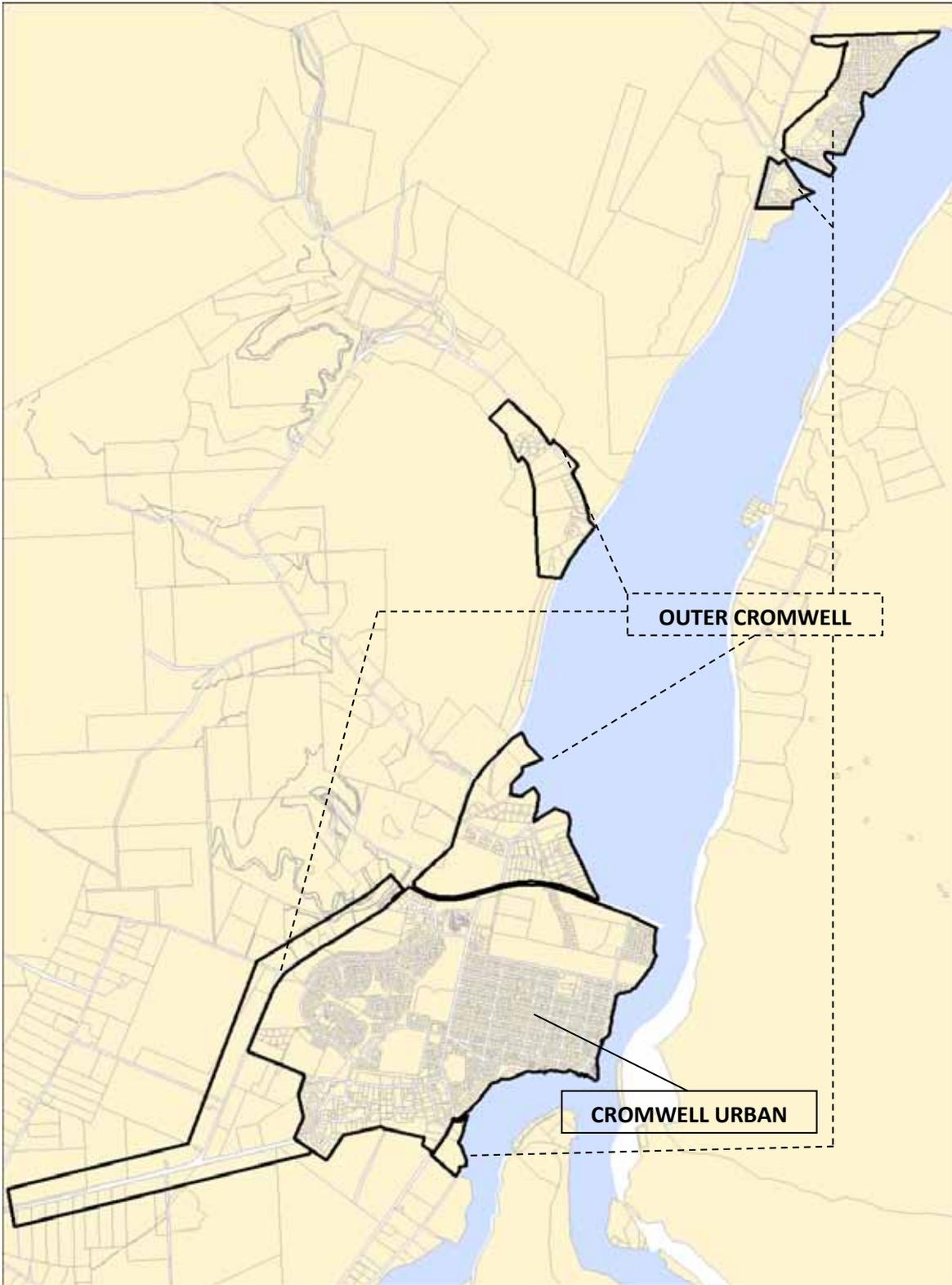


Omakau/Ophir Water Supply and Wastewater – Scheme Boundaries

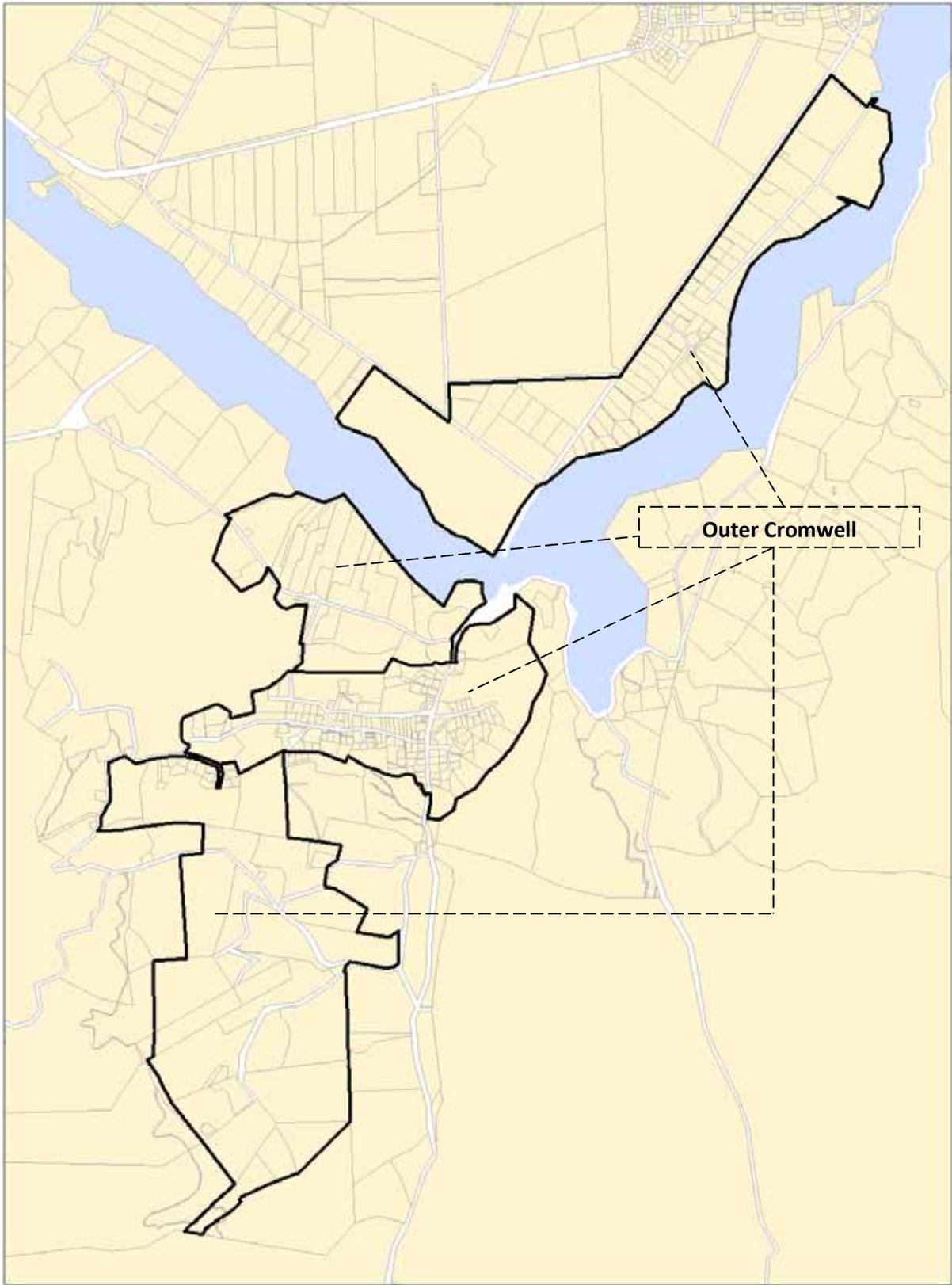


**Water Supply and
Wastewater**

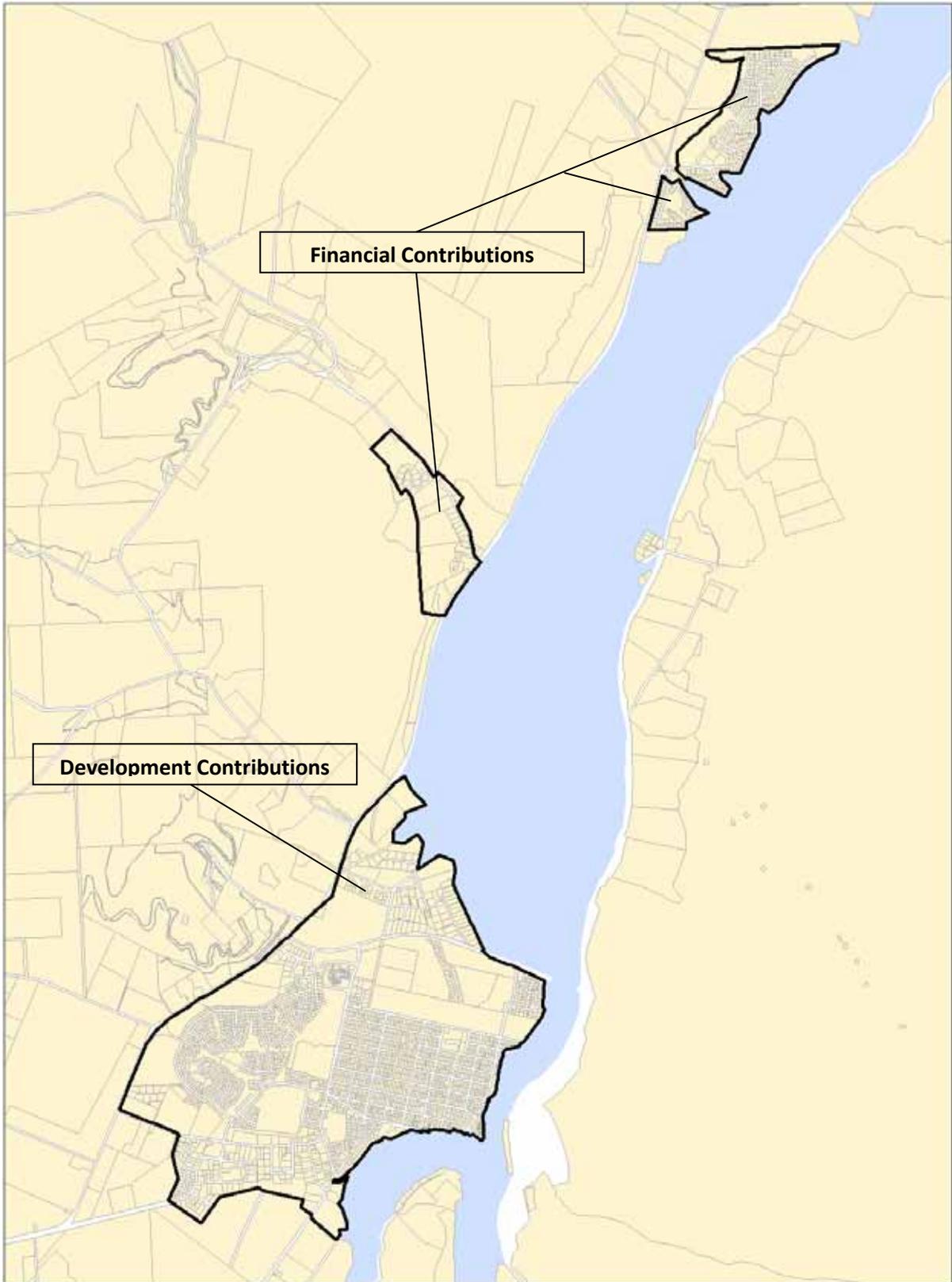
Urban Cromwell and Outer Cromwell Water Supply – Scheme Boundary



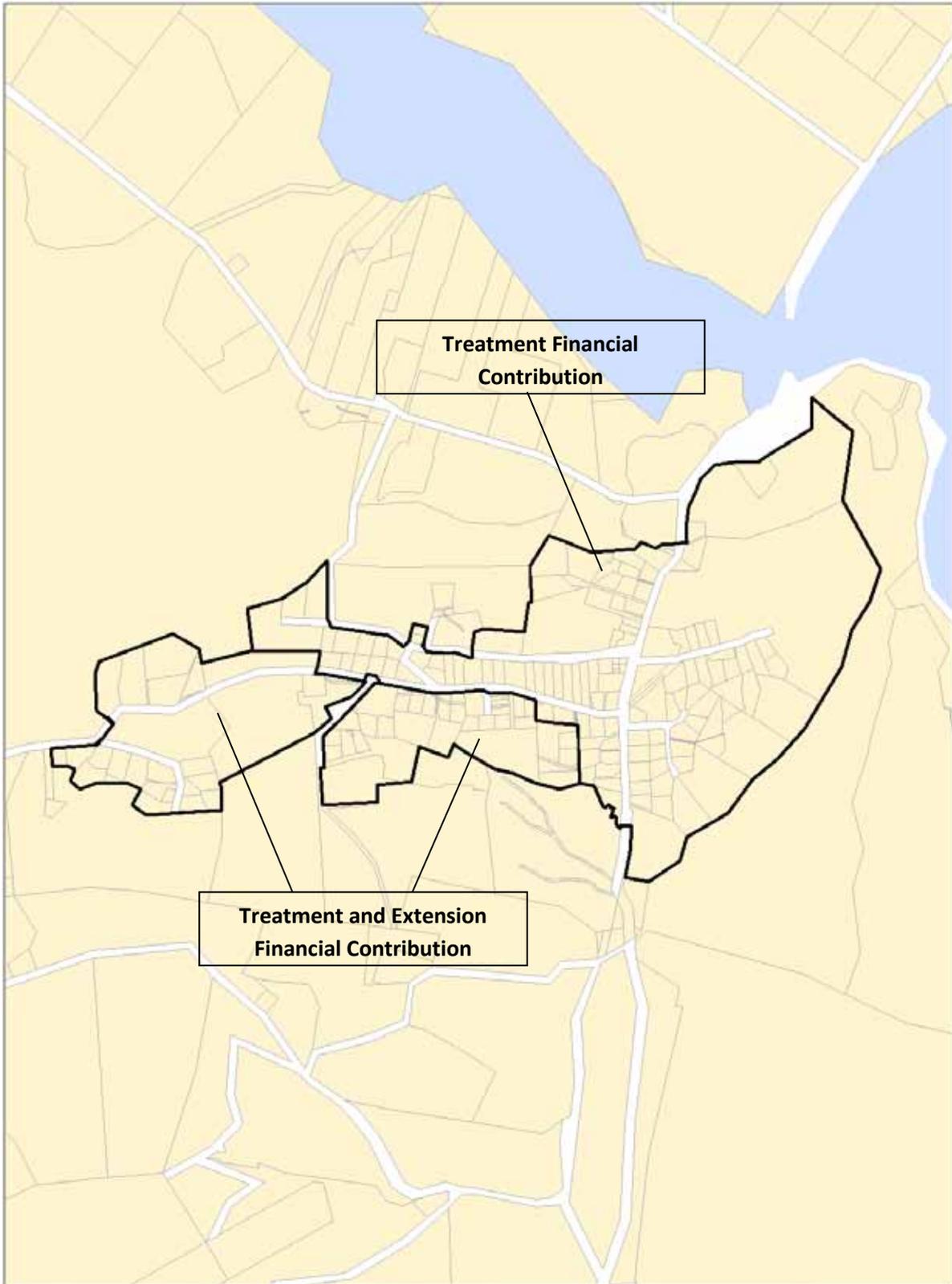
Bannockburn Water Supply – Scheme Boundary (Outer Cromwell for DCs)



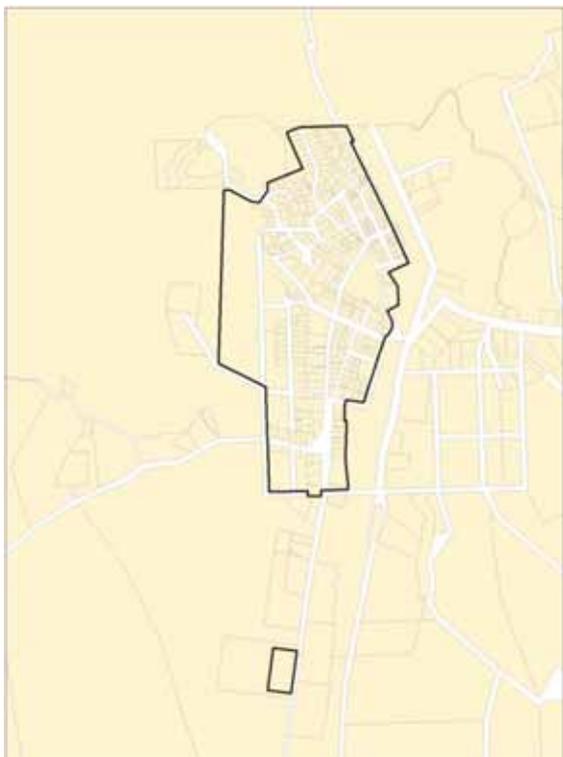
Cromwell Wastewater – Scheme Boundary



Bannockburn Wastewater – Scheme Boundary (Financial Contributions)



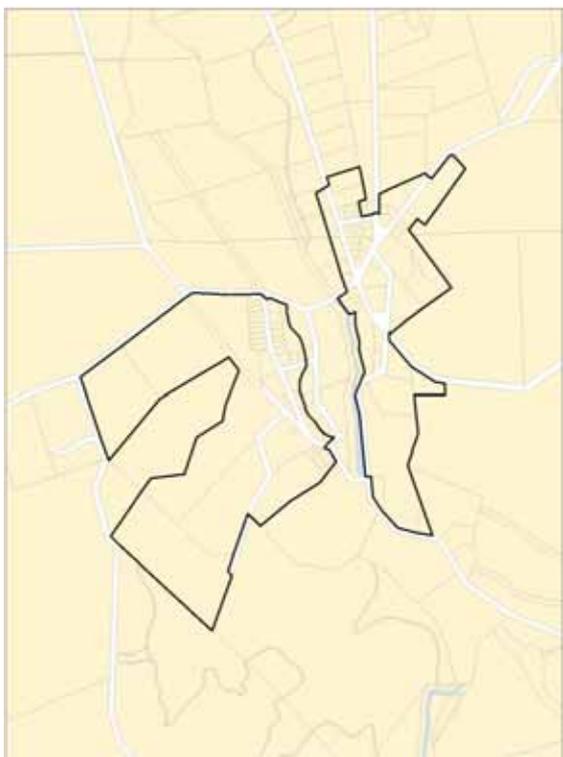
Naseby Urban Water Supply and Wastewater – Scheme Boundary



Ranfurlly Urban Water Supply and Wastewater – Scheme Boundary



Patearoa Urban Water Supply – Scheme Boundary (Financial Contributions)



Roxburgh and Lake Roxburgh Village Water Supply and Wastewater – Scheme Boundary (shown on two maps)

1. Roxburgh



2. Lake Roxburgh Village



Significance Policy

INTRODUCTION

Section 90 of the Local Government Act 2002 (the Act), requires every local authority to adopt a policy on significance.

Section 5 of the Act defines significance and significant as:

*“**significance**, in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,—*

- a. *the current and future social, economic, environmental, or cultural well-being of the district or region;*
- b. *any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter;*
- c. *the capacity of the local authority to perform its role, and the financial and other costs of doing so.*

***significant**, in relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance.”*

GENERAL APPROACH TO DETERMINING WHICH PROPOSALS ARE SIGNIFICANT (S.90(1)(A))

When determining the question of the significance of proposals and decisions in relation to issues, assets or other matters the Council will determine the extent to which:

- The consequences or impacts of the issue, assets, or other matters, impinge on a large number of residents and ratepayers to a moderate or greater extent;
- The consequences or impacts of the issue, assets, or other matters, impinge on a small number of residents and ratepayers to a large extent; and
- The issue, asset, or other matters have a history of generating wide public interest within Central Otago, the Otago Region or New Zealand generally.

The Central Otago District Council will also consider the likely impact of decisions on:

- a. the current and future social, economic, environmental, or cultural well-being of the district;

- b. the achievement of, or ability to achieve, the Council’s strategic issues and objectives as set out in the Long Term Plan;
- c. the capacity of the local authority to perform its role and carry out its activities, now and in the future; and
- d. the financial, resource and other costs of the decision.

THRESHOLDS, CRITERIA AND PROCESSES FOR DETERMINING WHICH PROPOSALS AND DECISIONS ARE SIGNIFICANT (S.90(1)(B))

When undertaking a process to determine the extent to which issues, proposals, decisions or other matters are significant, the Council will use the following thresholds, criteria and procedures:

Thresholds

- Issues, assets, or other matters that incur more than \$1,200,000 of budgeted or \$150,000 of unbudgeted expenditure, income or change in separate account balances, where council considers it has not already undertaken sufficient consultation, or where Council believes consultation would add no value to the decision making process because the issue is routine;
- Any transfer of ownership or control, or the construction, replacement or abandonment, of a strategic asset as defined by the Act or listed in this policy;
- A decision that will, directly or indirectly, significantly affect the capacity of the Council to carry out any activity identified in the Long Term Plan;
- Entry into any partnership with the private sector to carry out a significant activity; and
- Council owns a number of assets and groups of assets that it considers to be strategic; however, not all trading decisions made regarding these assets are regarded as significant nor do they affect the assets strategic nature. For example, the roading network is strategic, but small parcels of land that make it up may not be, and the purchase or sale of such small pieces of land may not amount to significant decisions.

Criteria

- Whether the asset is a strategic asset within the meaning of the Act or listed in this policy.
- The extent to which there is, or is likely to be, a change in the level of service in carrying out any significant activity.
- The extent to which there is, or is likely to be, a change in the way in which any significant activity is carried out.
- The extent to which there is, or is likely to be, a change in the capacity of the Council to provide any significant service or carry out any significant activity.

Procedures

Decisions on significance will be made in accordance with Council's Standing Orders and Delegations Register.

STRATEGIC ASSETS AND GROUPS OF STRATEGIC ASSETS

As set out in Section 5 of the Local Government Act 2002, strategic asset means:

"strategic asset, in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes—

- any asset or group of assets listed in accordance with section 90(2) by the local authority; and*
- any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and*
- any equity securities held by the local authority in—*
 - a port company within the meaning of the Port Companies Act 1988;*
 - an airport company within the meaning of the Airport Authorities Act 1966"*

The assets and groups of assets in terms of s.90(2) that Central Otago District Council considers to be strategic are:

- The Council roading network as a whole;
- The land and buildings comprising the Alexandra office, and the Ranfurly, Roxburgh and Cromwell Service Centres;
- Council owned elderly persons housing in the district as a whole;

- Reserves listed and managed under the Reserves Act; and
- Council water and wastewater networks as a whole.

OTHER STATUTORY PROVISIONS

The following do not form part of the Council's policy on significance; however, they are a range of the sort of other matters which are listed in the Act which require various levels of statutory consultation:

- Establishing a council controlled organisation [s.56];
- Adoption, review or amendment of any bylaw [s.86];
- Any proposal for an alteration in the mode by which a significant activity is undertaken by or on behalf of the Council [88(1)];
- Adoption of the Council's Long Term Council Community Plan [s.93(2)];
- Alteration to the Council's Long Term Council Community Plan [s.93(5)];
- Adoption of the Council's Annual Plan [s.95(2)];
- Adoption or amendment of the Council's policy on significance [s.90(4) and s.103-s.108];
- Adoption or amendment of the Council's funding and financial policies [s.102(4)];
- Assessment of the Council's water and other sanitary services [s.125];
- Entry into a partnership or joint venture for the provision of water services [s.137]; and,
- Disposal of a park [s.138].

This section is provided for information only.

WE CAN ALL WORK

We can all work together to make this a better place

OUR COUNCIL

elected members
community boards
executive team



Our Spaces, Our Faces

HIS WORSHIP THE MAYOR



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Barry Becker

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COMMUNITY BOARDS

The Council has four community boards covering the entire district. Community boards provide a link between Council and the community. Our Council is one of the few in the country that maintains a comprehensive community board structure with significant delegated powers.

Cromwell Community Board
Chair Neil Gillespie



42 The Mall
Cromwell
t: (03) 445 0211
f: (03) 445 1649

Vincent Community Board
Chair Clair Higginson



1 Dunorling Street
Alexandra
t: (03) 440 0056
f: (03) 448 9196

Maniototo Community Board
Chair Barry Becker



15 Pery Street
Ranfurlly
t: (03) 444 9170
f: (03) 444 9166

Roxburgh Community Board
Chair Stephen Jeffery



120 Scotland Street
Roxburgh
t: (03) 446 8105
f: (03) 446 8113

EXECUTIVE TEAM

Phil Melhopt Chief Executive Officer			
Susan Finlay Corporate Services Manager	Peter Morton Acting Manager, Infrastructure Services	Louise van der Voort Manager, Planning & Environment	Anne Pullar Manager, Community Services
Elected Members' Support Accounting Financial Planning & Reporting Rates Information Systems Customer Service & Administration	Transportation Water Wastewater Stormwater Waste Minimisation Elderly Persons' Housing Public Toilets District / Commercial Property Airports Community Facilities	Resource Management Building Control Liquor Licensing Dog Control & Registration Environmental Health Rural Fire Emergency Management	Parks & Recreation Cemeteries Libraries Swimming Pools Business Development Tourism Central Otago Visitor Information Centres Community Planning Regional Identity Promotions & Grants

Budgeted staff numbers (FTEs) remain constant at 105.

“Decisions made today can last a lifetime”



1 DUNORLING STREET
P.O. BOX 122
ALEXANDRA

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