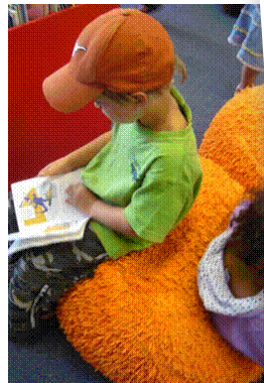
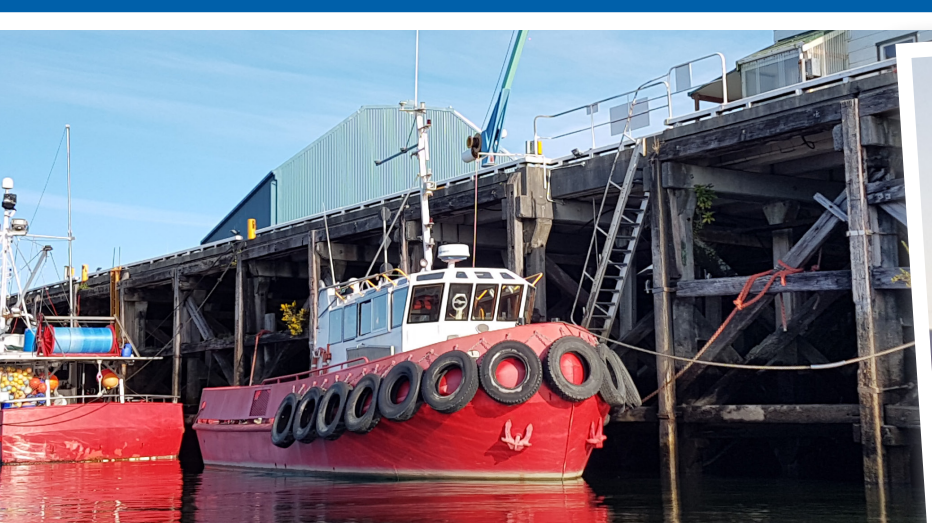


'Fit for Future'

LONG TERM PLAN FOR THE TEN YEARS 2018-2028



CONTENTS

<i>Overview:</i>	1	<i>Financial Overview and Strategy:</i>	27	<i>Financials:</i>	107
Vision, purpose, values, strategy.....	2	Financial Snapshot.....	28	Forecast Statement of Comprehensive Revenue and Expenses	108
Welcome to our 2018-2028 Long Term Plan	3	Financial Strategy	31	Forecast Movements in Equity	109
From the Mayor, Chief Executive	4	<i>Community Outcomes:</i>	41	Forecast Statement of Financial Position.....	110
Mayor, Councillors, Community Board.....	5	<i>Council Activities:</i>	50	Forecast Statement of Cashflows	112
<i>Setting the Scene:</i>	6	Regulatory services.....	52	Notes to the Financial Statements	114
About Local Government	7	Roading and transport	56	Forecast Statement of Capital Expenditure	120
About the Long Term Plan	8	Water supplies	64	Forecast Funding Impact Statement.....	121
Overview of our district	9	Wastewater/sewerage	72	Rating Examples	132
Major Towns	10	Stormwater	76	Assumptions	134
Strategic Overview.....	11	Solid Waste	80	Forecast Reserve Funds.....	141
Major Assumptions from our last plan	12	Professional services business unit.....	83	Statement of Accounting Policies	143
Where we are at, where are we heading?.....	13	Community services.....	85	<i>Infrastructure Strategy:</i>	150
Maori Contribution to Decision Making	14	Governance, representation.....	89	<i>Policies:</i>	170
<i>Key Issues affecting the plan:</i>	15	Customer services, support services	93	Significance and Engagement Policy.....	171
District revitalisation	16	Property	96	Revenue and Financing Policy.....	174
Items consulted on but not included in the LTP	20	Council controlled organisations	102	<i>Audit Report:</i>	188
Our water, we are almost there!.....	21	Other Council controlled organisations.....	104		
Our vital links, Karamea Highway.....	23				
Climate change, it affects us all.....	24				
The future of our Port, Westport Harbour	26				

OVERVIEW



INCLUDES:

Vision, purpose, values, strategy.....	2
Welcome to our 2018-2028 Long Term Plan	3
From the Mayor and Chief Executive	4
Mayor, Councillors and Community Board	5

VISION, PURPOSE, VALUES, STRATEGY

Vision: *'Fit for Future'*

WHERE THE BULLER COMMUNITY IS GOING:

Buller is *'Fit for future'* – a resilient, safe and thriving community

Purpose:

HOW WE SERVE THE PEOPLE OF BULLER:

- Providing quality, resilient and affordable services and infrastructure to meet the current and future needs of our communities.
- Providing responsive leadership and engaging with our communities to achieve positive economic, social, cultural and environmental outcomes.

Values:

HOW WE WORK:

- **Community driven** - We are responsive to our community and make a difference now and for future generations
- **One team** - Shared direction, shared effort, quality outcomes.
- **Future focused** - We seek solutions that are **'Fit the Future'**.
- **Integrity** - Open, honest and equitable in service, decisions and action.
- **We care** - our social and environmental responsibility - About people and place.

Key Strategies:

HOW WE ACHIEVE OUR VISION:

1. **Resilient** – Building and promoting resilience in community, services and infrastructure.
2. **Growing** - Facilitating growth and a transition to a diversified, resilient and sustainable economy.
3. **Quality infrastructure** - Providing reliable and sustainable infrastructure that meets the needs of current and future generations.
4. **Liveable** - Investing in our towns to ensure we are an attractive district to live, work, invest and play.
5. **Affordable** - Growing our non-rates income so rates are affordable to all residents.

Our Values: Community Driven | One Team | Future Focused | Integrity | We Care

WEST COAST
UNTAMED NATURAL WILDERNESS

WELCOME TO OUR 2018-2028 LONG TERM PLAN

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

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

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

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

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

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

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

“The Plan states the vision and community outcomes for the district and the services and activities that Council is undertaking”.



FROM THE MAYOR, CHIEF EXECUTIVE

We are delighted to present Council's **2018-2028 Long Term Plan**.

Considerable work has been done over the last 12 months to ensure that we can present you with a document that is **'Fit for Future'** and balances the need for effective service delivery, resilience, and quality infrastructure and amenities with affordability and financial sustainability in the future

Despite the economic downturn over the past few years things are slowly starting to trend upwards in the right direction. We have many new and exciting opportunities in our short to medium term future that have the potential to transform our district. This strategy and plan is designed to facilitate and support this transformation so Buller can transition to a more resilient and diverse economy. Key to this is ensuring that the Buller District is desirable and attractive place to live, work, invest and visit. You will see some key projects linked to this transformation included that we asked for specific feedback on, including the Westport Revitalisation Project.

We thank the community for engaging with us to develop this plan. Public meetings and drop in sessions were held throughout the District and feedback was received during the submission process. This was valued input and gave Councillors a much clearer picture of your priorities, dreams and aspirations for our District. It is only by working together that we can achieve our vision and make Buller **'Fit for Future'**.



Garry Howard
Mayor, Buller District



Keith Marshall
Chief Executive Officer

MAYOR, COUNCILLORS, COMMUNITY BOARD

BULLER DISTRICT MAYOR

Garry Howard

Elected: 2013

| [03] 788-9684 (office)
| [027] 4474-371 (mobile)
| garry@bdc.govt.nz



INANGAHUA WARD COUNCILLORS

Graeme Neylon

Elected: 1992

| [03] 732-8382 (home)
| [027] 431-4659 (mobile)
| graeme.neylon@bdc.govt.nz



Dave Hawes

Elected: 2007

| [03] 732-8423 (home)
| dave.hawes@bdc.govt.nz



WESTPORT WARD COUNCILLORS

Shayne Barry

Elected: 2016

| [03] 789-6966 (home)
| [022] 694-4592 (mobile)
| shayne.barry@bdc.govt.nz



Jamie Cleine

Elected: 2016

| [03] 789-8060 (home)
| [027] 415-8614 (mobile)
| jamie.cleine@bdc.govt.nz



Greg Hart

Elected: 2013

| [021] 073-5518 (mobile)
| greg.hart@bdc.govt.nz



Robyn Nahr

Elected: 2013

| [03] 789-8431 (home)
| [03] 788-9090 (business)
| robyn.nahr@bdc.govt.nz



Sharon Roche

Elected: 2013

| [03] 789-6423 (home)
| [027] 659-9050 (mobile)
| sharon.roche@bdc.govt.nz



Phil Rutherford

Elected: 2013

| [03] 789-7087 (home)
| phil.rutherford@bdc.govt.nz



SEDDON WARD COUNCILLORS

Emily Miazga

Elected: 2016

| [03] 782-8999 (home)
| [027] 274-4370 (mobile)
| emily.miazga@bdc.govt.nz



Rosalie Sampson

Elected: 2018

| [03] 782-6745 (home)
| [27] 356-7388 (home)
| rosalie.sampson@bdc.govt.nz



INANGAHUA COMMUNITY BOARD

Susan Barnett

Elected: 2015

| [03] 732-8440 (home)
| reefton@clear.net.nz

Simon Burke

Elected: 2016

| [03] 732-7011 (home)
| simonariel1@gmail.com

Alun Bollinger

Elected: 2016

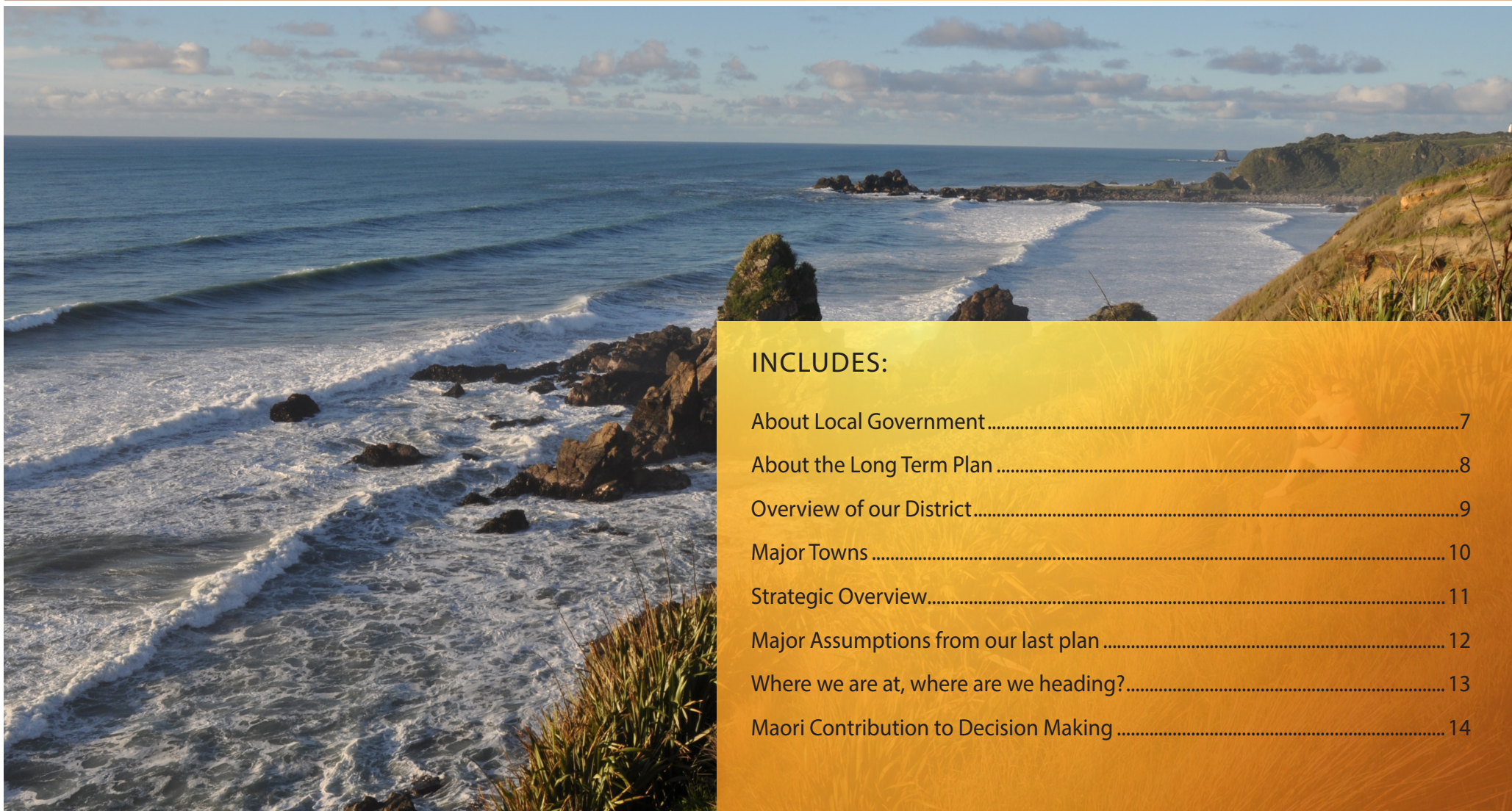
| [03] 732-8123 (home)
| albol@kinect.co.nz

Ina Lineham

Elected: 2016

| [03] 732-8401 (home)
| alineham@clear.net.nz

SETTING THE SCENE



INCLUDES:

About Local Government.....	7
About the Long Term Plan	8
Overview of our District.....	9
Major Towns	10
Strategic Overview.....	11
Major Assumptions from our last plan	12
Where we are at, where are we heading?.....	13
Maori Contribution to Decision Making	14

ABOUT LOCAL GOVERNMENT

The purpose of the New Zealand government, also referred to as “NZ Inc”, is to protect and serve the people of New Zealand and to provide essential services. Local government is the part of government most New Zealanders interact with during their daily lives.

The local government organisations that serve the Buller District include the Buller District Council and the West Coast Regional Council. Each organisation is responsible for managing, regulating and delivering different aspects of services and regulations for the communities of Buller, and the rest of the West Coast. The Buller District Council works collaboratively with the other West Coast local government organisations for the good of the communities of the whole region.

The Local Government Act 2002 is the law that sets out the requirements for local government in New Zealand (www.legislation.govt.nz). It applies to local government organisations and to the communities they serve.

Figure 1 shows some of the areas where central and local government work together to deliver services for New Zealanders.

The purpose of local government is defined in section 10 of the Local Government Act 2002:

- (1) (a) to enable democratic local decision-making and action by, or on behalf of, communities; and
- (b) to meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

- (2) In this Act, good quality in relation to local infrastructure, local public services and performance of regulatory functions, means infrastructure, services and performance that are –
 - (a) efficient; and
 - (b) effective; and
 - (c) appropriate to present and anticipated future circumstances.

Figure 2 shows the different types of local government organisations in New Zealand. Buller District Council is one of the 61 territorial authorities in New Zealand. The West Coast Regional Council is one of 11 regional councils.

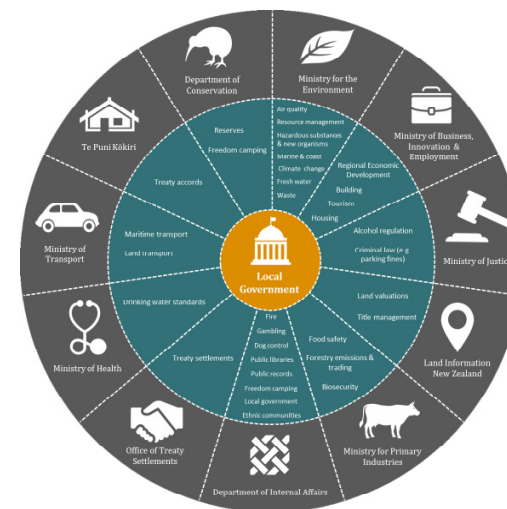
Types of services local councils deliver include funding, providing and maintaining: safe drinking water, and wastewater and stormwater management infrastructure; public transport; ports; airports; local roads and bridges; community facilities such as public toilets, sports and recreation centres, social housing, parks and reserves, cemeteries; and civil defence and emergency management; and many more. They also regulate land use planning, building, noise control, dog control, gaming, liquor licensing and so on.

This document, the Long Term Plan, is a 10-year plan for the Buller and sets out how the Buller District Council plans to serve and govern the community of the Buller District.

Schedule 10 of the Local Government Act 2002 sets out what Long Term Plan's must include, and the processes the Council must follow.

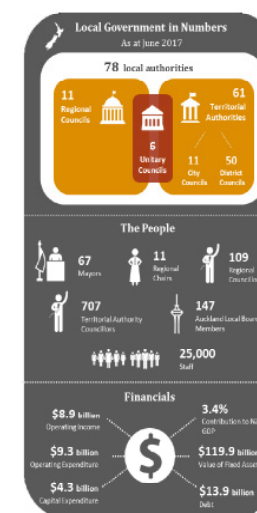
Part of the process is the community having its say on what the Buller District Council is planning. There is a period for public submissions so the community view can be taken into account before the Council finalises the Plan. The Council will also release a Consultation Document to the public along with the draft Long Term Plan to help the communities and businesses have their say.

Figure 1:
Local and Central Government - working together



Source:
Briefing to the Incoming Minister of Local Government, Department of Internal Affairs 2017.

Figure 2:
New Zealand Local Government - facts and figures



Source:
Briefing to the Incoming Minister of Local Government, Department of Internal Affairs

ABOUT THE LONG TERM PLAN

As the name suggests, the Long Term Plan is a strategic document put together by Council in consultation with the community, to guide our District towards 2028.

The Plan ties the threads of everything the Council does, and lays out the pathway for the next 10-years. It links the following into this one overall guiding document:

- Vision for the District
- Community outcomes
- Services and activities that Council will undertake to contribute to those outcomes
- Likely costs of the Council providing those services and activities over the next 10 years

The Long Term Plan is reviewed every three years. In the years between the reviews, the Council produces Annual Plans. Annual Plans generally modify Council budgets based on new information that has been received, but Council is still required to report its performance to the community based on the things it said it would do in its Long Term Plan.

OVERVIEW OF OUR DISTRICT

The Buller District Council is the territorial authority for the northern West Coast, Buller and Inangahua.

The Buller District is a diverse and beautiful place. With an enviable climate, laid back lifestyle and close knit community environment, the Buller District is a great place to live, work and visit. Tourism continues to be the fastest growing sector in the district and the region.

Stretching from Punakaiki in the south to Karamea in the north, and inland as far as Springs Junction, the District is home to a population of 10,150 as at November 2017. As of 1 July 2018 the resident population is likely to be in the vicinity of 10,000 persons.

The district boasts two national parks (Kahurangi in the north and Paparoa in the south), one forest park (Victoria Forest Park) and two heritage areas, all offering the opportunity to experience peace and tranquillity or excitement and adventure. The Old Ghost Road is an iconic mountain bike trail and tramping experience that traverses part of Kahurangi National Park.

Like the whole of the West Coast, most of the Buller District is Crown Conservation land. Because of this the Council works closely with the Department of Conservation to maximise the visitor experience and provide the infrastructure and services they need to stay safe and enjoy what the district has to offer. Visitors come to Buller to enjoy the natural resources and heritage areas, with walking, tramping, mountain biking, and other adventure pursuits being the main activities. When they come they stay in the district and spend their money in our towns and communities all contributing to our local economy.

Must see places in the Buller include: the Heaphy Track traversing the Kahurangi National Park (one of the 10 Great Walks); the Oparara Arches, the Paparoa National Park; the Pancake Rocks and Blowhole walk at Punakaiki, the Charming Creek walkway, the Cape Foulwind area and the Denniston Historical Heritage icon sites (www.doc.govt.nz). Other important areas include the Old Ghost Road trail for trampers and mountain bikers, and the new Paparoa Track, which is New Zealand's 10th Great Walk. This will also connect with the Pike29 Memorial Track, and a memorial site and interpretation centre due for completion in April 2019.

History

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

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

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

The natural environment

The district comprises of 8,574 square kilometres from Kahurangi Point in the North to the Punakaiki River in the south and east to the summit of the Lewis Pass.

The rateable area of the district is only 18% with the majority of the area being Conservation Estate.

The West Coast is an area of extremes; wild country, wild weather and geologically active – all of which make this a unique environment. Ecosystems are unique, and biodiversity is rich and internationally recognised.

The area because of its location adjacent to the Southern Alps captures a high rainfall varying from about two metres on the coastal area, to around 5 metres on the Stockton and Denniston plateau and about 3 metres at Springs Junction in the Southern Alps.

Natural hazards are part of life here and the communities are resilient; and the Council factors this resilience into the way they manage infrastructure and its planning.

MAJOR TOWNS

WESTPORT

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

Westport provides an employment base for a wide range of industries including mining, farming, fishing, horticulture, technology and tourism. However some of these employers are in the process of change. Cyclical changes in the mining industry have led to a contraction phase in this sector. New central government direction indicates there will be no new mines on Conservation land. Existing mines will be able to continue to operate. This includes some proposed developments that have commenced the permitting process.

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

KARAMEA

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

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

The area is packed with opportunity to experience the wonder of the environment. Walking, tramping, mountain biking, caving, and fishing are some of the activities that are available in this region. The community has a five year partnership with the Department of Internal Affairs and has developed a Community Plan to help develop the area.

REEFTON

Reefton is the gateway to both the West Coast and Buller from the east coast using the Lewis Pass. Reefton is located an hours

drive from Westport and is located at the heart of the Victoria Forest Park. Founded in the 1860's with the discovery of the nearby goldfields, Reefton became the first town in the southern hemisphere to have a public supply of electricity in 1888. The stable population of around 1,100 are proud of the town's historic past and the township features many heritage buildings.

The main employment opportunities have changed over time but now the area has dairying, coal mining, gold mining and tourism. Reefton is the main service town to these industries.

Reefton, is adjacent to the Victoria Forest Park which means it has close access to a wide-range of historic tracks and sites that provide extensive mountain biking, tramping and walking options. The rivers provide some of the best brown trout fishing in New Zealand.

PUNAKAIKI

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

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

OTHER TOWNSHIPS

The townships and associated communities of Karamea, Hector, Ngakawau, Granity, Birchfield, Waimangaroa, Carters Beach, Charleston, Inangahua Junction, Ikamatua, Springs Junction and Mawheraiti all have history. Community pride and a point of significance has kept these townships going.

ASSUMPTIONS

In preparing Councils strategy, issues and financial information contained in the Long Term Plan, Council have had to make a number of assumptions. The assumptions underpinning this Plan are outlined on pages 134-140.

CHANGES TO POLICIES

Policies that Council intends to amend and are required to consult on are detailed within this document. Council has included its Revenue and Financing Policy which contains a number of minor amendments. The Significance and Engagement Policy has been updated since the last Long Term Plan in 2015.

SIGNIFICANT CHANGES IN LAND USE

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

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

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

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

Through the review of the Buller District Plan Council intends to look at current land zoning in the District and make changes where necessary to ensure an adequate supply of appropriately zoned land is available. Alongside this, Council wants to ensure that the rules in the District Plan address adverse effects on the environment while also being enabling, to allow development and land use activities to take place in Buller. The potential effects of climate change will need to be considered when looking at zones, to ensure that any future adverse effects are minimised.

STRATEGIC OVERVIEW

THE OPERATING ENVIRONMENT

A new government administration came to power in November 2017, following the September 2017 General Election. It is a New Zealand Labour Party / New Zealand First Party coalition government. The New Zealand Labour Party has a supply and confidence arrangement with The Green Party of Aotearoa New Zealand.

As an incoming government they have signaled a new direction for New Zealand in the November "Speech from the Throne" at the opening of the new parliament. The new government has committed to major investments in housing, health, education, policy and infrastructure. It is focused on social and environmental responsibility and lifting the standard and quality of living for all New Zealanders. It aims to lift wages and reduce inequality and poverty.

KEY THEMES THAT ARE RELEVANT TO OUR DISTRICT INCLUDE:

- Poverty reduction and increased access to health care and social housing.
- Building a strong economy, being fiscally responsible and providing certainty.
- Government aspires to become world leaders on environmental issues and climate change.
- Improving drinking water quality for both rural and urban areas.
- Benefits of economic prosperity will be shared with the regions. This will include government investment in infrastructure and broadband.
- A clear focus on sustainable economic development, supporting regional economies, adding value to primary production and increasing exports.
- The establishment of a \$1 billion per annum Regional Development (Provincial Growth) Fund.

The government have recently announced funding for two projects in the Buller district, including the Old Ghost Road, part of Nga Haerenga, the New Zealand Cycle trail and the Kawatiri Coastal Trail for feasibility funding (Westport to Charleston).

Government climate change initiatives focus on emissions reduction and carbon budgets. This means they will encourage renewable energy initiatives (e.g., wind and solar; and electric cars), and creating carbon sinks. Carbon sinks include planting trees and encouraging the agriculture sector to change to more carbon efficient land uses. The government has an ambitious plan for 1 billion trees to be planted throughout New Zealand over the next 10 years.

Local government has a key role to play in delivering the Government priorities relating to housing, infrastructure, social responsibility, fresh water, resilience, environment, climate change and environment.

The Plans strategy reflects New Zealand's change in leadership and new policy priorities, which already align well with those of Council.

The Brief to the Incoming Minister of Local Government (December 2017, refer www.beehive.govt.nz) has identified a number of challenges including:

- Long term financial sustainability of the local government system and the funding models that apply.
- Households affordability to pay the rates in difficult economic times.
- Rising costs to councils to deliver services, which funding cannot keep pace with.
- Needing debt as a key funding mechanism to support investment in infrastructure.
- Ageing infrastructure and community services.
- Ageing population.
- Providing safe drinking water for all New Zealanders, taking account of the findings of the Havelock North Inquiry.
- Providing infrastructure that is resilient to New Zealand's high natural hazard environment; and in the longer term to the effects of global climate change.

Key issues and challenges our Council faces are set out in this Plan. These challenges hit harder here in Buller because of our small rating base – most of our district is Crown Conservation land. Also closures of the main industries relating to mining and cement manufacture have meant that the Council is on a path of transition to new ventures with ways to grow the district, make our towns more liveable, attractive to investors and newcomers. The regions success in growing tourism has put pressure on our infrastructure services and facilities.

The new governments key theme to address the challenges faced by all local government organisations:

"Creating strong, resilient communities through responsive local leadership and participatory democracy sustainable financial models, infrastructure, services and regulation."

This theme resonates with the purpose of the Local Government Act, and to the strategic direction that the Council has been heading in since the last Long Term Plan was released in 2015.

MAJOR ASSUMPTIONS FROM OUR LAST PLAN

In the prior Long Term Plan produced for 2015-2025, Council acknowledged that cyclical declines in primary industries particularly mining had widespread economic consequences for the district. It recognised that it needed to position itself to encourage a more diversified economy to help alleviate the consequences of cycles in primary industry that are still an important part of our district.

The 2015-2025 Plan recognised that attracting residents and visitors to our district was an important step towards economic diversification. The district has a number of factors that make it an attractive place to be, including; affordable housing, a wide range of recreation activities and proximity to unique natural assets and environment. That Plan recognised that core services and attractive towns were an important step to achieving this goal. This continues to be a major focus throughout this Plan.

RESIDENT POPULATION

The March 2013 census recorded a total of 10,473 persons as being normally resident in the district. With the loss of jobs through contraction in the mining sector and the closure of the cement works at Cape Foulwind the District can expect to have had a fall in population levels when the next census is completed.

For the purposes of this Long Term Plan we have assumed that the normally resident population as at 1 July 2018 is in the region of 10,000 persons. This is post the Holcim and Reefton Globe Hill Mine closures and some rationalisation that has occurred in the mining sector. By the end of the 10 years covered by this plan we expect population levels to be relatively stable at around 9900 persons which is in line with Statistics NZ predictions.

Buller District Council is part of the West Coast Regional Economic Development Plan 2014-2030 that has a target for Buller population of 12,044 by 2030, however this is no longer seen as realistic. This plan has been replaced by the Te Tai Poutini – West Coast Regional Economic Development Action plan which was developed during 2016 /17 with the assistance of Central government funding. It outlines the key areas of economic growth activity for the West Coast including Buller.

AGEING POPULATION

The other main demographic trend forecast for the life of the plan is that of an ageing population. The proportion of the population over 65 years of age is predicted to increase from approximately 18% to 28% of the District's total population over the next thirty years. This is not only a national trend, but a global one as well, which will impact on the available workforce. Therefore for Buller to maintain its population over time it is important that we are able to retain and attract business and that they in turn can retain and attract staff. Globally the shifts in demographics are expected to create competition between both countries and regions for the attraction of talent and some outside the box thinking will be required.

COMMUNITY OUTCOMES

Community Outcomes are the goals that Council wants to achieve for the Community. They reflect what the Community sees as important for its well-being and they help to build up a picture of the collective vision for the District's future. The outcomes guide decision-making by Council. The Council links its activities and services back to the outcomes. **Five community outcomes were developed following community involvement, these outcomes are:**

Well-being

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

Learning

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

Who we are

A happening district with a strong community spirit and distinctive lifestyle

Sustainable environment

The distinctive character of the environment appreciated and retained

Prosperity

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

For further details of the outcomes, please refer to pages 41-49.

WHERE ARE WE AT, WHERE ARE WE HEADING?

Our District and Communities *'Fit for Future!'*

CURRENT ECONOMIC OVERVIEW

The current economic situation in the district has improved since the last Long Term Plan was compiled, which predicted a contraction in economic activity post closure of Holcim cement plant in Westport and Globe Hill mine in Reefton, as well as the effects of cyclical activity in primary industries such as mining, which is still the largest employer in the district, and dairy farming. Tourism continues to grow. New Zealand has experienced significant international growth in tourism since 2013. The government expects this growth will continue with visitor arrivals on target to reach 4.9 million by 2023 (MBIE/Tourism NZ/Stats NZ forecasts 2017). The improvement in current economic conditions has been underpinned by the increase in visitors to the district brought about to some extent by the closure of State Highway 1 due to the Kaikoura earthquake in 2016.

Moving forward visitor numbers to New Zealand are increasing which should mean that the Buller district will get a share of the domestic and international visitor spend even after reinstatement of SH1. There have also been modest improvements in commodity prices which also have an effect on economic activity in the region.

In addition there has been an increase in residential property sales in the district in 2017 (the highest volume since 2012). This suggests there may be growing confidence in the district from an economic perspective.

Therefore in summary economic conditions are a lot more stable and have a little more upside than was the case when the last LTP was prepared 3 years ago.

A WAY FORWARD

When Council reviewed this current Long Term Plan and its strategy, an evaluation of Buller's strengths, weaknesses, opportunities and threats and a range of factors which could have an effect on the district, was carried out.

It's clear that the Buller has a lot going for it. It also faces a number of challenges. On the plus side it has resilient communities, cheap land and housing, abundant natural resources, unique natural assets and environment and endless recreational choices.

It has some challenges, some the Council has in common with the rest of the local government sector the Operating Environment; and some which are unique to our district and region. These are discussed further in Key Issues.

It is important that we recognise that successful communities need a range of interlocking factors that combine to provide a district that is a great place to work and play and is **'Fit for Future.'** These include: a resilient community, services and infrastructure; schools and education providers that strive to provide the best quality education and consistently aim to turn out high achievers; fit for purpose health facilities and services; and resilient diversified economies that avoided the boom and bust cycles of the past. A vital part of our economic success will require resilient and reliable infrastructure and transport options (road, sea and air) to and from the region. These vulnerabilities have been highlighted in the 2016 Kaikoura earthquakes.

A vibrant, diverse and flexible local economy that provides sustainable jobs will enable the population to stabilise, and the prosperity of the district to improve. That is the option chosen by Council for this Plan.

Council's role in all this is as a facilitator. It should provide reliable, affordable services and infrastructure that meet the communities needs, help develop attractive liveable towns and a district that people will want to visit and reside in. Also, Council's role as an advocate cannot be understated. Our district requires its share of regional development funding to be successful now and in the future and to help the transformation into modern attractive locations with all the quality services that are now expected in 21st century communities. Council will also work closely with other West Coast councils, central government and Development West Coast to ensure that high speed Broadband access to the internet becomes available across the district along with comprehensive mobile phone connectivity.

This means Council needs to continue to invest in key infrastructure. Over the life of this Plan Council expects to spend \$50 million on capital expenditure to maintain the level of service we currently have and to modernise our towns if the district is to be truly competitive as a place to **'live, work, invest and visit'**.

Affordability is one of the biggest challenges that many Councils, including Buller, faces. In the past three years leading up to this Plan Council has demonstrated that it has been prudent in the allocation of its expenditure and has come well within its predictions of expenditure and the resultant rates increases. It also scores well in prudence measures by third party rates watchdog organisations.

For this Plan to be sustainable it also needs to be affordable both in the short and long term and to continue with this philosophy. Looking at this LTP operating expenditure is sufficient to maintain the same level of service and is in line with the movement of the local government cost index over the life of this Plan as are the resultant movement in rates.

Council continually looks at ways that it can provide better services or provide the same service a different way at a cheaper cost to the ratepayer. Shared services (the new buzzword) with other West Coast Councils are one potential way that costs can be saved. Council is doing this already with information technology, insurance, finance, civil defence, processing of building consents and planning. There are ways that councils can work with other organisations to set up a tightly focussed Economic Development service that will facilitate the desired economic diversification that Council believes it needs to make our district **'Fit for Future'**.

MAORI CONTRIBUTION TO OUR DECISION MAKING

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

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

KEY ISSUES AFFECTING THE PLAN



INCLUDES:

District Revitalisation	16
Items consulted on but not included in this Plan.....	20
Our water, we are almost there!	21
Our vital links, Karamea Highway	23
Climate change, it affects us all	24
The future of our Port, Westport Harbour	26

DISTRICT REVITALISATION

To make Buller **'Fit for Future'** Council has started a wider project to revitalise our district, focusing on social, economic, cultural and environmental outcomes. This will unfold over the next three years and will follow the **'Fit for Future'** strategy pathways.

Resilient: Council buildings will be brought up to building code and be suitable to play a central role during emergencies.

Growing: A focus on tourism and sustainability will bring visitors and businesses to Buller, in the town and country.

Quality Infrastructure: Existing infrastructure will be upgraded and new infrastructure to support a revitalised Buller will be designed to withstand a changing climate in the medium to long term.

Liveable: A revitalised Buller with liveable spaces in our community townships and gathering places will help attract businesses and visitors.

Affordable: By rationalising Council buildings and facilities and the Council exploring new ways to generate income. Council will have more resources to put into the community services. Council will also strive to keep the rates affordable.

WHERE WE CAME FROM

Building rationalisation and resilience

In the 2015-2025 Long Term Plan Council focused on building rationalisation and how we might get better value out of our significant property assets some of which were not utilised or under-utilised and/or required significant earthquake strengthening and upgrade.

These Council assets included:

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

The Reefton Community Centre and Cinema received a significant upgrade in 2016/17 with input from the Inangahua Community Board and local community.

Council has an obligation both to its staff and to its community users to ensure that it is taking reasonable steps to address any buildings that do not meet current earthquake safety standards and an obligation to its ratepayers to ensure that we get the best value for money out of our assets and that they are fit for purpose for at least the next 25-years.

Since the Canterbury Earthquakes building codes with regard to seismic strengthening have been amended and the Earthquake Prone Building Regulations have come into force. These new regulations require that all government buildings, and buildings used by the public have to comply with rigorous standards to ensure the safety of the public and people working inside these buildings. Council is obliged to comply with the building safety requirements in the timelines set in these regulations.

Since the last Long Term Plan all of the main Council buildings, except the Carnegie Library have had earthquake assessments. The Carnegie Library assessment is currently underway and is due soon. A number of buildings had seismic strengthening work completed to meet the minimum requirements for safety and meet the minimum building code required, however the work has not bought the buildings up to 65% or above of the building code determined as best practice by Council. Apart from the Coaltown and i-Site building in Westport all

of the Council buildings including the Clock Tower Council Chambers, Brougham House, Carnegie Library, Sue Thomson Casey Memorial Library, NBS Theatre and the grandstand building at Victoria Square may require further strengthening and upgrade work to make them safer and more functional, liveable spaces.

Westport buildings

In relation to building rationalisation Council considered four options during the 2015-2025 Long Term Plan:

- Option 1 was strengthening, modernising, and extending Brougham House to provide a long term solution for Council offices and Council Meeting Room;
- Option 2 was modernising, and extending the Clocktower to provide a long term solution for Council offices and Council Meeting Room;
- Option 3 was modernising, and extending the Clocktower to provide a long term solution for a Community Cluster Library; and
- Option 4 was modernising, and extending the Clocktower to provide a long term solution for a Community Cluster Library, and the Council offices and Council Meeting Room.

Council decided that the best approach would be to adopt a staged approach based on Option 2 (above), but only after the Westport water upgrade was completed (2015-2025 LTP).

Redbox were commissioned to create a high level design for the Clock Tower rebuild and their proposal went further than this and created a town 'heart' concept. In parallel to this a project commenced to look at how we could better utilise and connect to the waterfront. Neither of these projects progressed beyond initial concept stage and were effectively put on hold awaiting completion of the Westport water repair and upgrade.

During 2016/17 there was budget set aside to progress both the Clock Tower rebuild and the waterfront and the two projects were merged into a wider project called 'Westport Revitalisation'. This was in recognition of the fact that the two precincts were connected and should not be looked at in isolation, but together as part of one larger urban area, and also in recognition of how hugely important the revitalisation of our towns are to the future of our district, both economically and socially.

WHERE WE ARE GOING

In order to revitalise our district we are starting with Westport as our largest town.

District Revitalisation - This project has 4 key focus areas:

1. Looking to the future (ECONOMIC)

Issues and opportunities

- Economic revitalisation - making Westport a more appealing place to live.
- Establishing a connection from the Kawatiri-Buller River and the waterfront opportunity.
- Potential museum redevelopment - how to gain the most benefit for the wider project from this work.

2. Belonging and buy in (SOCIAL)

Issues and opportunities

- Lack of cohesive story to build the community's future on.
- Community engagement and buy-in for the process and ongoing work.
- Pride.

3. Vulnerability (ENVIRONMENTAL)

Issues and opportunities

- Climate change and its impact on our community:
 - Coastal hazards
 - Flood hazards
- Earthquake prone buildings.

4. Land and assets (COUNCIL)

Issues and opportunities

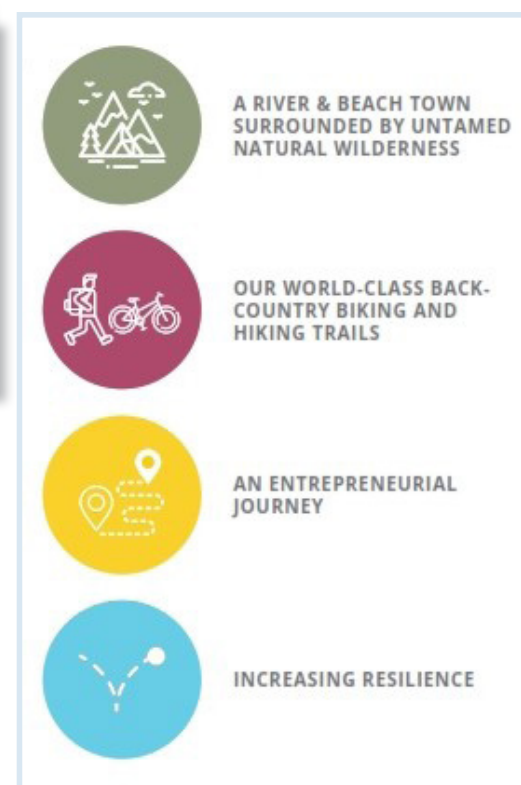
- Building and land rationalisation - being efficient with what we have.
- Asset issues - obsolete structures (wharf), underutilised building, heritage buildings, EQ standards.
- Services - disconnected and dispersed BDC services (eg, library and civil defence).
- Achieve best value for money for ratepayers.
- The development of non-rates income for Council (eg, building leases).

Council decided to use a "community placemaking process" to increase community engagement in the project and to allow for prototyping of ideas prior to completing an 'urban design framework' for Westport. After following a Request for Proposal process Council commissioned Creative Communities International (CCI) and Urban Kin (UK) to jointly carry out the work.

CCI introduced the concept of a 7 Day Makeover as a community engagement and public space prototyping tool. It was hugely successful and showed just how much community spirit there is in Buller and the power of community volunteering.

Through the 7 Day Makeover Process we have learned a lot about what works and what doesn't. The bonus was the creation of an attractive and functional public space which was delivered at low cost and is very well utilised by locals and visitors. The other key outcome of this project was the development of new town stories for Westport (right), the themes of which have resonance with Buller District as a Whole. These have also helped to shape the Urban Design Framework. See <http://bullerdc.govt.nz/district-council/publications/westport-urban-design-framework> for further information.

THE STORIES THAT 'EMERGED' FOR WESTPORT



BUILDING RATIONALISATION

As in our previous Long Term Plan we still need to look at how we can get the best use and value out of our current building stock. We also need to ensure we have buildings that are fit for purpose and resilient.

These buildings include the Clock Tower Chambers, Brougham House, Carnegie Library, Sue Thomson Memorial Library and the Grandstand Buildings at Victoria Square, currently Emergency Operations Centre for Civil Defence (EOC). All require strengthening or work to make them more safe and functional.

What has become apparent from the Westport Revitalisation project so far is that we may have an opportunity to further rationalise our building stock by combining the council administration civic centre, library and EOC into one facility in either the Clock Tower site or a new build elsewhere in the town. The previous 'Redbox' proposal only solved the issue of Brougham House and the Council Chamber. The library upgrade was to be a separate project in the future. There is logic in rationalising buildings further by expanding the brief to include space for commercial and/or community activity and create an ongoing income opportunity for council. This concept is one of the four key parts of the Westport Revitalisation project and has been named the 'BACH' (Buller Area Community Hub).

The Carnegie library was gifted to the community, and therefore is not something Council would consider selling. Both this and the Clock Tower Chambers are heritage buildings with significant historical value to our district, however this does not prevent them from being redeveloped for the purpose of commercial activity either by Council or by a leasee. This could include things such as retail, hospitality, conferencing and exhibition or gallery space. Adding the Clock Tower building to the museum in order to expand this offering is also a possibility. Brougham House and the Sue Thomson Casey Memorial Library, on the other hand, could be become surplus to requirements and sold in order to offset the new build costs.

The other factor that was not considered in the original proposal is the impact that climate change is likely to have on Westport and our district as a whole. These issues need to be understood and taken into consideration.

The 2018-2028 Long Term Plan proposes to adopt an adaptation of Option 1, which proposes to meet the code of compliance with existing buildings and invest in district revitalisation projects.

Council intends to spend \$2.2m over 3 years planning for and

implementing building code of compliance for Council's civic building. Council intends to spend \$200,000 in 2018/19 \$900,000 in 2019/20 and \$1.1m in 2020/21 to complete this work.

Also included in the Option 1 scenario is \$150,000 budgeted for the first 3 years of the LTP for district-wide revitalisation based on volunteer style projects and \$200,000 (2018/19) and \$250,000 (2019/20 and 2020/21) for urban revitalisation, district-wide.

DISTRICT-WIDE REVITALISATION

Volunteer style projects

When applied across the district, not specifically just Westport, the themes highlighted in the 'stories' become:

"We offer a world-class back country biking and hiking experience."

"We have the wildest backyard in NZ."

"We have a generous and entrepreneurial spirit."

"We need to build a resilient economy."

For the first 3 years of the Long Term Plan \$150,000 is budgeted for district-wide projects in order to allow communities in the Buller District to use the 7-Day Makeover/Community Placemaking process to take ownership of their public spaces and revitalise our towns in a cost effective manner. This would be contestable funding with specific criteria relating to community placemaking principles and in alignment with enhancing the new district 'themes'. One of the criteria will be ensuring that it is equitable on a per-head of population basis.

District revitalisation

During year 1 of the Long Term Plan, \$200,000 has been budgeted to progress the Westport Revitalisation Plan.

\$255,000 (2019/20) and \$260,000 (2020/21) has been budgeted in the Long Term Plan for the non-building aspect of the District Revitalisation Plan.

The capital expenditure for District Revitalisation is to be funded by a combination of debt and depreciation reserves. The ratepayer will fund increases in interest and depreciation costs.

There are other projects in the District which link closely with District Revitalisation:

There are no budgeted amounts in this Plan for the following two projects, however Council may consult on the Punakaiki 'master plan' in the future.

■ Biking and hiking trails:

A key part of our district revitalisation is the emerging story around back country biking and hiking. Westport, Reefton, Karamea and in the future Charleston and Punakaiki, all have the potential to become central 'hubs' for various biking and hiking offerings that either already exist or are in the pipeline. Council has a key role in advocacy and facilitation for projects such as the Old Ghost Road, Kawatiri Coastal Trail and the Reefton Mountain Bike Trails.

■ Punakaiki 'master plan':

Punakaiki is a key national and regional tourism centre and is the Buller District's major tourism drawcard/attraction. In recent years there has been significant growth in tourists visiting the area, and this has put considerable pressure on existing infrastructure.

The current development of the new Paparoa Track (Great Walk) in the Paparoa National Park is expected to add to this pressure in the next few years. The township and surrounds now needs a future focussed plan to set itself up for the long term.

Council, together with West Coast Regional Council, Grey District Council, Department of Conservation, NZTA, MBIE and other central government partners is currently developing a community master plan.

The initial concept study work is a high level analysis to build a framework for the future growth of the 'Greater Punakaiki' area stretching from Lookout Point/Meybille Bay to the North, and the Conservation Volunteers facility to the south.

THERE WERE THREE OPTIONS TO CONSIDER

Council has opted for an Option 1 style capital expenditure program and this has been included in the Long Term Plan document.

OPTION 1: Meeting Code of Compliance with existing buildings and invest in the 'Westport/District Revitalisation Project'

Key features:

- If Council does not proceed with Options 2 or 3, then Council will need to meet the building code regulations and upgrade the Grandstand and Emergency Operation Centre at Victoria Square, the Sue Thomson Casey Memorial Library and Brougham House administration centre.
- Connection to the river.
- Enhanced town centre.
- New and enhanced public spaces.

Costs:

- **Budget:** Additional earthquake strengthening of existing buildings to meet Council best practice, estimated cost \$2.2 million spread over 3 years to be completed in 2020/21..
- **Budget:** District revitalisation \$200,000 2018/19, \$255,000 in 2019/20 and \$260,000 in 2020/21.
- **Budget:** district-wide volunteer projects \$150,000 in 2018/19, \$153,000 in 2019/20 and \$156,000 in 2020/21.
- This is funded by either increasing debt and/or drawing on depreciation reserves. The annual additional cost to the ratepayer when completed in 2020/21 will be approximately \$116,000 (or an increase in total rates of 0.9%)

Advantages:

- Better utilisation of public spaces in Westport.
- Increased/enhanced ability to host public events. Westport becomes a more desirable place **'live, work, invest and visit'**.
- Better visibility and access to the river.
- Enhanced community pride and ownership in public spaces.
- Economic development opportunities surrounding new 'spaces'.
- Buildings would be earthquake compliant.
- Lower cost to implement.
- Social and cultural benefits.

Disadvantages:

- Council continues to pay to maintain several not fit for purpose buildings.
- Does not give the opportunity to rationalise buildings and reduce operating costs.

OPTION 2: Invest in the wider 'Westport/District Revitalisation Project', including rationalising Civic Buildings.

Key features:

- Rationalisation of current buildings into one purpose built space, ie, the 'BACH' concept combining a administration civic centre, library, emergency management operations centre and community/commercial space or building at the Clock Tower as per the redbox proposal.
- Connection to the river.
- Enhanced town centre.
- New and enhanced public spaces.

Costs:

- **Budget:** civic building - \$500,000 2019/20, estimated costs \$3 million in 2020/21 and \$1.5 million in 2021/22 (**\$5 million cost**).
- **Budget:** Westport revitalisation \$200,000 2018/19, \$408,000 in 2019/20 and \$416,000 in 2020/21.
- **Budget:** district-wide volunteer projects \$200,000 2018/19, \$204,000 2019/20, \$208,000 2020/21 and \$213,000 2021/22.
- This is funded by either increasing debt and/or drawing on depreciation reserves. The annual additional cost to the ratepayer when completed in 2022/23 will be approximately \$400,000 (or an increase in total rates of 2.5%).

Advantages:

- Better utilisation of public spaces in Westport.
- Increased/enhanced ability to host public events.
- Westport becomes a more desirable place **'live, work, invest and visit'**.
- Better visibility and access to the river.
- Enhanced community pride and ownership in public spaces.
- Better activation of 'town heart'.
- Buildings would be earthquake compliant and current buildings would not require additional upgrade.
- Economic development opportunities surrounding new 'spaces'.
- Social and cultural benefits.
- More bang for buck in terms of capital spend.
- Surplus buildings can be sold to offset cost of build.
- Lower maintenance and operating costs in the future.
- Ability to increase council's non rates incomes from commercial leases.
- All civic functions in close proximity.
- Buller seen as leading the way in innovative and affordable building options.

Disadvantages:

- More expensive than options 1 and 3.
- Will take up to 3 years to complete.

OPTION 3: Invest only in a Civic Buildings rationalisation project.

Key features:

- Rationalisation of current buildings into one purpose built space, ie, the 'BACH' concept combining a administration civic centre, library, emergency management operations centre and community/commercial space or building at the Clock Tower as per the redbox proposal.

Costs:

- **Budget:** civic building - \$500,000 2019/20, estimated costs \$3 million in 2020/21 and \$1.5 million in 2021/22 (**\$5 million cost**).
- This is funded by either increasing debt and/or drawing on depreciation reserves. The annual additional cost to the ratepayer when completed in 2022/23 will be approximately \$380,000 (or an increase in total rates of 2.4%).

Advantages:

- Surplus buildings can be sold to offset cost of build.
- Lower maintenance and operating costs in the future.
- Ability to increase council's non rates incomes from commercial leases.
- Buildings would be earthquake compliant and current buildings would not require additional upgrade.
- All civic functions in close proximity.
- Buller seen as leading the way in innovative and affordable building options.

Disadvantages:

- Misses an opportunity to look at the 'big picture' for the town
- Does not provide wider social and economic benefits
- Less community engagement in the project.

ITEMS CONSULTED ON BUT NOT INCLUDED IN THIS LONG TERM PLAN

In the Long Term Plan (LTP) Council consulted on the opportunity to enter into an option to purchase assets off Holcim. These assets comprised land, buildings and equipment relating to the cement manufacturing plant at Cape Foulwind and the rock and quarrying operations area at Tauranga Bay as well as large land holdings in the area.

PROPOSED HOLCIM PROPERTY PORTFOLIO PURCHASE

It was a big decision for the community and involved Council spending up to \$5.26m which involved purchasing assets of an industrial cement manufacturing plant that used and produced hazardous materials. There were large risks associated with a purchase of this nature which were to be mitigated by Council carrying out a thorough due diligence process.

On the other hand there was the opportunity to purchase an asset which could then be controlled by Council and used to benefit the community in the form of recreational areas for public enjoyment as well as acquiring a quarry asset that could also potentially generate revenue and supply the district with usable rock for river and coastal protection. Surplus land acquired in the proposed purchase was intended to be sold over time.

The purchase was expected to add approximately \$280,000 to the total amount of rates collected resulting in an increase of 1.8% in 2019/20. In addition the proposed purchase contributed to Council's net debt and rates benchmarks not being met in 2019/20.

Council consulted with the community over the proposal and continued to engage with Holcim over the terms of the option to purchase the assets.

Feedback from the community was varied with a number of submitters supporting the proposal but with a number of submitters concerned with the risk of the purchase including a petition that was submitted with 314 signatures that opposed the proposal. In the end Council considered the views of the community but was also unable to reach agreement with Holcim on the terms acceptable to Council to mitigate risk. Therefore Council decided not to proceed with the purchase of the Holcim property as consulted on in the draft LTP, therefore the purchase is not provided for in this LTP.

Council will continue engagement with Holcim through Holcim's exit process to monitor environmental rehabilitation of the land holdings.

PROPOSED DISTRICT REVITALISATION

Council consulted on Option 2 as their preferred option for District Revitalisation in the draft Long Term Plan, which included a new civic building and district-wide revitalisation projects.

In this final Long Term Plan, Council has opted to change its preferred option to a modified version of Option 1.

The 2018-2028 Long Term Plan includes an adaptation of Option 1, which will meet the code of compliance with existing buildings and invest in district revitalisation projects.

Council intends to spend \$2.2m over 3 years planning and implementing building code of compliance for Council's civic building. Council intends to spend \$200,000 in 2018/19 \$900,000 in 2019/20 and \$1.1m in 2020/21 to complete this work.

Also included in the modified Option 1 scenario is \$150,000 budgeted for the first 3 years of the LTP for district-wide revitalisation based on volunteer style projects and \$200,000 (2018/19) and \$250,000 (2019/20 and 2020/21) for urban revitalisation, district-wide.

OUR WATER, WE ARE ALMOST THERE!

The implications of the Havelock North water supply incident (where more than 5,000 members of the public became ill from drinking contaminated water supplied by their local council) is of significance to Council as these matters are under review by the Government.

HAVELOCK NORTH, WHAT DOES THIS MEAN FOR US?

Council is aware of and is closely following the national conversation about public water safety that is occurring following the findings of the Government Inquiry into Havelock North. The Inquiry findings have not yet been adopted by government, or translated into changed legislation, regulations or drinking water quality standards.

Council has considered the wide range of possible implications to public water supply service delivery following the Inquiry, including the potential for higher treatment standards, changes to quality standards, and higher costs of service delivery.

The key messaging and specific priority issues currently include:

- Bringing all drinking water supplies up to Drinking Water Standards New Zealand (DWSNZ) compliance.
- Residual disinfectant e.g. chlorination for all ground water supplies.
- Appropriate training and credentials for water supply personnel.

There is no doubt that future changes will increase costs of drinking water for all registered supplies. What hasn't been clarified on a national level is who will pay, and to what extent. In some cases eg, an already compliant system, the cost impact may be minimal. However, in other cases it could be substantial.

Affordability is the districts biggest challenge, especially for the small ratepayer-base rural supplies. Whilst the Inquiry has made its recommendations, the Government is yet to adopt into legislation, or address what financial assistance (if any) and under what framework would accompany new compliance requirements.

Council will continue to engage with the Buller communities on water supply changes and any new requirements. The financial implications of any changes will be addressed at that time. If required, Council will use Annual Plan processes to introduce and consult on changed water supply requirements.

RURAL DRINKING WATER UPGRADES

Waimangaroa

A proposed Waimangaroa drinking water supply upgrade did not proceed when serious storm damage to the primary raw water intake meant that the previously approved scheme would no longer be viable.

Currently Council staff are working with the Waimangaroa Water Board to establish a possible long term bore solution. The Ministry of Health has been advised of the situation and agreed to put the original application and subsidy on hold. An estimate of \$474,000 to complete the capital work upgrade has been provided for in year one of the Long Term Plan. However the final costs are not known until the location and design of a new system is known. When the cost of future requirements has been established a revised Waimangaroa water rate will be required.

Ngakawau-Hector

A proposed Ngakawau/Hector drinking water supply upgrade did not proceed due to lack of community support and issues around scheme design and ownership. Council will continue to work with the Ngakawau/Hector community to resolve the issues associated with the scheme. For the purposes of the Long Term Plan it is assumed that there will be no capital expenditure. However, Council has a commitment to continue working with the community to ensure the supply meets legislative requirements.

Inangahua Junction

The Inangahua Water Supply has recently been upgraded to meet NZ Drinking Water Standards and there is no other significant capital work planned.

Other rural water supplies

There are no significant capital upgrades planned for the Little Wanganui or Mokihinui drinking water supplies. Bringing these up to DWSNZ compliance is an affordability challenge given the small rate payer base. Council has decided to wait until the new regulatory environment and funding frameworks are clarified before budgeting for these future requirements. No significant capital work is planned for the Cape Foulwind non-potable supply as current levels of service are being achieved.

Council will also progress key responsibilities and authorities under our strategic five-point plan, including water safety plans, catchment risk assessments, resource consents, easements and land acquisitions as required to ensure future safety and security of all registered water supplies.

Council will need to progress past 'Gentlemen's Agreements' and arrangements to legalise the route of supplies by appropriate easements. This is essential to safeguard future generations supply of water.

WESTPORT AND CARTERS BEACH

Significant work has been undertaken to upgrade the Westport Water Supply Treatment Plant and ensure the water fully complies with NZ Drinking Water Standards.

A collapse in the Westport water number1 tunnel, which supplies raw water to the Westport Water Treatment Plant, is currently under tender negotiations to repair this tunnel and reinstate the gravity fed supply of raw water. A total of \$3 million has been budgeted in 2016/17 and 2017/18 to complete the project. The future of the Westport Water Tunnels and the delivery of raw water is the biggest challenge facing Westport and Carters Beach water supply. This significant infrastructure failure means that the targeted water rate for consumers on this supply must increase to cover the unexpected cost.

Pipe renewal programs will continue to upgrade levels of service by upgrading existing 25mm galvanized steel mains throughout Westport with new 50mm polythene. This will improve pressure and flow to these areas currently serviced by 25mm mains.

A focus on appropriate water meters for 'high use' consumers throughout District water supplies.

REEFTON

Pipe renewal programs will continue and Council will continue to carry out leak detection work as water usage continues to be higher than expected. Some modifications are planned to the Reefton Water Treatment Plant with \$60,000 expected to be spent in year one of the Long Term Plan on new UV and pumping equipment to maintain the supply.

PUNAKAIKI

Council has completed medium-term process improvement investigations for the Punakaiki Water Treatment Plant, which has been plagued by Boil Water Notices (BWN) in recent years.

Stage 1 of the process improvements are already underway, with \$105,000 committed for priority functional, operational and compliance requirements. Work is expected to be completed in 2017/2018.

A further *Stage 2* of the medium term improvements requires \$175,000 to address treated water storage capacity and perimeter fencing to improve system resilience and security.

For the longer term Council are leading a masterplan process for Punakaiki in 2018/19 in conjunction with Department of Conservation, Grey District Council, MBIE, NZTA and West Coast Regional Council. One part of this masterplan is to ensure that the infrastructure is '**Fit for Future**'. This is a significant project and Council has a key role in advocacy and facilitation.

OUR VITAL LINKS, KARAMEA HIGHWAY

Council is currently working with New Zealand Transport Authority (NZTA) regarding the future management of the Karamaea Special Purpose Road (SPR).

Of the 61 km SPR, 49 km from Mokihinui to Karamaea (known as the Karamaea Bluff), was originally constructed and operated as State Highway SH67. The remaining 12 km from Karamaea to Kohaihai was managed as the Heaphy Track access road.

In the early 1990's, the 49 km Karamaea Bluff section was changed to SPR status, as part of a wider state highway review. SPR's attract 100% funding from NZTA.

The power to create SPR's was repealed in 2003 and NZTA are currently in the process of phasing them out. All affected road controlling authorities are now developing transition plans to facilitate and agree the terms for this process.

A business case for the SPR is being led by Council in consultation with NZTA to inform the transition plan. This process will consider a wide view of options and investment scenarios including but not limited to the following:

- The validity of returning the Karamaea Bluff section to State Highway status based on NZTA's State Highway Review 2002 Criteria, specifically routes connecting locations of national economic significance such as major agricultural areas (e.g. Karamaea dairy farms) and major tourist areas (e.g. iconic destinations including Oparara Basin and Heaphy Track).
- The capital investment required to mitigate what is currently a significant risk in terms of resilience, affordability and safety for road users. The original corduroy road construction and poor early build practices, the increase in size and frequency of heavy vehicle use, combined with the natural topography and propensity for landslip along the route makes the current Karamaea Bluff section hazardous and expensive to maintain.

Previous work has been carried out including stakeholder workshops and investment logic analysis. Although useful background, this will need to be revisited and re-confirmed. The scope of the business case will incorporate an expanded and more detailed description of the current and forecast use and function of the Karamaea Highway including:

- Annual average daily traffic and any projected growth
- Traffic composition e.g. freight, tourism, residents
- Service requirements
- Key asset inventory summary e.g. bridges
- Risk and resilience assessment
- Regional economic development plans

The core challenges with the Karamaea SPR are safety, resilience and high repair and maintenance costs. This goes back to its original corduroy construction, which included organic materials e.g. trees, brush being covered over by soil fill. Decomposition over time causes unstable roadbeds, which together with slips and washouts due to the natural terrain, leads to what has been described as a significant risk. The following images show locations and an example of previous slips and washouts along the Karamaea Bluff.



Council's position in the Roding Asset Management Plan (AMP) is that Buller ratepayers cannot accept the financial risk of maintaining the SPR as part of the current financial assistance rate (FAR).

The cost of maintaining the Karamaea Highway is approaching \$1m per annum. If the ratepayer were to pick up a share of this under the local road FAR, this could be in the excess of \$300,000 per annum. Based on the current level of rates in the district this raises affordability issues for ratepayers.

As a result, and based on the business case findings, Council will be seeking a new arrangement with NZTA which avoids any additional burden to district ratepayers.

Options may include reverting the road back to State Highway status, adjustment to the current FAR, or a special agreement considering the unique context and background.

Hence, the Asset Management Plan (AMP) have been developed assuming full funding from NZTA will continue in some form after SPR's are phased out in 2021/22.

CLIMATE CHANGE, IT AFFECTS US ALL!

Everyone has heard a lot about climate change particularly in the last few years. We know it means we will be facing more weather extremes such as droughts, floods and storm surges in the future, and more often.

Many scientists are working on climate change – the science behind it, measuring what's happening to the climate, the atmosphere and global sea levels. They are investigating what happened in Earth's distant past, through looking at cores deep into the polar ice, lake sediments and the seafloor, and by various other technical means. The Earth has experienced numerous global or major climate change events in the past. The most recent one in recorded history was the named the Little Ice Age in from the early 14th century CE (Christian Era) to the late 19th century CE, which was a cooling event, coldest from 1600-1800. That followed a warming event referred to as the Medieval Warming (around 900 – 1300 CE).

Many of these climate change events occurred long before human history. Evidence from those previous events tells us what happened to the climate, the sea level and the environment, and gives us clues to how mankind has adapted to these climate changes in the distant past. This will help the scientists and policy planners who are advising world governments what we may expect to happen with the climate and how we may adapt to climate changes that are happening now and over the next few hundred years.

What's different about the current global climate change event that we are beginning to experience now is that scientists believe that human activity is making the climate change faster than the natural events that have happened before. This activity includes pollution from industries and cars, where large volumes of carbon dioxide and other toxic chemicals have been released into the atmosphere since the industrial revolution in the late 1800s.

The New Zealand government's response to global climate change is coordinated by the Ministry for the Environment (MFE). They recently released an update to provide guidance to local government and to present the latest views on the climate related changes New Zealand can expect (MFE 2017, Adapting to climate change in New Zealand Interim stocktake report from the Climate Change Technical Working Group). A relevant overview statement is set out below:

“Decisions we make today about infrastructure, urban development, biodiversity and land and water management will have implications for how our future generations will adapt.” (MFE 2017, p6).

They note that over the last century the sea level around New Zealand has risen at an average rate of 1.8mm per year. The Intergovernmental Panel on Climate Change (IPCC), of which New Zealand is a party to, project that global sea level will rise by 0.2 to 0.4m by 2060, and 0.3 to 1.0m by 2100 depending on global greenhouse gas emissions (IPCC 2015). They determine that the mid range of the sea level rise over the next 50 years is 0.3m (30 cm, 11.8 inches).

The figures quoted by scientists are average sea levels. Sea levels vary from place to place, depending on a range of factors such as the nature of the local environment, its geology and whether the land may be sinking or rising because of geological forces.

As noted in the previous section, resilience is the best way we can adapt to and plan for climate change effects on the environment, our homes, towns and infrastructure in the medium to long term. The Buller is in the same position as the rest of New Zealand in terms of the potential risks from global climate change, which is why the government is taking the lead on this complex issue, which is so important for future generations.

Focus on resilience

NATURAL HAZARDS

“New Zealand is a young country and has a dynamic geological environment. Like most of New Zealand, the greatest risks to asset integrity and performance are natural hazards. Examples include earthquakes, severe storms, flooding, storm surges, erosion, slips and landslides. New Zealand lies at the southwest of the so-called “Pacific Ring of Fire”, which makes it particularly vulnerable to

natural disasters. The Alpine Fault is the major fault running the length of the South Island. The Southern Alps have been uplifted along the eastern side of the Alpine Fault. It is considered to be at high risk of producing a major earthquake in the next 50 years. Significant earthquakes can also occur on minor fault systems, of which there are many throughout New Zealand. The Canterbury and Christchurch earthquakes are a recent local example. The Buller region has experienced some of New Zealand's largest earthquakes in modern times, Murchison 1929 (M7.8) and Inangahua 1968 (M7.1) (refer www.gns.cri.nz). Therefore Council needs to take earthquake risk into consideration in its planning and in its infrastructure strategy.”

The predominant wind direction along the West Coast is southwest to southeast. Because of the orientation of the Southern Alps air is forced to rise and cool, thus forming rainfall on the west of the Alps, and a rain shadow to the east of the Alps. This is called the ‘Orographic’ effect. That's why the West Coast has high rainfall, and the East Coast has much lower rainfall. Buller has high annual rainfall (although less than our neighbours in the south). Significant falls occur in the mountains (several metres) and headwaters of the key rivers. This makes heavy rainfall and flooding an enduring risk to the whole Buller district, on people and property; and causes significant damage to infrastructure; roading and bridges in particular.

Scientists believe that global climate change may result in more severe weather events and more often in the next 50 – 100 years, as well as higher sea levels so its important to factor this into planning new developments and in developing and implementing the Infrastructure Strategy.

Coastal erosion is a long-term natural hazard that affects the West Coast of New Zealand in particular due to the prevailing wind conditions. Significant erosion can occur due to storm events, throughout New Zealand.

Severe storms and resulting flooding is a particular concern for the Westport township located on the banks of the Buller River. Flooding puts lives at risk as well as causing significant damage to homes and infrastructure such as stormwater systems and roading.

“The New Zealand government has been looking at the natural hazards issue for a long time now. With the potential risk of increased frequency and magnitude of severe storms in the future

due to climate change, the government will be taking the lead. They have provided some direction to local government on this.

In the meantime the Buller District Council is working with the other West Coast councils and the West Coast Regional Council on strategies for managing natural hazards, and the issue of longer term climate change adaption and mitigation.”

FLOOD PROTECTION MEASURES

Floods are one of the most common natural hazards facing New Zealand. The Buller / Kawatiri River is one of the countries biggest rivers, and has a large mountainous catchment in areas of high rainfall. Therefore flooding can occur quickly (what hydrologists call “flashy”). Like most river towns built on flood plains flood events can have widespread impacts; on peoples safety, their property and houses and on infrastructure.

Flood protection is the overall responsibility of the West Coast Regional Council. However the Buller District Council works closely with them. This is because infrastructure issues relating to stormwater management in and around the town of Westport cannot be considered in isolation.

The West Coast Regional Council is currently on six options for Westport Flood Protection, ranging from “Do Nothing” to a \$13 million stopbank and river cut - <http://www.wcrc.govt.nz/our-council/asset-management-plans/Pages/Westport-TheOptions.aspx>.

Once the preferred option is settled upon additional stormwater protection work may be required, for example pumping of stormwater over the stopbank similar to what has been implemented in other river port towns. Flood protection works may also have implications for the management of the Port of Westport and its associated infrastructure and assets. Further discussion is set out in the Infrastructure Strategy section.

CIVIL DEFENCE EMERGENCY MANAGEMENT

Council works closely with the other West Coast Councils and the West Coast Regional Council, which has overall responsibility for Civil Defence for the region. The roles and responsibilities for Civil Defence are administered and supported by the Ministry of Civil Defence Emergency Management (MCDEM), which is part of the Department of Prime Minister and Cabinet (DPMC). MCDEM can declare a national emergency for significant events, so it can more easily call upon the resources of the whole of government. Recent examples were the Kaikoura Earthquake and the Canterbury Earthquake.

Each Council has its own Civil Defence operation and structure, which is staffed by a dedicated group of highly skilled volunteers, many of whom work for the Council in their day-to-day jobs. Civil Defence works very closely with a number of other agencies and non-governmental organisations such as the emergency services (Fire and Emergency NZ, New Zealand Police, St Johns Ambulance, District Health Boards), Salvation Army, Red Cross and iwi. The Council is also a lifeline utility organisation providing essential infrastructure services to the community, such as: drinking water, wastewater treatment and stormwater and transport. Other lifeline utilities include the electricity network provider Buller Electricity, and the communications providers such as Spark and Chorus.

The civil defence response is managed using the Coordinated Incident Management System (CIMS), which is used universally by all of the agencies and people involved. MCDEM coordinate the CIMS training and capability building throughout New Zealand.

Resilience is one of the New Zealand government’s highest priorities, and also one of ours here in Buller. The Council decide whether to declare an emergency either prior to a major event, such as a predicted major storm, or as an event unfolds, and it becomes clear that the event is overwhelming the business as usual capability of the Council and additional resources are required to manage the emergency.

Recent activations have highlighted the importance of maintaining resilience, declaring early and also the value of our Civil Defence volunteers. The Council also has a role in disaster recovery, and using the framework in the CDEM Act 2002 the Council coordinate and resource the recovery and clean-up operations. Tangible signs of the Councils role in recovery was providing for free green waste disposal at the districts transfer station, and the disposal of all waste from red stickered homes.

WHAT IS COUNCIL DOING ABOUT CLIMATE CHANGE?

As extremes of weather become more frequent over the next 30-50 years the Council will have to plan to spend more on building resilience of its infrastructure, and also on maintaining readiness and building capability of the local Civil Defence team.

This planning has already started and will be built upon in subsequent Long Term Plans as the central government response to climate change becomes clearer in years to come.

Our coastal communities are at risk. The communities of Hector and Granity on the seaward side of the State Highway are the most critical and at risk, as is the community at Punakaiki. Options are being explored with the regional council and the property owners. The community of Westport may require greater flood protection. Council is advocating with the regional council on a suitable option to protect the township.

Identification of Council assets and infrastructure that could be impacted by climate change is important. This includes roads and transport infrastructure, 3 waters infrastructure and Council buildings. Key assets identified and assessed to date include:

- **Westport Airport** – seawall extensions are planned in this LTP to address the threat (total cost \$390,000 in 2018/19, note Councils share of the cost is \$180,000 with the balance being funded by the Ministry of Transport).
- ▶ **Carters Beach Domain Hall** – a bund has been constructed to help protect the building.
- ▶ **Karamea Highway** – a section of the Karamea Highway near Granite Creek Bridge – to be monitored.
- ▶ **Punakaiki** – Dickinsons Parade has been closed to address the threat.

We are interested in your feedback on our resilience arrangements. How do you think we did in the recent significant storm events; what can we do better; and do you think we are focusing enough on this important area?

THE FUTURE OF OUR PORT, WESTPORT HARBOUR

Council resolved to instruct the directors of its wholly owned subsidiary Buller Holdings Limited to wind up Westport Harbour Limited (WHL) and to sell the Kawatiri dredge in late 2017.

The Port previously had Holcim NZ as its sole major user but when cement manufacturing ceased at Cape Foulwind in 2016 the Buller river bar was no longer required to be dredged for outgoing cement carriers.

Other out-port dredging opportunities were limited therefore the directors of Westport Harbour Limited sought the prudent option which was to cease any dredging activity and wind up the company as it was losing money.

Westport ratepayers could not afford to continue the cost of dredging the bar when there were no major commercial users of the port except the commercial fishing fleet. Water and Hydrological Reports provided to Council indicate that dredging does not aid flood protection for Westport.

Council is currently in the process of selling the Kawatiri dredge as it is no longer required. Should this process take longer than required there may be opportunities to lease the vessel out to a third party.

In March 2018 Buller District Council bought the land assets relating to the port for \$1.3m back off WHL to ensure the assets were kept under direct control for future generations of Buller and to allow Councils wholly owned subsidiary Buller Holdings Ltd to focus on its remaining core businesses.

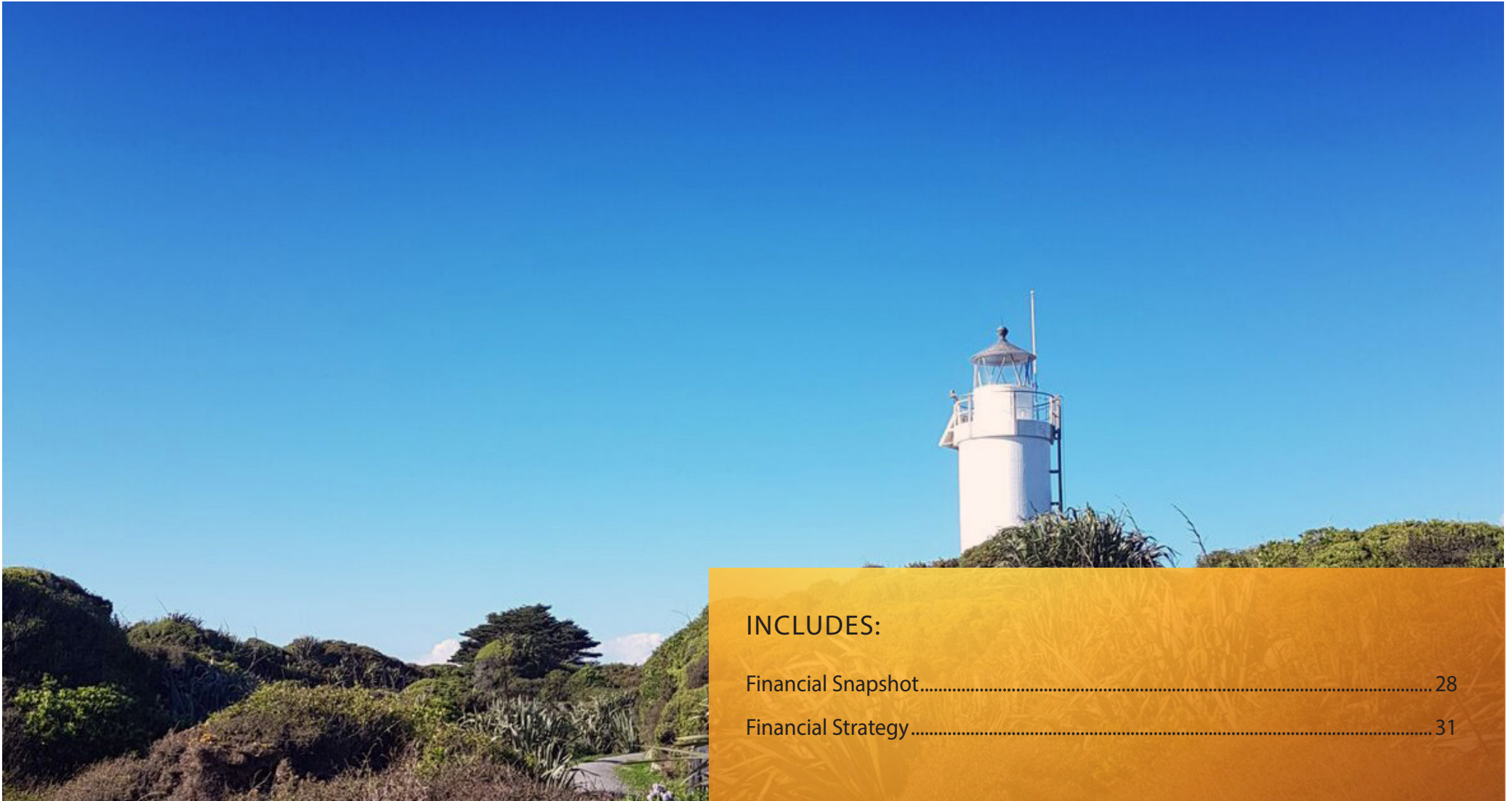
We have assumed for the purpose of this LTP that the port will continue as a commercial fishing port, but no longer be involved in large scale domestic or international shipping. There is potential for the port to be used for receiving waste from the north island as part of Waste To Energy project should this go ahead, but the likelihood of this is 2-3 years away. It is likely that if this occurred and dredging was required then this cost may be built into the total project cost of the initiative on a user pays basis.

The port is a good candidate for shared services and currently a regional harbourmaster is being explored, with the Grey District Council.

In this LTP there are costs assumed for running a port at this level. For year one of this Long Term Plan the cost to the ratepayer is estimated at \$230,000 for 2018/19 and is ongoing throughout the Plan.

There has been no provision in this Plan made for future maintenance of the wharves as this is unknown at this stage. However this will be included in future Annual Plan documents when an asset management plan has been updated based on the port use in the future.

FINANCIAL OVERVIEW AND STRATEGY



INCLUDES:

Financial Snapshot.....	28
Financial Strategy.....	31

FINANCIAL SNAPSHOT

FINANCIAL REPORT CARD FOR THE LONG TERM PLAN

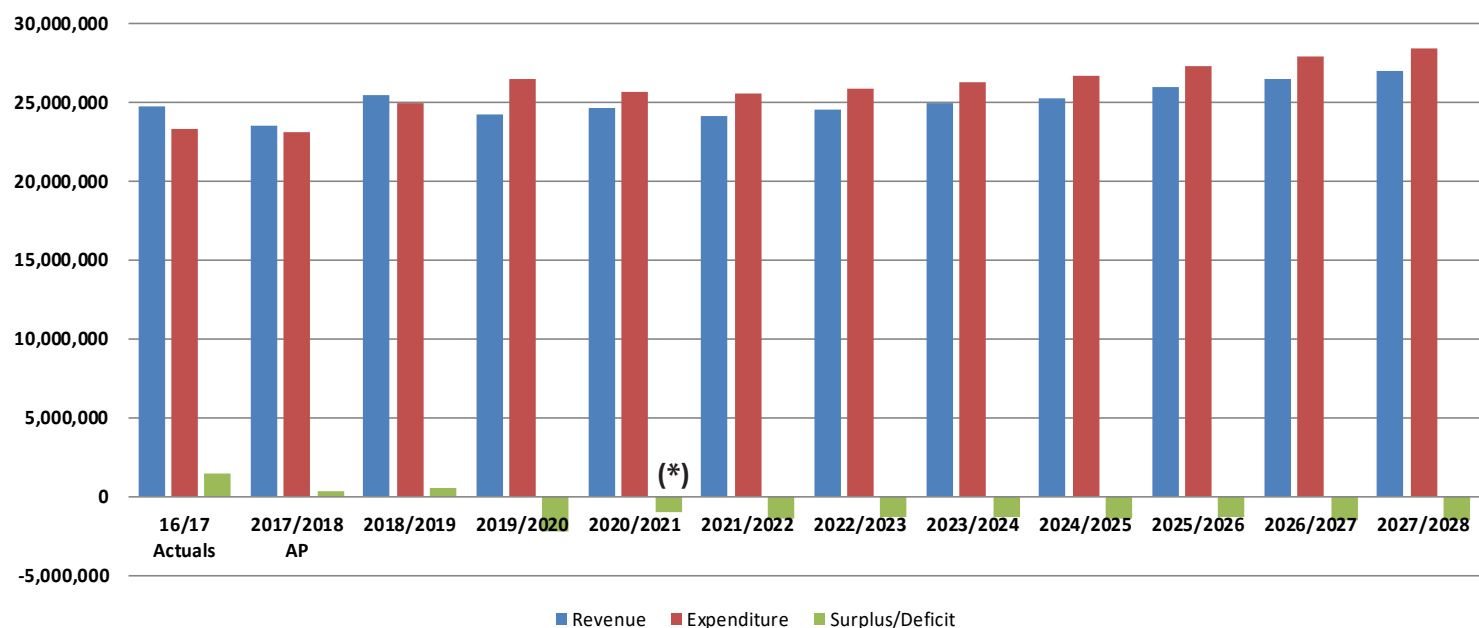
Council has managed to keep total rates increases low over the last 3 years since the 2015-2025 Long Term Plan. There are a number of factors which are driving rates moving forward. Transfer of the Westport harbour to Council has added around \$230,000 to rates proposed in 2018/2019. In addition there are increases planned in the renewal programme for Westport water and Westport sewerage which increases targeted rates for these schemes. Collectively this increases total rates by 3.0% for 2018/2019.

Council has controlled its expenditure on its 'business as usual' costs well. Overall the total increases in rates, after taking into account inflation, is close to the total movement in the Local Government cost index (a Council benchmark) over the Plan which is a satisfactory result. Council exceeds its debt affordability and rates affordability increase benchmarks in this plan. Council believes that this is appropriate given the benefits of the investment in the future that is proposed over the next 10-years of this plan.

Council runs accounting deficits over the life of this LTP. This is mainly because it is not fully funding the depreciation expense for all activities where we have assumed assets will not be replaced or will be funded from external sources. In addition Council is funding renewals for roading rather than depreciation. The effect of this is significant. The difference between funded renewals and depreciation in the Roading activity is \$1.4m in 2018/19 increasing with inflation projections to \$1.5m in 2028/2029. When this is taken into account Councils has sufficient cash income to cover cash expenses over the life of this LTP.

For this Plan Council has set its revenue to cover all the actual money needed to be spent to provide the levels of service as detailed throughout the plan.

Operating Revenue and Expenditure



(*) Note: Excludes the one-off disposal of Karamea Highway to NZTA (2021/22: \$21.5m loss).

INFLATION - AN IMPORTANT INPUT TO THE PLAN

There is an important point to take into account when considering the financial elements of the 2018-2028 Buller District Long Term Plan. All Councils are required to include the forecast cost of inflation in their Long Term Plans. This is not discretionary and it can be very confusing.

Inflation (being the rise in the general level of prices of goods and services over time) must be specified by cost type for each year of this Plan. For detail on the inflation rates and cost types used in this plan please refer to the table on page 140.

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

The inflation figures provided by BERL would cumulatively amount to an increase in costs of around 28% over the life of this Plan if the costs of services remained the same as they do in the current financial year. Put another way, ignoring the potential for efficiencies, costs are predicted to increase by this margin in the planning period without adding any new functions, building any new assets or increasing the current levels of service.

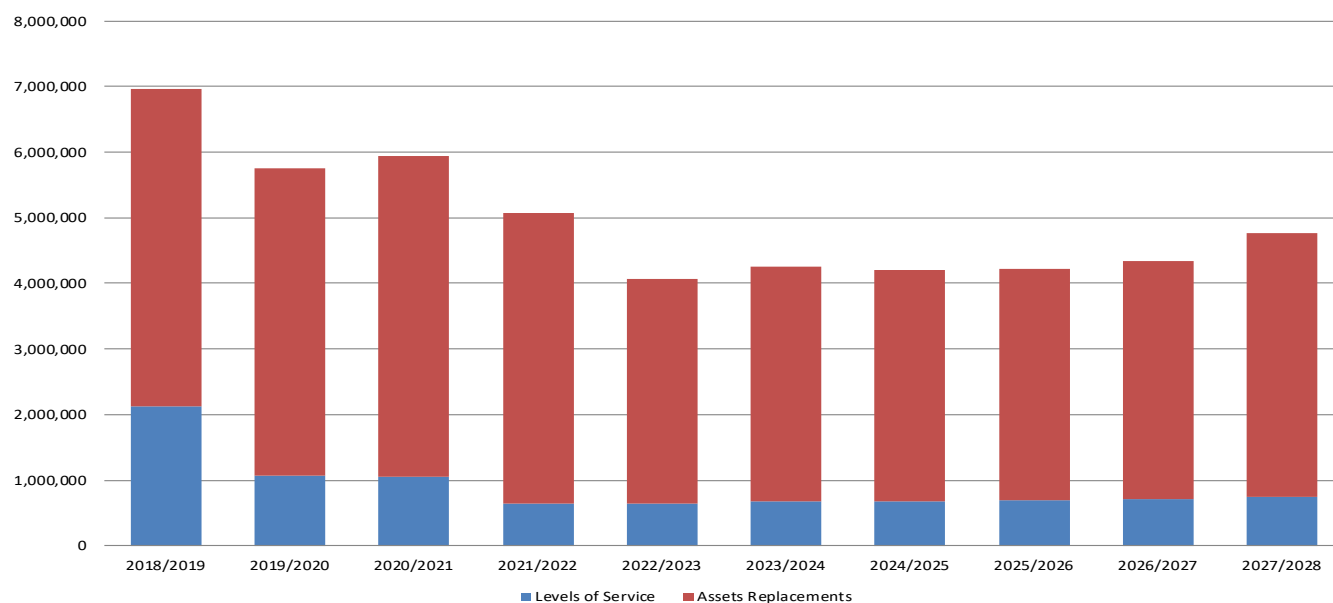
Another important aspect of inflation is that there are many different measures of inflation depending on the sector involved. Most commonly referred to and understood is the Consumer Price Index (CPI). This largely relates to domestic costs. Inflation included in this Plan is not the same as CPI inflation.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

Buller District Council focuses on affordability of rates for its communities. Over the life of the plan Council has attempted to keep operating expenses, to provide the level of service that the community requires, to a prudent level. Inflation increases the cost of the goods over time. Council has tried to keep rates increases close to the level of inflation that is predicted for the type of goods and services that it needs. This is one of the key measures of Councils performance relating to rates increases in this plan.

OVERALL CAPITAL EXPENDITURE

The replacement costs of assets signalled through the asset management plans aggregate to a total capital works programme of \$50m over the 10 years. Capital expenditure totalling \$9m (18%) is targeted at improving levels of services and \$41m (82%) is used to fund asset replacements.

Capital Expenditure: 2018 to 2028



Significant Capital Expenditure across the 10 years of the plan (a full capital expenditure schedule can be found on page 120)

Details	Total Cost
Water	
Mains upgrades over the 10 years of the plan.	Westport - \$4.7m Reefton - \$1.1m
Waimangaroa Drinking Water Standards Upgrade deferred to 2018/2019. Expected subsidy \$ 0.4m.	\$0.5m
Roading	
Local Road renewals for the 10 years of the plan .	\$12.3m
Karamea Highway for the first 3 years of the plan.	\$1.1m
Rough River Bridge contribution to Grey District Council 2019/20 (BDC contribution to capital costs)	\$1.1m
Footpaths	
Footpath renewals over the 10 years of the plan	\$2.2m
Sewerage	
Sewerage asset replacements and upgrades for the 10 years of the plan.	Westport - \$7.8m Reefton - \$2.0m Little Wanganui - \$0.2m
Stormwater	
Stormwater asset replacements and upgrades for the 10 years of the plan.	\$2.4m
Property	
District wide volunteer based projects over the 10 years of the plan.	\$0.9m
District wide revitalisation: 2018/2019 \$200,000, 2019/2020 \$255,000, 2020/2021 \$260,000.	\$0.7m
Westport current Civic Building upgrades: Brougham House to be completed 2020/21 (\$1.9m) and Victoria Square EOC/Grandstand to be completed 2020/21 (\$0.3m)	\$2.2m
Airport	
Rock Wall extension 2018/2019.	\$0.8m
Runway re-surfacing 2018/2019.	\$0.2m
Runway replacement 2027/2028.	\$0.6m
Support Services	
Core enterprise software system replacement 2021/2022.	\$0.8m

FINANCIAL STRATEGY

THE FINANCIAL STRATEGY CAN BE SUMMARISED AS FOLLOWS:

1. Expenditure to be adequate to maintain existing services and to maintain the quality and avoid deterioration of assets and capacity. Additional expenditure will be considered if it improves resilience and reliability of Councils services delivery and meets the current and future needs of the community. This includes providing financial support to community led development opportunities that meet Councils overall strategy.
2. Manage debt and finance costs in a financially prudent manner. Council have set a net debt ceiling benchmark at \$20 million.
3. Allowing for Rates increases for improvements in service delivery, core infrastructure and initiatives that may attract new economic activity in the district. Rates affordability is a strong consideration for our communities. Council has set a benchmark to keep rates increases within the long range Local Government Cost index which is 2.4% per annum.
4. Minimise Council reliance on rates income by considering external investment opportunities and external funding options. Borrowing to facilitate these initiatives will be considered if this is consistent with Councils overall strategy.

GROWTH IN RATEABLE PROPERTY NUMBERS

Years	Properties
2018/2019	7,460
2019/2020	7,470
2020/2021	7,480
2021/2022	7,490
2022/2023	7,500
2023/2024	7,510
2024/2025	7,520
2025/2026	7,530
2026/2027	7,540
2027/2028	7,550

The growth rate in rateable properties is mainly due to subdivisions of land. Council has taken into account the effect of land and coastal erosion on the number of rateable properties.

MAJOR FACTORS AFFECTING THE BULLER DISTRICT AND THE FINANCIAL STRATEGY

- The district is susceptible to cyclical fluctuations in primary industry, including mining and dairy farming.
- Rates affordability is important given the district has an aging population. Council has a high reliance on rates income and should explore external income opportunities to offset this.
- Council advocacy for regional development is important. This includes high speed broadband and extended mobile coverage. Modern services offer potential for economic development opportunities.
- The closure of some industries such as cement manufacturing near Westport, a gold mining operation in Reefton and the rationalisation of a number of coal mines has resulted in a short term decline in the district population. Population is expected to remain stable in the medium term.
- Domestic and international tourism remains the most likely industry to achieve growth. The district abounds in natural attractions, historical features, ecological wonders and walking, climbing and mountain biking opportunities.
- Council is focused on tight cost control and will work with other West Coast Councils wherever it can to bring about service enhancement or savings through shared services.
- Council will continue to invest in core infrastructure for our communities. Infrastructure capital projects and upgrades provide the major proportion of capital expenditure proposed over this plan. This includes completing water projects to provide clean safe drinking water and the impact of any government legislation regarding water supplies. Councils infrastructure strategy has been developed in conjunction with the key aspects of this financial strategy.

FINANCIAL OVERVIEW

We have to do more than just limit spending. Council also needs to look for opportunities to increase its income. Along the way we still need to make sure that our infrastructure assets are meeting community needs and that they also meet the various legal requirements they operate under.

This is always a balancing act. On one hand we need to make sure our assets, such as pipes, roads, and treatment plants, meet environmental and health standards (such as the water quality standards). On the other hand, asset renewals and replacements are expensive and we need to make sure that any increases in Council's income (which primarily comes from rates and fees and charges) are affordable for our Community, all the while meeting our overall goal of 'a balanced budget' as stipulated in the Local Government Act.

	AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
Operating Revenue	23,469	25,456	24,219	24,635	24,137	24,544	24,968	25,274	25,950	26,404	26,929
Operating Expenditure	23,084	24,943	26,416	25,656	46,807	25,880	26,280	26,633	27,276	27,853	28,409
Surplus/(Deficit)	385	513	(2,197)	(1,021)	(22,670)	(1,336)	(1,312)	(1,359)	(1,327)	(1,449)	(1,480)

(*) Note: Includes the one-off disposal of Karamea Highway to NZTA (\$21.5m loss).

Council has accounting operating deficits over the life of the plan. This is primarily because Council funds renewals rather than depreciation for one of its biggest capital spends which is on roading. NZTA in its latest audit of our roading network has determined that the network as a whole is in very good condition. The roading programme is set with NZTA based on this premise and not on the level of depreciation for network which is higher. Hence there will always be an accounting deficit when taking this into account. In addition there are capital subsidies for sponsorship that cease from 2019/20 which add to the deficit. On a cash basis Council is operating prudently and income is at a sufficient level to cover its expenses. Council will continue to monitor long term sustainability to ensure that adequate resources are available to maintain the current level of service for the roading network.

STATEMENT CONCERNING BALANCING THE BUDGET

Council's budget over the life of this Plan does not balance (a balanced budget is considered one where each year's projected operating revenues are set at a level sufficient to meet that year's project operating expenses). Council is not fully funding the depreciation expense for all activities where we have assumed assets will not be replaced or will be funded from external sources. In addition as highlighted earlier Council is funding renewals for roading rather than depreciation. The effect of this is significant. The difference between funded renewals and depreciation in roading is \$1.4m in 2018/19 increasing with inflation projections to \$1.5m in 2028/29. When this is taken into account Council would run a balanced budget for the majority of the years in the LTP.

For this Plan Council has set its revenue to cover all the actual money needed to be spent to provide the levels of service as detailed throughout the plan. This includes the replacement and renewal of assets where required.

CAPITAL EXPENDITURE

When considering its capital works schedule Council took into account the current economic climate and the debt levels forecast over the next 10 years. Council decided it was prudent to give priority to critical projects affecting drinking water in the last LTP this philosophy has continued into the current LTP. Other projects such as the rationalisation and of Council property and revitalisation of town and community hubs have been deferred until the drinking water projects are complete.

SPENDING ON ASSETS

It is important that asset condition is maintained to avoid a reduction in service delivery to our communities and also to avoid deterioration of these assets. Maintaining service levels and avoiding deterioration of assets is important because our communities expect a certain level of service and there is a cost in the long run of deferring maintenance and replacement of assets. The risk is that if we do not spend this money now then it is likely that we would end up spending more later on and we also run the risk of infrastructure failing.

There is a key link between our Infrastructure Strategy (on pages 150-169) and this Financial Strategy. Affordability, adequate service levels and maintaining the quality of our assets are all important. Some of our assets are getting old, and need to have repairs or replacements in the near future. Some are new or in good condition and require less to be spent on them. The spending on assets is considered necessary to maintain our current levels of service. But there is a cost in doing this. Therefore this is a delicate balancing act to ensure that we get the formula right and don't expose our communities to undue risk or cost!

COUNCIL'S DEBT

It is crucial that debt levels are within affordable and sustainable levels. Council set its net debt cap at \$20m within the 10 Year Plan. We only borrow to invest in long term assets or opportunities that can increase income for Council. Council does not borrow for operating purposes.

Page 30 explains what we plan to spend on community assets for the next 10 years. We will also outline what impact this would have on our debt levels and overall income requirements from rates, user fees and charges, and other sources of income.

Council has produced a plan which demonstrates sustainable external debt levels. Net debt (being gross external debt less term deposit investments) is anticipated to be at \$14.3m in 2018/19 and is projected to be at \$10m in 2027/28. Council at the same time is committed to a significant capital expenditure program totalling \$50m over this plan. This is to be funded from a mix of depreciation reserves, external and internal borrowings.

Debt, investment, net debt: 2018/2019 to 2027/2028



Gross debt is predicted to increase over the 10 years of the plan from \$30.5m in 2018/19 to \$34.5m. Term investments are expected to grow from \$16m to \$24m at end of plan. Net debt which is a key measure for Council is expected to reduce to \$10m at the end of the 10 years of the Plan.

FORECASTED TOTAL RATE INCREASES ACROSS THE 10-YEAR PLAN

Total rates expected to be collected by Council increases from \$14.2m to \$17m over the life of this Long Term Plan. This is mainly due to inflationary increases that are accounted for in this plan as well as the effect of major projects proposed such as the District revitalisation. The sum of the proposed rates increases over the Plan is slightly less than the sum of the long run Local Government cost index that Council uses as its rates inflationary benchmark.

The years where rates are expected to be higher than the long run Local Government cost index are 2018/19, 2019/20, 2021/22, 2022/23 and 2025/26.

The increase in 2018/19 is higher mainly due to costs associated with taking over the Westport port and increases in the renewal programmes for Westport water and wastewater and the loan associated with the Westport raw water supply project.

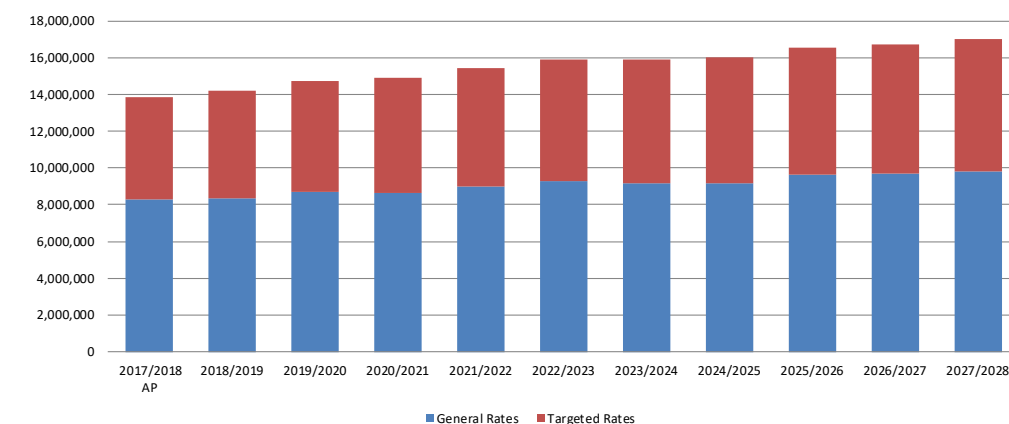
The increase in 2019/20 is mainly related a reduction in planned distribution from the holding company and additional civic building repairs and maintenance.

The increase in 2021/22 is due to the increased spend on the district revitalisation project and the increased ratepayers share of roading costs.

The increase in 2022/23 is related to cyclical repairs and maintenance on property and roading/urban development expenditure.

In 2025/26 increases in roading expenditure is the main driver of the rate increase.

Total rates: 2018 to 2028



THESE INCREASES ARE AS A RESULT OF:

Price increases – the price adjusters used for Local Government are higher than predicted inflation and this means that it will cost more to provide services.

Service level changes - water is the major activity where Council will be increasing their level of service by improving the quality of the water through capital upgrades to enable current water supplies to meet the latest Drinking Water Standards.

Depreciation and Interest payments – the increased capital expenditure programme means corresponding increases in costs in these areas, depreciation is also affected by inflation.

WHAT IS A REASONABLE RATES LEVEL?

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

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

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

Forecasted total rate increases across the 10-year plan

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
General Rates	8,378,945	8,694,078	8,637,631	8,988,990	9,278,037	9,179,222	9,193,102	9,607,042	9,668,021	9,784,674
Targeted Rates	5,865,764	6,032,172	6,252,540	6,464,811	6,629,085	6,746,482	6,849,860	6,943,850	7,040,789	7,207,150
Total Rates	14,244,709	14,726,250	14,890,171	15,453,801	15,907,122	15,925,704	16,042,961	16,550,892	16,708,810	16,991,824
Increase %	3.0%	3.4%	1.1%	3.8%	2.9%	0.1%	0.7%	3.2%	1.0%	1.7%

WHAT ARE THE QUANTIFIED LIMITS ON RATES AND RATE INCREASES?

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

LIMITS ON RATES COLLECTED

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

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

	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
General Rates	8,313,828	8,378,945	8,694,078	8,637,631	8,988,990	9,278,037	9,179,222	9,193,102	9,607,042	9,668,021	9,784,674
Targeted Rates	5,517,159	5,865,764	6,032,172	6,252,540	6,464,811	6,629,085	6,746,482	6,849,860	6,943,850	7,040,789	7,207,150
Total Rates	13,830,987	14,244,709	14,726,250	14,890,171	15,453,801	15,907,122	15,925,704	16,042,961	16,550,892	16,708,810	16,991,824
Total Revenue	23,468,639	25,456,196	24,219,004	24,635,120	24,136,912	24,544,298	24,967,825	25,273,800	25,949,665	26,403,779	26,929,066
Rates as % of Total Revenue	58.9%	56.0%	60.8%	60.4%	64.0%	64.8%	63.8%	63.5%	63.8%	63.3%	63.1%

(*) Rates exclude water meter rate

LIMITS ON RATE INCREASES

While the Council will continue to consider affordability issues when setting rate levels each year, Council is required by legislation to include a statement on quantified limits on rates increases. Limiting the increase to the Rates forecasted in the Long Term Plan reflects the realities of higher local government costs, ie, the cost of doing Council business. It also recognises that from time to time Council will need to increase the level of service that it is providing to meet, for example, community needs and new resource consent requirements. Individual properties may experience smaller or larger increases depending on movements in property values, the services that they receive and their location. Council would like to set the quantified limits on rates at the 20 year average of the Local Government Cost Index (between 2007 and 2028), which is 2.4%. This index is based on the current range of services provided under a local government context.

CAPITAL EXPENDITURE AND DEPRECIATION FUNDING

The Council currently has infrastructural assets worth close to \$438m and during the next 10 years Council is planning to undertake additional capital works of close to \$50m. Asset development expenditure is for purchasing, building, replacing or developing Buller District assets (eg, roads, water supplies, properties etc). For each asset category asset management plans are in place which are the key planning tool for the maintenance, future renewal and additional assets required to meet the demand and levels of service in the district. These are prepared on the basis of a 30 year outlook which is required by legislation but is also prudent asset management practice to take a long term view of asset renewals particularly in a local government. These asset management plans also inform how the planned expenditure will be paid for.

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

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

Council funds, or in other words rates for depreciation for all activities except roading and stormwater, and uses depreciation reserves to fund asset renewals and to replace assets as they wear out.

There are exceptions where depreciation is not funded and these are where Council has received financial assistance in the past and expects finance assistance to be available in the future to fund asset replacements (eg, pensioner housing upgrades, rural fire vehicles).

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

Council has agreed to fund capital expenditure for Buller Recreation Ltd (Pulse Energy Recreation Centre) over the term of the Plan, in exchange for shares in Buller Holdings Ltd.

When the recreation centre was constructed and transferred into a Council controlled organisation it was agreed by Council that depreciation would not be funded for this asset but instead and capital replacements that were required would be funded by debt at the ratepayer level in exchange for additional shares in the holding company. In this Long Term Plan this means that there will be an increase in debt and investment in the holding company in Councils balance sheet and there are also associated debt servicing costs that are passed onto the ratepayer subsequent to this transaction. Major capital funding requirements for the recreation centre and the years that they are proposed are shown below.

Breakdown of major Council funding for Buller Recreation's capital expenditure over the term of this plan:

2024/2025	\$1.0m	- Administration area fit out and electrical fit-out. Aquatic Centre fit out and pool surround resurface.
2025/2026	\$1.6m	- Hockey turf and Aquatic centre fit out and plumbing replacements. Administration area mechanical replacements.
2027/2028	\$0.9m	- Fit-out and plumbing for the Aquatic centre

DEBT AND INTEREST BORROWINGS TABLE

Under section 100 of the Local Government Act 2002, Council considered its financial management responsibilities, where it must manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. The Council has also considered whether it is sustainable to undertake the level of capital works planned in the 10 Year Plan together with the increased debt servicing costs associated with the higher debt level. If the Council has too much debt then future ratepayers will subsidise current ratepayers. Conversely, too little and the reverse situation applies. The Council has considered the timing of this programme and the associated borrowings required to ensure that this best meets the needs of current and future generations. In doing so the Council noted the following information from the Local Government Rating Inquiry 2007 (Shand Report):

Impact of additional borrowing on rates:

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

Overview of debt, investments and net debt over the 10-year plan

	2018/2019 \$000	2019/2020 \$000	2020/2021 \$000	2021/2022 \$000	2022/2023 \$000	2023/2024 \$000	2024/2025 \$000	2025/2026 \$000	2026/2027 \$000	2027/2028 \$000
Borrowings	30,522	32,205	32,954	33,462	33,121	32,764	33,335	34,459	34,048	34,458
Term Investments	16,204	17,404	17,404	18,404	19,404	20,404	21,404	22,404	23,404	24,404
Net Debt	14,318	14,801	15,550	15,058	13,717	12,360	11,931	12,055	10,644	10,054

Council's gross debt is predicted to be \$34m at the end of the 10 years – when offset against Council's investments of \$24m. While the gross debt has increased, it is the net debt being \$10m which is the most relevant particularly from a risk point of view.

The Treasury Management Policy has been developed to incorporate Council's Banking Covenant which states that finance costs as a percentage of total operating revenue must not exceed 15%. Council expects to operate well under this limit over the life of the plan. In addition Council is in compliance with all other limits specified in the Treasury Management Policy.

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

Interest rates are historically very low. Council has taken external advice and has assumed that the average interest rate paid on its loans will increase over the 10 years of the Long Term Plan. The range of interest rates used in this plan is expected to be in the range of 4% to 6%.

Policy on giving securities for borrowings

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

Limits on borrowings

The limits for gross borrowings are based on debt servicing costs remaining below 10% of Total Operating Revenue. Gross debt is \$30.5m in 2018/19 and increases to \$34.5m in 2027/28. Council is in compliance with all limits specified in the Treasury Management Policy and Financial Prudence Benchmarks.

The Treasury Management Policy has been aligned with external banking covenants. Council is comfortable that debt levels are prudent and that debt servicing costs remain affordable in the Long Term Plan. Council expects its liquid investments grow considerably over the duration of the Long Term Plan therefore net debt is a more relevant measure. The net debt (defined as external borrowings less term deposits). Council has set its benchmark for net debt limit at \$20m. Council's net debt at the beginning of this Long Term Plan is \$14.3m and at the end of the plan it is expected to be \$10m.

Investments

Council currently has term deposit investments of \$16m and over the term of the Plan these term deposits are planned to increase to \$24m. This situation is kept under constant review and the balance of the gross debt to investment could change if relative interest rates change. It is also considered prudent to grow the term deposits to cater for any natural disasters.

Council will continue to monitor gross debt and the level of term deposits looking to minimise interest costs while maintaining prudent reserves. Bearing in mind there is a core amount of debt related to the acquisition of shares in Buller Recreation Limited where it is tax effective to not repay this debt.

Council has a portfolio of other investments comprising:

- Term investments - as explained, short term investments are expected to increase due to receipts from internal loans and sale of investment properties
- Equity investments - investments in Buller Holdings Limited are expected to increase over the duration of the Long Term Plan. In 2018/2019 investments total \$20.1m and increase to \$24.5m in 2027/2028 reflecting operating losses in Buller Recreation Limited and shares issued to Council in exchange for the funding of capital expenditure for Buller Recreation Limited which will increase the investment accordingly
- Asset investments
- Associated organisations- comprising of mainly community loans, which are not significant.
- Investment property - investment properties are forecast to be \$8.2m in 2018/2019 and are planned to increase to \$9.5m in 2027/2028 as a result of revaluation gains offset by sales of investment properties.

Council will continue to review any investment opportunities that may continue to generate long term benefits for the community.

Council is currently in breach of the current Investment Policy with regard to investments in building societies. The policy only allows a maximum of \$1m investment. Currently Council has exceeded this by resolution. The reason for this breach is that the respective Building Society has provided sponsorship towards the Performing Arts Theatre. This will be re-assessed by Council when the sponsorship agreement ends in 2019.

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

Council has a conservative approach to investments with surplus funds generally being used for debt repayment where appropriate rather than investment in financial assets. It does not intend to undertake investments in riskier financial assets such as equity investments, for the purpose of generating significant returns, now or in the future.

Generally equity investments are held for strategic purposes such as investments in council controlled organisations which enable councils to provide services more efficiently. Council's main investment is its shareholding in Buller Holdings. The main performance targets for Buller Holdings subsidiaries which are WestReef Services Limited and Buller Recreation Limited, are set out below:

Investment	Target Return
WestReef Services Ltd	To achieve a pre-tax operating profit of at least 12% on gross revenues, before any subvention payments.
Buller Recreation Ltd	Achieve budget and expenditure targets.
Buller Holdings Ltd	Financial performance of the Group will be measured against the forecasts and KPI's in the approved Statements of Intent.

FINANCIAL PRUDENCE BENCHMARKS

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

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

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

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

The Council is required to include this statement in its Long Term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the 'regulations'). Refer to the regulations for more information including definitions of some of the terms used in this statement.

The following benchmarks were introduced:

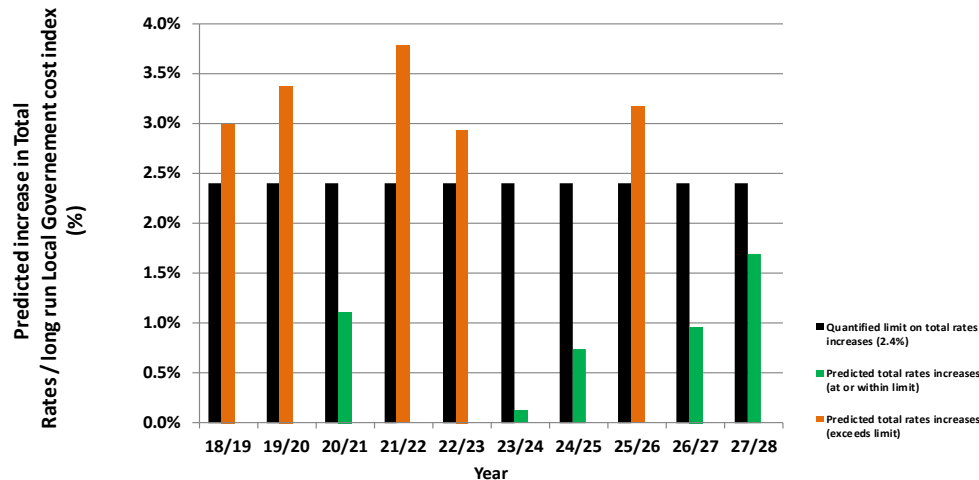
Affordability benchmarks	Rates affordability and rates increases benchmark	Rates revenue and rates increases complies with the limits set in Council's financial strategy.
	Debt affordability benchmark	Debt complies with the limits set in Council's financial strategy.
Sustainability benchmarks	Balanced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

Rate increases affordability benchmark

Council meets the rates affordability benchmark if:

- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases.

The following graph compares Council's planned rates with a quantified limit on rates contained in the financial strategy included in this Long Term Plan. The quantified limit is the predicted increase in total rates does not exceed the predicted long-run Local Government cost index, which is 2.4%.

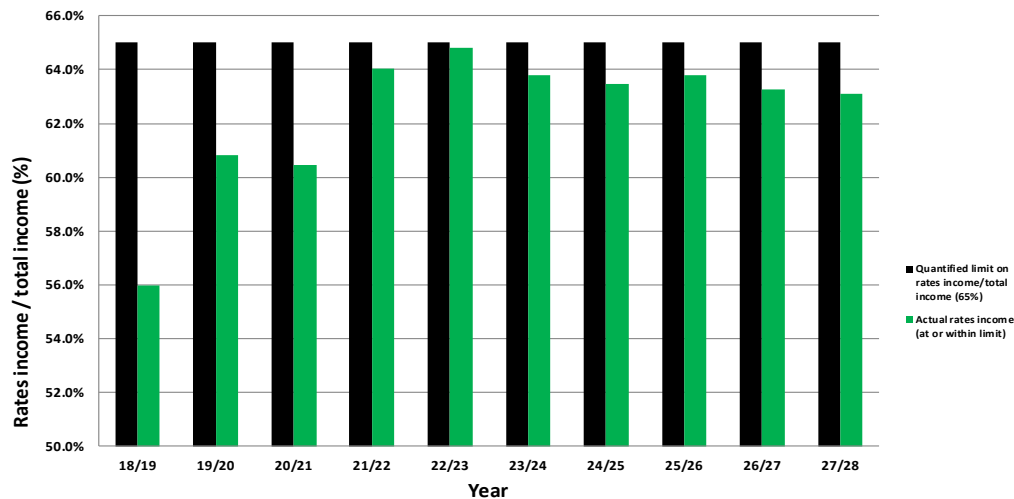


The total rates increases over the benchmark set in the Long Term Plan are explained below:

Year	Main driver why benchmark is not met
2018/19	Impact of Westport Water tunnel upgrades & transfer of Westport Harbour
2019/20	The increase is mainly related a reduced in planned distribution from the holding company and additional civic building repairs and maintenance.
2021/22	Council incurs debt servicing for building upgrades , additonal grants, Karamea Highway divested to NZTA reduces weighted average of FAR and the effect of an increase in Westport Sewer Target rates
2022/23	The increase is related to cyclical repairs and maintenance on property and roading/urban development expenditure.
2025/26	Expected additional roading maintenance, general inspection costs and resource management costs indicate the benchmark will not be met.

Rates income affordability benchmark

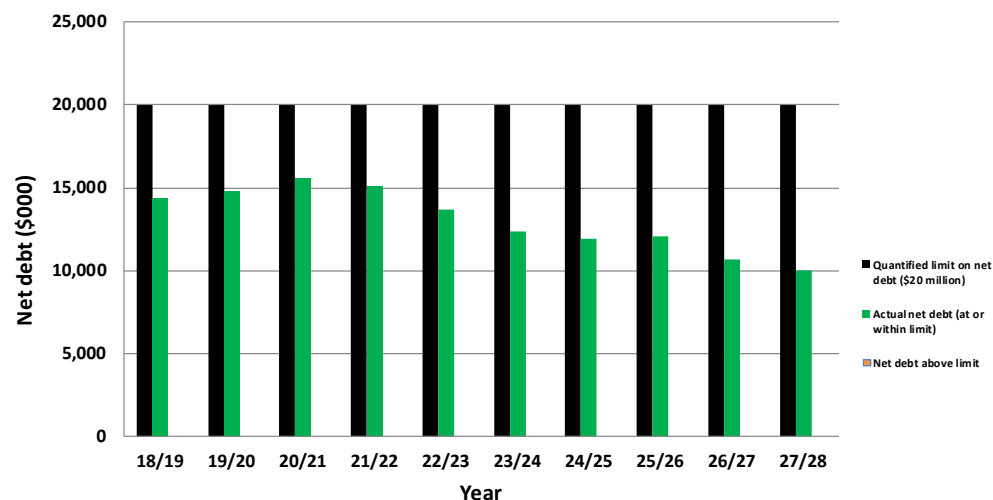
The following graph compares Council's planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this Long Term Plan. The quantified limit is set at 65% of the total income contained in the Long Term Plan's financial strategy.



Debt affordability benchmark

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

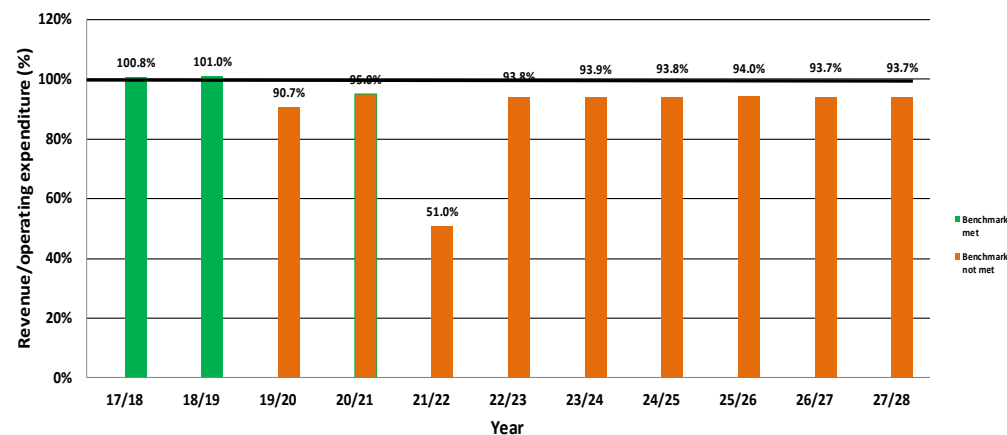
The following graph compares Council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this Long Term Plan. The quantified limit on borrowing has been set at \$20m of net debt for each year in the Long Term Plan.



Balanced budget benchmark

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

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

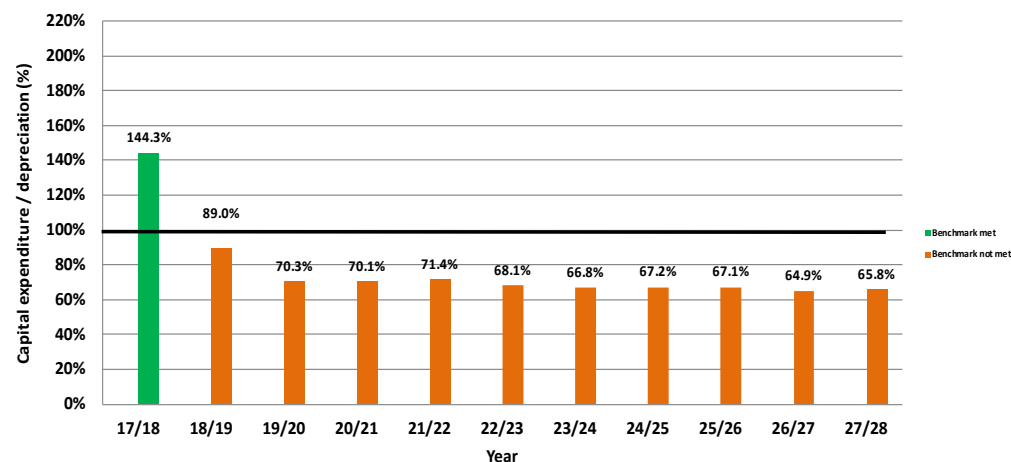


Year	Main driver why benchmark is not met
2019/20 - 2027/28	Council's expenditure is predicted to exceed income over the majority of the life of the Long Term Plan. This is primarily because the depreciation expense for roading exceeds each years' planned capital spend on the roading network.
2021/22	Council has recognised an asset write off totalling \$21.5 million in respect to the proposed transfer of the Karamea Highway to NZTA.

Essential services benchmark

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

Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

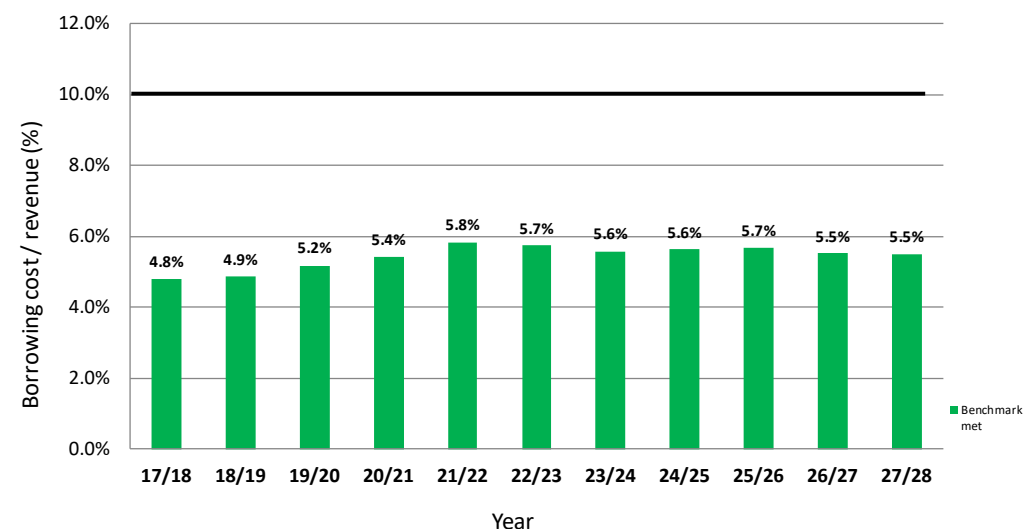


Year	Main driver why benchmark is not met
2017/18	During 2017/2018 the capital expenditure on the Westport Water Tunnels was budgeted at a level that exceeds the annual depreciation.
2018/19 to 2027/28	Council does not meet this benchmark through the life of the LTP primarily because the roading asset renewals are set in conjunction with NZTA based on our actual roading network condition rather than the level of annual depreciation.

Debt servicing benchmark

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

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



COMMUNITY OUTCOMES



1 ~ Well-being

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

2 ~ Learning

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

3 ~ Who we are

A 'happening' region with a strong community spirit and distinctive lifestyle.

4 ~ Sustainable Environment

The distinctive character of the environment appreciated and retained.

5 ~ Prosperity

A thriving resilient and innovative economy creating opportunities for growth and employment.

PLANNING FOR OUR COMMUNITY TOGETHER

INTRODUCTION

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

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

HOW WILL THE COUNCIL CONTRIBUTE TO FURTHERING THE COMMUNITY OUTCOMES?

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

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

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

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

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

ACHIEVING THE COMMUNITY'S GOALS

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

1 ~ WELL-BEING

Council is directly involved in:

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

Council advocates:

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

2 ~ LEARNING

Council is directly involved in:

- Professional library services and a wide range of resources

Council advocates:

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

ACHIEVING THE COMMUNITY'S GOALS

3 ~ WHO WE ARE

Council is directly involved in:

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

Council advocates:

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

4 ~ SUSTAINABLE ENVIRONMENT

Council is directly involved in:

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

Council advocates:

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

5 ~ PROSPERITY

Council is directly involved in:

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

Council advocates:

- Average incomes - compared with national average
- Retail & investment growth
- Telecommunications and IT

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

1 ~ WELL-BEING

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

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

- How will Council contribute to achieving these objectives?**
- Provide essential services to residents & businesses to support a healthy environment
 - Provide & develop safe public places
 - Promote opportunities for community access to health information & participation
 - Advocate for the local community
 - Establish an environment of support & assistance to health providers
 - Recognise and support those with special needs and requirements
 - Provide library services which are safe and pleasant environments for the community to interact

- What programmes and projects do we have or plan to have that will contribute to the achievement of this outcome?**
- Food premises inspections
 - Building Consent inspections & sign-offs
 - Sewage disposal services
 - Waste management
 - Water supply
 - Support alcohol & drug education initiatives
 - Support for community health initiatives
 - Sports & recreation facilities
 - Cemetery management
 - Animal control activities
 - Liquor licensing & bans
 - Enforcement & monitoring
 - Health information provided at all libraries
 - Work closely with West Coast District Health Board
 - Elderly housing
 - Council policies
 - By-laws
 - Emergency management
 - Safety initiatives & projects
 - Security cameras, street lighting, road cleaning & vegetation control
 - Consultation policies & practices
 - Disabled access, building control/priority paths
 - Timely & positive decisions for new development
 - Assist to reduce smoking and alcohol abuse

2 ~ LEARNING

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

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

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

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

3 ~ WHO WE ARE

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

- What does Council want to achieve?**
- An increased awareness of & participation in cultural, social, recreational, sporting & community activities
 - Provision of high quality community spaces & facilities
 - Promotion of Buller, history, environment & cultural heritage

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

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

4 ~ SUSTAINABLE ENVIRONMENT

The distinctive character of the environment appreciated and retained

What does Council want to achieve?

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

How will Council contribute to achieving these objectives?

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

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

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

5 ~ PROSPERITY

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

What does Council want to achieve?

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

How will Council contribute to achieving these objectives?

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

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

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

COUNCIL ACTIVITIES



INCLUDES:

Regulatory Services	52
Roading and Transport	56
Water Supplies	64
Wastewater/Sewerage	72
Stormwater	76
Solid Waste	80
Professional Services Business Unit	83
Community Services	85
Governance and Representation	89
Customer Services and Support Services	93
Property	96
Council Controlled Organisations	102
Other Council Controlled Organisations	104

COUNCIL ACTIVITIES

The work Council undertakes on behalf of its ratepayers includes, but is not limited to, each of the following activities:

REGULATORY SERVICES

- Animal and stock control
- Plans, policies and guidance documents
- Provision of consents
- Building control
- Compliance and enforcement management
- Alcohol licensing
- Emergency management/civil defence
- Environmental health

ROADING AND TRANSPORT

- Sealed and unsealed roads
- Culverts
- Bridges
- Footpaths
- Seats and shelters
- Road signs and markings
- Street lighting
- Urban development

WATER SUPPLIES

- Westport
- Reefton
- Waimangaroa
- Ngakawau-Hector
- Inangahua Junction
- South Granity (tank supply)
- Little Wanganui
- Cape Foulwind
- Punakaiki
- Mokihinui

WASTEWATER/SEWERAGE

- Westport
- Reefton
- Little Wanganui

STORMWATER

- Hector
- Ngakawau
- Seddonville
- Granity
- Waimangaroa
- Westport
- Carters Beach
- Reefton

SOLID WASTE

- Collection, transfer and final disposal of waste materials
- Recycling
- Landfill sites
- Monitors groundwater quality at landfill's
- Waste minimisation

PROFESSIONAL SERVICES BUSINESS UNIT

- Engineering services
- Preparation of contracts
- Monitor contractors performance
- Organise work to be carried out

COMMUNITY SERVICES

- Community grants and funding
- Sports, recreation and cultural facilities and services
- Libraries
- Communications
- Theatre/cinema
- Economic Development

GOVERNANCE

- Leadership
- Advocacy
- Accountable stewardship of Council's assets and resources

CUSTOMER SERVICES AND SUPPORT SERVICES

- Corporate planning
- Financial and Accounting operations
- Rating operations
- Health and safety
- Asset management
- Management functions
- Human resources management

PROPERTY

- Public toilets
- Amenities and reserves
- Property management
- Cemeteries
- Housing for the elderly

COUNCIL CONTROLLED ORGANISATIONS

- Buller Holdings Limited
- WestReef Services Limited
- Buller Recreation Limited

OTHER COUNCIL CONTROLLED ORGANISATIONS

- Buller Health Trust
- Denniston Heritage Trust
- Tourism West Coast
- Westport Airport

REGULATORY SERVICES

WHAT DO WE DO?

- Animal and stock control
- Plans, policies and guidance documents
- Provision of consents
- Building control
- Compliance and enforcement management
- Alcohol licensing
- Emergency management and civil defence
- Environmental health

WHY ARE WE INVOLVED IN THESE ACTIVITIES?

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

- The animal and stock control service aims to provide a safer District by reducing dog-related offences through the registration of dogs, the education of their owners and the investigation of complaints.
- The planning service ensures the District is able to promote development to support a prosperous community without compromising rights of residents and the District's physical and natural assets/resources. It achieves this aim by appropriate application of the Resource Management Act, through the review and implementation of the District Plan and its resource consent and monitoring functions.
- Council's building control services ensure that the District's buildings and other associated structures (such as swimming pools) are safe, habitable and meet national legislative requirements. Of particular importance is Council's role in advising on and where necessary enforcing the statutory provisions relating to earthquake prone buildings.
- Compliance and enforcement management activities focus on working with the community to ensure the District remains a peaceful and attractive place to live and work. By the careful application of Bylaws and other legal mechanisms, Council aims to reduce littering, effectively manage freedom camping and respond to noise nuisances, as well as encourage residents to maintain tidy sections.

- Alcohol licensing ensures that the statutory requirements and the objectives of the Sale and Supply of Alcohol Act 2012 are being met, in that the sale and supply of alcohol should be undertaken safely and responsibly, and any harm caused by excessive or inappropriate consumption of alcohol should be minimised.
- Under the Civil Defence Emergency Management Act 2002, Council must be prepared to provide planning, response and recovery in the event of an emergency. The Buller District has a full time Emergency Management Officer based in Westport after a West-Coast wide shared services arrangement was agreed with Grey District Council, Westland District Council, and West Coast Regional Council. Council provides staff and resources in the event of a Civil Defence Emergency.
- Environmental Health ensures that operators meet required public health standards.

COMMUNITY OUTCOMES AND HOW WE CONTRIBUTE TO STRATEGIC GOALS

This activity supports the following community outcomes:

Well-being:

- Provide essential services to residents and businesses to support a healthy environment.
- Provide and develop safe public places.
- Emergency management is a key function in ensuring that injury to people is minimised in the event of natural disasters.
- The safety of people and their property is the paramount concern of emergency management plans and processes.

Learning:

- Make information easily available about Council, its functions and services.
- Recognise and support education excellence and opportunity in the district.

Who we are:

- Support and encourage community groups and organisations providing events within the District.
- Provide opportunities for the community to work in partnership with Council.

Sustainable environment:

- Develop policies and implement practices that enhance our environmental sustainability and natural diversity.

SIGNIFICANT ISSUES AND THEIR IMPACT

One District Plan

The Local Government Commission has made a preliminary decision to transfer the statutory powers associated with district plan making to the regional council. This concept is called The One District Plan and is subject to community consultation which is due to be completed during 2018. After consultation the Local Government Commission may decide to proceed, do nothing or review another option such as amalgamation.

It is proposed that the One District Plan will be governed by a joint committee of elected members from all the councils with support from staff across the region. This transfer is for plan making only and Buller would still require a planning team to process consents and administer the plan. As it is more than likely Buller District Council will be involved in developing the plan we have maintained status quo in terms of planning resourcing.

District Plan Review

Council has been working on a "rolling" District Plan review.

Freedom Camping Bylaw and the Bylaw reviews

There are 16 bylaw reviews due to be completed throughout year 1 of the Long Term Plan which is a significant workload.

Joint compliance and monitoring between all West Coast Councils for freedom camping is being considered, and the Bylaw expires during year-2 of the Long Term Plan.

Civil Defence and Climate Change

Council will undertake a significant review during 2018/19 to analyse the risks of climate change for the District. The storm events of Cyclone Fehi and Cyclone Gita in early 2018 highlighted how climate change may seriously impact Council infrastructure and provision of services, as well as our wider community. Climate change issues have a link with the Civil Defence activity that is budgeted for and undertaken by Council because climate change must be factored in to future emergency planning.

In this Long Term Plan Council no longer funds direct staff costs for the Emergency Management Officer (as these costs are now met by the West Coast Regional Council). Instead, Buller District Council provides funding for emergency preparedness throughout the District, over the 10 years of the plan.

CAPITAL EXPENDITURE

Significant capital expenditure includes:

Purchase of vehicles

- 2020/2021 \$31,000;
- 2023/2024 \$66,000 (two vehicles); and
- 2027/2028: \$36,000.

FUNDING ALLOCATIONS

Activity	Funding mechanism		
	General rate	Fees	Capital spend
Resource management planning	90-95%	5-10%	Depreciation Reserves, Loans
Resource consents	5-10%	90-95%	Depreciation Reserves, Loans
Building control	10-20%	80-90%	Depreciation Reserves, Loans
Animal control - dogs	25%	75%	Nil
Animal control - stock	70-80%	20-30%	Nil
Environmental health - food premises	25-35%	65-75%	Nil
Environmental health - liquor licensing	10-25%	75-90%	Nil
Environmental health - noise	90-95%	5-10%	Nil
Emergency services – civil defence	100%	Nil	Nil

KEY PERFORMANCE INDICATORS

What we plan to do and our levels of service

1. To maintain quality of life through ensuring compliance with building and development regulations

How we do it	<ul style="list-style-type: none"> Process and grant building consents Process and grant resource consents 			
How we measure performance	Ensure quality assurance requirements for building consent authorities are met as required by Regulation 17 of the Building Consent Authorities Regulation 2006.	Performance	Year 1 - 3 target: 2018/19 - 2020/21	Year 4 - 10 target: 2021/22 - 2027/28
		2016/17: the biennial IANZ Audit was carried out in December 2017 with a Certificate of Accreditation granted on 14 February 2018. (2015/16: no audit was due or carried out during this year).	Continue to retain accreditation by passing the biannual IANZ Audits.	Continue to retain accreditation by passing the biannual IANZ Audits.
	Process non-notified resource consents within statutory timelines.	2016/17: 100% achieved within statutory timeframes. (2015/16: 100% achieved within statutory timeframes).	Continue to achieve 100% within statutory timeframes.	Continue to achieve 100% within statutory timeframes.

2. To maintain quality of life through ensuring the health and safety of licenced activities

How we do it	<ul style="list-style-type: none"> Inspect and/or audit registered food premises and health premises 			
How we measure performance	Inspect all food premises, hairdressers, funeral homes, camping grounds and offensive traders, ensuring they meet the Food Hygiene Regulations 1974 and the new Food Act 2014.	Performance	Year 1 - 3 target: 2018/19 - 2020/21	Year 4 - 10 target: 2021/22 - 2027/28
		2016/17: 100% achieved, 100 premises inspected. No significant findings. Existing businesses (registered under the Food Act 1981 or the Food Hygiene Regulations 1974 before 29 February 2016) will move to the new Food Act 2014 between 2016 and 2019. (2015/16: 100% achieved, 104 premises inspected).	Continue to achieve 100%.	Continue to achieve 100%.

3. To establish an effective level of preparedness for Civil Defence disasters

How we do it	<ul style="list-style-type: none"> Monitor and train volunteers 			
How we measure performance	Maintain three teams of trained volunteers, 30 trained volunteers.	Performance	Year 1 - 3 target: 2018/19 - 2020/21	Year 4 - 10 target: 2021/22 - 2027/28
		2016/17: Granity, Karamea, Westport and Reefton teams, consisting of 80 volunteers, are in training and undergoing a restructure of their groups. (2015/16: 100 volunteers).	Maintain 3 teams of trained volunteers.	Maintain 3 teams of trained volunteers.

FUNDING IMPACT STATEMENT: REGULATORY SERVICES

Operating Funding

	AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
Sources of Operating Funding											
General rates, uniform annual general charge, rates penalties	984	1,022	1,069	1,039	1,109	1,119	1,159	1,154	1,217	1,188	1,239
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	894	880	898	916	935	956	978	1,000	1,024	1,050	1,076
Total Operating Funding	A	1,878	1,903	1,967	2,044	2,075	2,137	2,154	2,241	2,237	2,315
Applications of Operating Funding											
Payments to suppliers and staff	1,318	1,398	1,447	1,448	1,502	1,504	1,562	1,565	1,628	1,633	1,700
Finance costs	9	6	5	2	4	3	3	2	1	0	0
Internal charges and overheads applied	535	452	471	459	487	521	514	521	546	536	548
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Operating Funding	B	1,862	1,856	1,923	1,908	1,993	2,028	2,079	2,088	2,175	2,248
Surplus/ (deficit) of Operating Funding	A-B	16	47	44	47	51	47	58	65	66	67

Capital Funding

Sources of Capital Funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	105	50	51	52	53	27	28	28	29	30	31
Increase/(decrease) in debt	(23)	(7)	(7)	(8)	(8)	(9)	(10)	(10)	(11)	(6)	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total Sources of Capital Funding	C	82	43	44	44	45	18	18	18	18	31
Capital Expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	39	2	0	31	32	38	67	(0)	35	0	79
Increase/ (decrease) in reserves	59	89	88	60	64	28	9	83	49	92	18
Increase/ (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of Capital Funding	D	98	90	88	91	96	66	76	83	84	97
Surplus/ (deficit) of Capital Funding	C-D	(16)	(47)	(44)	(47)	(51)	(47)	(58)	(65)	(66)	(67)
Funding Balance	((A-B)+(C-D))	0	0	0	(0)	0	0	0	0	0	0

Roading Activity

WHAT DO WE DO?

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

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

WHY ARE WE INVOLVED IN THIS ACTIVITY?

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

ASSUMPTIONS

That New Zealand Transport Agency will provide funding for local roads at 64% for 2018/19, 65% for 2019/20 and 66% for 2020/21 and thereafter reducing to 61%. Funding for the Karamea Highway which is a Special Purpose Road is maintained at 100% for the next three years, and in 2021/22 this Highway converts to State Highway and therefore all costs and assets relating to the Karamea Highway are removed from the Long Term Plan.

Traffic volumes and makeup will continue at current trends (as significantly more heavy vehicles on the local roading network,

or much higher use overall would lead to higher costs).

Council assumes that fuel tax rates remain at the current level and that fuel consumption remains at the current level (as fuel tax received helps to offset the cost of providing roading throughout the district)

The Long Term Plan also assumes that the present levels of service applied to the District's roads will not be materially different from any new levels established by any review of the One Network Road Classifications.

Roading Funding

The New Zealand Transport Agency (NZTA) regularly reviews its Financial Assistance Rate (FAR) provided to Council roading programmes. The current FAR rate is 63% of all spending, except for a Special Highway 100% Assistance Rate which applies for the Karamea Highway. The most recent review has established a new general financial assistance rate of 64% for the 2018/19 year, and this rate will increase by 1% each year thereafter until it reaches 66%. The Special Purpose Road (SPR) 100% Assistance Rate is guaranteed until 2021/22 only. At that time a review for all financial assistance roading programmes will be revised in terms of the One Network Road Classifications system. For the purposes of this Long Term Plan we have reduced the funding rate down from 66% to 61% from 2021/22 onward.

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

In 2019/20 the Rough River Bridge, on the boundary of Buller and Grey Districts, requires replacement. Buller District Council's contribution is budgeted to be \$1.1m. This expenditure is to be funded by debt.

NEGATIVE EFFECTS

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

COMMUNITY OUTCOMES AND HOW WE CONTRIBUTE TO STRATEGIC GOALS

This activity supports the following community outcomes:

Sustainable Environment

- By providing a safe roading system.
- By helping reduce energy consumption in our community.

Prosperity

- By providing everyone easy access to roading network
- By providing links to sustain rural communities.

Learning

- By providing education programmes.

SIGNIFICANT CAPITAL EXPENDITURE

The total amount spent on roads is \$13.4m over 10-years of the Long Term Plan.

The roading network is independently audited by NZTA and compared to other similar Councils. Buller District Council roads are demonstrated to be in very good condition. Buller ranked third-best value for “provincial centres” national peer group based on maintenance, operations and renewal costs per kilometre.

This means the roading network is in good condition and effectively managed. As a result of Council's past ability to keep the roading network in excellent condition without overspending, we are well placed to maintain a quality roading network without fully matching depreciation expense in each and every year of the plan.

BRIDGE REPLACEMENT PROGRAMME:

2019/2020	- Rough River (\$1.1m)
2024/2025	- Brown Grey Bridge (\$376,000)
2025/2026	- Kelly Creek, Arapito (\$107,000)
2026/2027	- Chasm No. 2 and Charming Creek (\$116,000)

FUNDING ALLOCATIONS

Activity	Funding Mechanism			
	Year	General Rate	Financial Assistance	Capital Spend
Roading	2018/19	36%	64%	General Rates
	2019/20	35%	65%	NZTA subsidy
	2020/21	34%	66%	Investments
	2021/22 onward	39%	61%	Loans

ONE NETWORK ROAD CLASSIFICATION SYSTEM

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

The classification system aims:

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

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

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

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

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

KARAMEA SPECIAL PURPOSE ROAD

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

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

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

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

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

In 2021/22 it is expected the Karamea Special Purpose Road will lose its special designation and revert from 100% subsidy to State Highway status and therefore no longer be subject to Buller District Council management.

CUSTOMER LEVEL OF SERVICE 2018-2028: LINKAGE WITH COUNCIL OUTCOMES

Objective:

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

Roading contribution to the achievement of the outcomes defined:

To provide a safe, reliable, economic and efficient roading and pedestrian network in harmony with the natural environment and representing best values.

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

MANDATORY PERFORMANCE MEASURES

What we plan to do and our levels of service

1. Provide a safe roading network

How we do it	<ul style="list-style-type: none"> Provision of a safe sealed roading network Provision of a sealed roading network that is fit for purpose Provision of footpaths that are comfortable to walk on 			
How we measure performance	Mandatory performance measure one: <i>road safety.</i> The reduction from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	Performance 2016/17: 1 fatalities, 5 serious accidents. (2015/16: 0 fatalities, 7 serious accidents, 2014/15: 2 fatalities, 4 serious accidents).	Year 1 - 3 target: 2018/19 - 2020/21 No change or reduction in the quality of the roading network.	Year 4 - 10 target: 2021/22 - 2027/28 No change or reduction in the quality of the roading network.

2. Provide a comfortable road network

How we do it	<ul style="list-style-type: none"> Provision of a safe sealed roading network Provision of a sealed roading network that is fit for purpose Provision of a well maintained sealed roading network 			
How we measure performance	Mandatory performance measure two: <i>condition of the sealed road network.</i> The average quality of ride on a sealed local road network, measured by smooth travel exposure. Traffic counts are not carried out frequently, a program has been set up to address this. Traffic counts form part of the STE formula but the reported STE is correct because it aligns with the state highway counts (which has also not shown any major movement) over the last five years, excluding roads affected by the Kaikoura earthquake.	Performance 2016/17: current smooth travel exposure is 94% with the two-year average being 95%. (2015/16: 96%).	Year 1 - 3 target: 2018/19 - 2020/21 ≤ 90 NAASRA count/km road roughness testing (allow for some decrease on low hierarchy roads).	Year 4 - 10 target: 2021/22 - 2027/28 ≤ 90 NAASRA count/km road roughness testing (allow for some decrease on low hierarchy roads).
	Mandatory performance measure three: Maintenance of a sealed local road network. The percentage of the sealed local road network that is resurfaced.	Performance 2016/17: 5.79% with the 10 year average being 5.6%. (2015/16: 5.56%).	Year 1 - 3 target: 2018/19 - 2020/21 Continue to achieve ≥ 5.8% 10 year average (allow for some decrease on low hierarchy roads).	Year 4 - 10 target: 2021/22 - 2027/28 Continue to achieve ≥ 5.8% 10 year average (allow for some decrease on low hierarchy roads).
	Unsealed network - metal on unsealed roads lost due to weather, usage and other factors will be replaced.	2016/17: 6,125m ³ per annum. (2015/16: 7,333m ³ per annum, 2014/2015: 2,978m ³ per annum)	2,200m ³ per annum.	2,200m ³ per annum.

3. Provide usable footpaths

What we plan to do and our levels of service

How we do it	<ul style="list-style-type: none"> Provision of footpaths that are comfortable to walk on 			
How we measure performance	Mandatory performance measure four: Maintain the condition of footpaths within the local road network.	Performance 2016/17: 84% of the footpath is ranked as grade 1&2 (satisfactory) by MWH. (2015/16: 77%).	Year 1 - 3 target: 2018/19 - 2020/21 Continue to achieve 75%	Year 4 - 10 target: 2021/22 - 2027/28 Continue to achieve 75%
	The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its Annual Plan, Activity Management Plan, Asset Management Plan, annual works program or Long Term Plan).	2016/2017: 99% of the footpath is ranked as grade 1-3 (satisfactory or deficient) by MWH. (2015/16: 97%).	Continue to achieve ≥ 95%	Continue to achieve ≥ 95%

4. Provide roads with the minimum environmental impact

How we do it	<ul style="list-style-type: none"> Provision of roading network with minimal impact to the environment 			
How we measure performance	Ensure compliance of Resource Consent conditions through monitoring records and West Coast Regional Council correspondence. Ensure no prosecutions take place.	Performance 2016/17: No prosecutions. (2015/16: No prosecutions).	Year 1 - 3 target: 2018/19 - 2020/21 Continue to achieve no prosecutions	Year 4 - 10 target: 2021/22 - 2027/28 Continue to achieve no prosecutions

5. Customer Service Satisfaction

How we do it	<ul style="list-style-type: none"> Provision of customer service request system 			
How we measure performance	Mandatory performance measure five: <i>road safety.</i> Ensure that the percentage of customer service requests relating to roads and footpaths to which the territorial authority responds to within 15 days.	Performance 2016/17: 64% - the customer service request model is currently under review to improve the process. (2015/16: 89%)	Year 1 - 3 target: 2018/19 - 2020/21 Achieve 80%	Year 4 - 10 target: 2021/22 - 2027/28 Achieve 80%

Efficiency, effectiveness and value for money

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

Transport Activity

WHAT DO WE DO?

The transport activity provides for the planning, operations, maintenance, development and improvements to the transport network so that it is affordable, integrated, safe, responsive and sustainable. Although having strong links with Roading, Transport offers newly established programs of work and budgets. These programs include public transport services, cycle and walkways, signs and wayfinding, parking infrastructure, footpaths and pedestrian access mobility plans (PAMP).

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

Urban Development is undertaken to provide a more pleasant environment for our communities by use of plantings, street treatment and decorative measures. This extends to the beautification of main thoroughfares with street flags and hanging floral baskets.

WHY ARE WE INVOLVED IN THIS ACTIVITY?

The Transport activity allows the community to travel to employment, services, education and recreation activities. Benefits include a more active and healthy community, encouraging residents and visitors alike to explore and experience our amazing district and generally improve well-being and sense of community.

ASSUMPTIONS

That New Zealand Transport Agency (NZTA) will provide funding for certain transport activities including public transport services and some transport planning at 64% of the cost in year one and this will be further increased by 1% each for the next two years from 64% to 66% in year 3 of the Long Term Plan.

Land use will remain at current patterns and there will be no large industrial or residential developments outside of the current land areas.

NEGATIVE EFFECTS

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

HOW DO WE CONTRIBUTE TO STRATEGIC GOALS & COMMUNITY OUTCOMES?

This activity supports the following community outcomes:

Sustainable Environment

- By providing a safe footpath system.
- By helping reduce energy consumption in our community.
- By creating relationships within the community that contribute to the overall beautification of our transport spaces and ensure that mobility issues are addressed for all stakeholders

- By promoting cycleways and walkways, signs and wayfinding, and parking infrastructure

Prosperity

- By providing everyone easy access to the greater roading network by providing links to sustain rural communities.
- By providing assistance with public transport.

Learning

- By providing education programmes.

SIGNIFICANT CAPITAL EXPENDITURE

Lighting and Street Development are progressively renewed and improved (\$194,000 over the 10 years of the Long Term Plan).

Footpaths are progressively renewed/resurfaced to provide a safe environment (\$2.2m over the 10 years of the Long Term Plan).

FUNDING ALLOCATIONS

Activity	Funding Mechanism			
	Year	General Rate	Financial Assistance	Capital Spend
Roading	2018/19	36%	64%	General Rates
	2019/20	35%	65%	NZTA subsidy
	2020/21	34%	66%	Investments
	2021/22 onwards	39%	61%	Loans
Urban Development		100%	Nil	General Rates Loans Investments

CUSTOMER LEVEL OF SERVICE 2018-2028: LINKAGE WITH COUNCIL OUTCOMES

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

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

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

FUNDING IMPACT STATEMENT: ROADING AND TRANSPORT

		AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
Operating Funding												
Sources of Operating Funding												
General rates, uniform annual general charge, rates penalties		2,133	1,941	2,007	2,017	2,231	2,342	2,261	2,324	2,497	2,496	2,559
Targeted rates		0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes		2,191	2,176	2,250	2,326	1,725	1,767	1,809	1,854	1,903	1,954	2,009
Fees and charges		0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered		0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		150	150	153	157	160	164	168	172	177	182	187
Total Operating Funding	A	4,474	4,267	4,410	4,500	4,117	4,273	4,238	4,350	4,577	4,631	4,754
Applications of Operating Funding												
Payments to suppliers and staff		3,156	2,763	3,897	2,886	2,486	2,545	2,606	2,672	2,741	2,815	2,893
Finance costs		6	5	5	58	57	56	55	53	52	51	50
Internal charges and overheads applied		627	846	925	881	823	841	851	874	895	913	934
Other operating funding applications		0	0	0	0	0	0	0	0	0	0	0
Total Applications of Operating Funding	B	3,789	3,614	4,827	3,824	3,366	3,442	3,512	3,599	3,688	3,778	3,877
Surplus/ (deficit) of Operating Funding	A-B	685	653	(417)	675	751	830	726	752	889	853	878
Capital Funding												
Sources of Capital Funding												
Subsidies and grants for capital expenditure		1,155	1,067	1,102	1,138	723	679	820	834	739	819	842
Development and financial contributions		0	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in debt		(3)	(5)	1,068	(21)	(22)	(23)	(24)	(25)	(27)	(28)	(29)
Gross proceeds from sale of assets		0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions		0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding		0	0	0	0	0	0	0	0	0	0	0
Total Sources of Capital Funding	C	1,152	1,063	2,170	1,117	701	656	796	809	712	791	812
Capital Expenditure												
- to meet additional demand		0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service		185	246	251	257	263	269	276	283	290	298	306
- to replace existing assets		1,652	1,438	1,470	1,502	1,155	1,182	1,211	1,241	1,273	1,308	1,344
Increase/ (decrease) in reserves		0	32	33	33	34	35	36	37	38	39	40
Increase/ (decrease) in investments		0	0	0	0	0	0	0	0	0	0	0
Total applications of Capital Funding	D	1,837	1,716	1,754	1,792	1,452	1,486	1,522	1,560	1,601	1,644	1,690
Surplus/ (deficit) of Capital Funding	C-D	(685)	(653)	417	(675)	(751)	(830)	(726)	(752)	(889)	(853)	(878)
Funding Balance	((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0	0

WATER SUPPLIES

WHAT DO WE DO?

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

WHY ARE WE INVOLVED IN THIS ACTIVITY?

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

ASSUMPTIONS

There will be no significant change to current water demand from any of the Council water supplies.

There will be no major infrastructure failures.

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

OPPORTUNITIES AND RISKS

Drinking Water Supplies - overview

Council remains committed to working with district communities to provide drinking water supplies that are affordable and meet the required service levels.

There are currently eight drinking water supplies for which Council are registered under section 68J of the Health Act 1956:

- Hector-Ngakawau
- Inangahua Junction
- Little Wanganui
- Mokihinui
- Punakaiki
- Reefton
- Waimangaroa
- Westport

As Council is ultimately responsible under legislation, it is incumbent to ensure all of these drinking water supplies provide safe, reliable and adequate drinking water in compliance with:

- Health (Drinking Water) Amendment Act 2007
- Drinking Water Standards of New Zealand 2005 (rev 2008)

Five-Point Plan

Council accepts its responsibilities and will take all practicable steps to ensure the health and well-being of all consumers.

This will be achieved through the strategic direction outlined by our five-point plan:

1. Responsibility - Waterworks owned or under the control of the Water Supplier
2. Authority - Relevant consents and access permissions held by the Water Supplier
3. Application - Protection of waterworks, environment and public safety
4. Coordination - Organised management of water supply programs of work
5. Implementation - Best-practice processes for delivering water supply projects

Aligned to our five-point plan, Council is targeting the following direct action initiatives:

- Water Safety Plans and Catchment Risk Assessments
- Resource Consents, Easements and Land Acquisitions
- Water Supply Bylaw
- Accountability for delivering the water supply work program
- Best practice project delivery model to ensure successful outcomes

The Ministry of Health has provided the following statement in regard to Council's role as a registered drinking water supplier:

"The Ministry of Health acknowledges the Buller District Council's strategic direction in managing drinking water infrastructure within its District. Councils are ideally placed to provide these services to fulfil their obligations under the Local Government Act, Resource Management Act and Health Act as they relate to the provision of safe drinking water. The safe operation of drinking water supplies requires specific expertise and co-ordination between agencies to ensure management is holistic and sustainable. Failure in these key areas were identified as contributing factors to the Havelock North water supply contamination incident."

Havelock North

Council is aware of and is closely following the national conversation about public water safety that is occurring following the findings of the Government Inquiry into Havelock North. The Inquiry findings have not yet been adopted by government, or translated into changed legislation, regulations or drinking water quality standards.

Council has considered the wide range of possible implications to public water supply service delivery following the Inquiry, including the potential for higher treatment standards, changes to quality standards, and higher costs of service delivery.

The key messaging and specific priority issues currently include:

- Bringing all drinking water supplies up to DWSNZ compliance
- Residual disinfectant e.g. chlorination for all ground water supplies
- Appropriate training and credentials for water supply personnel

There is no doubt that future changes will increase costs of drinking water for all registered supplies. What hasn't been clarified on a national level is who will pay, and to what extent. In some cases eg, an already compliant system, the cost impact may be minimal. However, in other cases it could be substantial.

Affordability is the districts biggest challenge, especially for the small ratepayer-base rural supplies. Whilst the Inquiry has made its recommendations, the Government is yet to adopt into legislation, or address what financial assistance (if any) and under what framework would accompany new compliance requirements.

Therefore, Council has decided to wait until the new regulatory environment is settled before re-engaging with Buller communities on water supply changes and new requirements. The financial implications of any changes will be addressed at that time. In the past Council has upgraded some water supplies and the cost implications have been significant for ratepayers. A recent example is at Inangahua where a bore was established. In 2014/15 the annual household water rate for Inangahua was \$230.00, this increased to \$500.00 in 2018/19 when the new scheme was established. If required Council will use Annual Plan processes to introduce and consult on changed water supply requirements.

WESTPORT AND CARTERS BEACH WATER SUPPLY

Significant work has been undertaken to upgrade the Westport Water Supply Treatment Plant and ensure the water fully complies with NZ Drinking Water Standards.

A collapse in the Westport Water No1 tunnel which supplies raw water to the Westport Water Treatment Plant is currently under tender negotiations to repair and reinstate the gravity fed supply of raw water. The future of the Westport Water Tunnels and the delivery of raw water is the biggest challenge facing Westport and Carters Beach water supply. This

significant infrastructure failure means that the targeted water rate for consumers on this supply must increase to cover the unexpected cost.

Pipe renewal programs will continue to upgrade levels of service by upgrading existing 25mm galvanized steel mains throughout Westport with new 50mm polythene. This will improve pressure and flow to these areas currently serviced by 25mm mains.

Council will continue to investigate installing water meters for 'high use' consumers throughout the District water supplies.

RURAL DRINKING WATER UPGRADES

Waimangaroa

A proposed Waimangaroa drinking water supply upgrade did not proceed when serious storm damage to the primary raw water intake meant that the previously approved scheme would no longer be viable.

Currently Council staff are working with the Waimangaroa Water Board to establish a possible long term bore solution. The Ministry of Health has been advised of the situation and agreed to put the original application and subsidy on hold. An estimate of \$473,692 to complete the capital work upgrade has been provided for in year one of the Long Term Plan. However the final costs are not known until the location and design of a new system is known. When the cost of future requirements has been established a revised Waimangaroa water rate will be required

Ngakawau-Hector

A proposed Ngakawau/Hector drinking water supply upgrade did not proceed due to lack of community support and issues around scheme design and ownership. Council will continue to work with the Ngakawau/Hector community to resolve the issues associated with the scheme. For the purposes of the Long Term Plan it is assumed that there will be no capital expenditure in order for the supply to meet the NZ Drinking Water Standards however Council has a commitment to continue working with the community to ensure the supply meets legislative requirements.

Inangahua Junction

The Inangahua Water Supply has recently been upgraded to meet NZ Drinking Water Standards and there is no other significant capital work planned.

Other rural water supplies

There is no significant capital work planned for Little Wanganui Water Supply, Cape Foulwind Water Supply or Mokihinui Water Supply.

REEFTON WATER SUPPLY

Pipe renewal programs will continue and Council will continue to carry out leak detection work as water usage continues to be higher than expected. Some modifications are planned to the Reefton Water Treatment Plant with \$60,000 expected to be spent in year one of the Long Term Plan on new UV and pumping equipment to maintain the supply.

PUNAKAIKI WATER SUPPLY

Council has investigated improving the operational effectiveness of the Punakaiki Water Treatment Plant because despite this supply being upgraded in 2011/12 changing intake water quality and operational issues have plagued the supply resulting in multiple boiled water notices being issued to the community.

\$105,000 is budgeted to be spent for the year end 2018 to improve the operation the plant of the plant and reduce the amount of times boil water notices are imposed on the community. This work is currently underway.

In year 1 of the Long Term Plan \$175,000 is budgeted to add additional treated water storage to enable seven days treated water storage availability. This will enable sufficient treated water is available during periods of poor water quality being delivered to the water treatment plant.

Buller District Council are leading a masterplan process for Punakaiki in 2018/19 in conjunction with Department of Conservation, Grey District Council and West Coast Regional Council. One part of this masterplan is to ensure that the infrastructure is **'Fit for Future'**. This is a significant project and Council has a key role in advocacy and facilitation.

Note:

Council has assumed, for the purposes of the Long Term Plan, that all these upgrades will continue. However major rural drinking water upgrades are contingent on financial assistance being provided from the central government funded Drinking Water Assistance Programme, and the decision on overall affordability by the community.

NEGATIVE EFFECTS

There are no negative effects to upgrading water supplies.

COMMUNITY OUTCOMES & HOW WE CONTRIBUTE TO STRATEGIC GOALS

This activity supports the following community outcomes:

Well-being:

- Provision of a reticulated water supply to support a healthy community.
- Provision of water for sanitary services.
- By maintaining sufficient water for fire fighting purposes.

Environment:

- By conserving water and encouraging others to do the same.

Learning:

- By providing water conservation education.

Prosperity:

- By meeting commercial water needs and meeting community needs at affordable costs and equal access to water.

CAPITAL EXPENDITURE AND CHANGES IN LEVEL OF SERVICE

As detailed on page 65 for Westport and all rural water supply upgrades.

LEVELS OF SERVICE

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

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

FUNDING ALLOCATIONS

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

TARGETED RATES (ROUNDED, GST EXCLUSIVE)

Water Supplies	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Westport	740	760	800	820	840	850	860	870	880	900
Reefton	550	590	630	650	670	690	700	720	740	760
Little Wanganui	220	230	230	240	240	250	250	250	260	270
Mokihinui	260	270	270	275	275	280	285	290	300	310
Ngakawau-Hector	310	310	310	320	320	320	320	330	330	330
Waimangaroa	370	550	550	560	580	580	600	610	630	640
Punakaiki Water	900	900	910	910	920	920	930	930	940	940
Inangahua Junction	500	500	510	510	520	520	530	530	540	540
South Granity *	240	250	255	265	270	280	295	305	315	330

* Council administers this supply only

MANDATORY PERFORMANCE MEASURES

Water Services	Key Service Criteria	Target Level of Service	Measurement	Current Performance	Performance Target 2018/2019 - 2020/2021	Performance Target 2021/2022 - 2027/2028																														
Mandatory Performance Measure 1: (see tables 1 and 2, page 70)																																				
Provide an adequate quality of water	Is the water safe to drink?	Performance measure one (safety of drinking water):	The extent to which Council's water supply complies with: a) Part 4 of the Drinking Water Standards (bacteria compliance criteria). b) Part 5 of the Drinking Water Standards (protozoa compliance criteria)	<table><thead><tr><th>2016/ 2017</th><th>Bacteria Compliance</th><th>Protozoa Compliance</th></tr></thead><tbody><tr><td>Westport</td><td>Yes</td><td>Yes</td></tr><tr><td>Carters Beach</td><td>Yes</td><td>Yes</td></tr><tr><td>Reefton</td><td>Yes</td><td>Yes</td></tr><tr><td>Punakaiki</td><td>No</td><td>N/A</td></tr></tbody></table> Bacterial compliance achieved for Westport, Carters Beach, Reefton and Inangahua (4th quarter). Protozoal compliance achieved for Westport, Carters Beach and Reefton. <table><thead><tr><th>2015/ 2016</th><th>Bacteria Compliance</th><th>Protozoa Compliance</th></tr></thead><tbody><tr><td>Westport</td><td>Yes</td><td>No</td></tr><tr><td>Carters Beach</td><td>Yes</td><td>No</td></tr><tr><td>Reefton</td><td>Yes</td><td>No</td></tr><tr><td>Punakaiki</td><td>No</td><td>No</td></tr></tbody></table>	2016/ 2017	Bacteria Compliance	Protozoa Compliance	Westport	Yes	Yes	Carters Beach	Yes	Yes	Reefton	Yes	Yes	Punakaiki	No	N/A	2015/ 2016	Bacteria Compliance	Protozoa Compliance	Westport	Yes	No	Carters Beach	Yes	No	Reefton	Yes	No	Punakaiki	No	No	Full compliance (100%) Bacteria Protozoa	Full compliance (100%) Bacteria Protozoa
2016/ 2017	Bacteria Compliance	Protozoa Compliance																																		
Westport	Yes	Yes																																		
Carters Beach	Yes	Yes																																		
Reefton	Yes	Yes																																		
Punakaiki	No	N/A																																		
2015/ 2016	Bacteria Compliance	Protozoa Compliance																																		
Westport	Yes	No																																		
Carters Beach	Yes	No																																		
Reefton	Yes	No																																		
Punakaiki	No	No																																		
Mandatory Performance Measure 2: (see table 3, page 70)																																				
Provide a reliable supply of water	Maintenance of reticulation network.	Performance measure two (maintenance of reticulation network):	The percentage of real water loss from Council's networked reticulation system (including a description of the methodology used to calculate this)	2016/2017: 58% in Westport only (2015/2016: 58% in Westport)	20%	20%																														

Water Services	Key Service Criteria	Target Level of Service	Measurement	Current Performance	Performance Target 2018/2019 - 2020/2021	Performance Target 2021/2022 - 2027/2028
Mandatory Performance Measure 3:						
Provide a reliable supply of water	Fault Response Times	Performance Measure three (fault response times):	Where Council attends to a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:			
			a) Attendance for urgent call outs: from the time that Council receives notification to the time that service personnel reach the site; and	2016/2017: there were no urgent requests based on Council's service request system (2015/2016: no measure, recording system was amended in June 2016).	2 hours	2 hours
			b) Resolution of urgent call outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	2016/2017: there were no urgent requests based on Council's service request system (2015/2016: no measure, recording system was amended in June 2016).	5 hours	5 hours
			c) Attendance for non-urgent call outs: from the time that Council receives notification to the time that service personnel reach the site; and	2016/2017: 38 call outs were attended within 1 working day of notification, the median attendance time was 24-hours. (2015/2016: no measure, recording system was amended in June 2016).	1 working day	1 working day
			d) Resolution of non-urgent call outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	2016/2017: 78 call outs were received in total, of these 55 were resolved within 5 working days; the median resolution time was 2 working days. 23 call outs were not resolved within 5 working days – these were very minor leaks and contractors were given extra time to repair due to other commitments. This did not affect consumers (2015/2016: no measure, recording system was amended in June 2016).	5 working days	5 working days

Water Services	Key Service Criteria	Target Level of Service	Measurement	Current Performance	Performance Target 2018/2019 - 2020/2021	Performance Target 2021/2022 - 2027/2028
----------------	----------------------	-------------------------	-------------	---------------------	--	--

Mandatory Performance Measure 4:

Provide water with the minimum environmental impact.	Customer satisfaction	Performance measure four (customer satisfaction):	The total number of complaints received by Council about any of the following:			
			a) Drinking water clarity	2016/2017: 1 (2015/2016: nil).	5/ per 1,000 connections.	5/ per 1,000 connections.
			b) Drinking water taste	2016/2017: 1 (2015/2016: nil).		
			c) Drinking water odour	2016/2017: nil (2015/2016: nil).		
			d) Drinking water pressure	2016/2017: nil (2015/2016: several complaints from Punakaiki during October/November 2015).		
			e) Continuity of supply	2016/2017: nil (2015/2016: nil).		
			f) Council's response to any of these issues.	2016/2017: mains flushing was undertaken. Taste issues unable to be controlled by Council as these may be attributed to the reticulation network (2015/2016: resolved issue at Punakaiki with pipe along state highway).		

Mandatory Performance Measure 5:

	Demand management	Performance measure five (demand management):	The average consumption of drinking water per day per resident within the Buller district.	2016/2017: 408 – Westport water supply (2015/2016: 1,081). 2016/2017: 870 – Reefton water supply (2015/2016: 1,273).	700 litres	700 litres
--	-------------------	---	--	---	------------	------------

Other Key Performance Measures:

Provide a reliable supply of water.	Can you rely on the water supply to be available?	To provide water into the system virtually all of the time.	Proportion of time that water is supplied into the reticulation. Targets: <ul style="list-style-type: none">Water supplied 99% of the time	Location of failures to meet targets in any year. Water supplied 99.8% of the time.	Water supplied for at least 360 days per year	Water supplied for at least 360 days per year
	Is the use of water restricted?	To permit gardens to be maintained in a healthy state all year.	Number of days that water restrictions are in place. Targets: <ul style="list-style-type: none">100% compliance	Location and number of failures to meet targets in any year.	100% compliance	100% compliance

TABLE 1: DRINKING WATER STANDARD - NZ COMPLIANCE

Water Supply	Population (WINZ)	Bacterial Compliance			Protozoal Compliance (%)		
		Current Performance	Target		Current Performance	Target	
			2018/19 - 2020/21	2021/22 - 2027/28		2018/19 - 2020/21	2021/22 - 2027/28
Hector/Ngakawau	435	No	No	No	No	No	No
Inangahua Junction	70	No	Yes	Yes	No	Yes	Yes
Little Wanganui	150	No	No	No	No	No	No
Mokihinui	100	No	No	No	No	No	No
Punakaiki	230	No	Yes	Yes	No	Yes	Yes
Reefton	951	Yes	Yes	Yes	Yes	Yes	Yes
Waimangaroa	300	No	No	Yes	No	No	Yes
Westport	4,974	Yes	Yes	Yes	Yes	Yes	Yes

TABLE 2: DRINKING WATER STANDARD - ZONE COMPLIANCE

Water Supply	Population (WINZ)	Bacterial Compliance		
		Current Performance	Target	
			2018/19 - 2020/21	2021/22 - 2027/28
Hector/Ngakawau	435	No	No	No
Inangahua Junction	70	No	Yes	Yes
Little Wanganui	150	No	No	No
Mokihinui	100	No	No	No
Punakaiki	230	No	Yes	Yes
Reefton	951	Yes	Yes	Yes
Waimangaroa	300	No	No	Yes
Westport	4,617	Yes	Yes	Yes
Carters Beach	357	Yes	Yes	Yes

TABLE 3: WATER LEAKAGE

Water Supply	Connections	Current Performance	Target		Method
			2018/19 - 2020/21	2021/22 - 2027/28	
Hector/Ngakawau	176	2016/2017: not measured (2015/2016: new measure).	30%	20%	MNF
Inangahua Junction	33	2016/2017: 32% (2015/2016: new measure).	30%	20%	MNF
Little Wanganui	78	2016/2017: not measured (2015/2016: new measure).	30%	20%	MNF
Mokihinui	50	2016/2017: not measured (2015/2016: new measure).	30%	20%	MNF
Punakaiki	93	2016/2017: 41% (2015/2016: new measure).	30%	20%	MNF
Reefton	663	2016/2017: 39% (2015/2016: new measure).	30%	20%	MNF
Waimangaroa	137	2016/2017: not measured (2015/2016: new measure).	30%	20%	MNF
Westport	2,694	2016/2017: 58% (2015/2016: new measure).	30%	20%	MNF

MNF = Minimum Night Flow

FUNDING IMPACT STATEMENT: WATER SUPPLIES

		AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
Operating Funding												
Sources of Operating Funding												
General rates, uniform annual general charge, rates penalties		0	0	0	0	0	0	0	0	0	0	0
Targeted rates		2,427	2,632	2,741	2,879	2,952	3,024	3,066	3,105	3,149	3,196	3,267
Subsidies and grants for operating purposes		0	0	0	0	0	0	0	0	0	0	0
Fees and charges		204	204	209	214	219	224	230	236	242	248	255
Internal charges and overheads recovered		0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		0	0	0	0	0	0	0	0	0	0	0
Total Operating Funding	A	2,631	2,836	2,950	3,093	3,170	3,248	3,296	3,340	3,391	3,444	3,522
Applications of Operating Funding												
Payments to suppliers and staff		1,204	1,192	1,043	1,066	1,092	1,118	1,145	1,175	1,205	1,237	1,271
Finance costs		285	386	382	368	354	339	324	307	289	270	256
Internal charges and overheads applied		393	433	433	440	467	475	490	495	517	518	541
Other operating funding applications		0	0	0	0	0	0	0	0	0	0	0
Total Applications of Operating Funding	B	1,882	2,012	1,857	1,875	1,913	1,932	1,959	1,976	2,011	2,025	2,068
Surplus/ (deficit) of Operating Funding	A-B	749	824	1,093	1,218	1,257	1,316	1,336	1,364	1,380	1,418	1,454
Capital Funding												
Sources of Capital Funding												
Subsidies and grants for capital expenditure		403	401	0	0	0	0	0	0	0	0	0
Development and financial contributions		0	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in debt		2,243	(39)	(232)	(245)	(260)	(275)	(290)	(307)	(325)	(290)	(251)
Gross proceeds from sale of assets		0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions		0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding		0	0	0	0	0	0	0	0	0	0	0
Total Sources of Capital Funding	C	2,646	361	(232)	(245)	(260)	(275)	(290)	(307)	(325)	(290)	(251)
Capital Expenditure												
- to meet additional demand		0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service		2,386	859	216	221	227	232	238	244	250	256	262
- to replace existing assets		1,006	741	560	684	588	657	594	667	660	701	657
Increase/ (decrease) in reserves		173	(415)	84	67	183	153	214	147	146	171	284
Increase/ (decrease) in investments		0	0	0	0	0	0	0	0	0	0	0
Total applications of Capital Funding	D	3,395	1,186	861	972	998	1,042	1,046	1,057	1,055	1,128	1,203
Surplus/ (deficit) of Capital Funding	C-D	(749)	(824)	(1,093)	(1,218)	(1,257)	(1,316)	(1,336)	(1,364)	(1,380)	(1,418)	(1,454)
Funding Balance	((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0	0

WASTEWATER/SEWERAGE

WHAT DO WE DO?

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

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

ASSUMPTIONS

It has been assumed that there will be no significant capacity change required for infrastructure to meet demands from industry or population growth.

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

No new legislation for wastewater will be enacted and there will be no major infrastructure failures.

COMMUNITY WASTEWATER AND SEWERAGE SYSTEMS

Council continues a routine sewer mains replacement programme throughout Westport, Carters Beach, Little Wanganui and Reefton, as well as treatment plant upgrades as required.

Sewer modelling and separation is planned for Westport in year 1 of the Long Term Plan. This will assess the level of stormwater infiltration into the network and allow for planning to reduce the amount of stormwater entering it, therefore improving capacity across the network.

Additional camera surveys and water blasting of earthenware mains throughout Reefton to undertake maintenance assessments and remove debris from pipes is planned in Reefton.

A new pump and cabinet is budgeted for at Little Wanganui in year 2 of the Long Term Plan at a cost of \$20,808.

SIGNIFICANT NEGATIVE EFFECTS

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

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

COMMUNITY OUTCOMES & HOW WE CONTRIBUTE TO STRATEGIC GOALS

This activity supports the following community outcomes:

Well-being

Provision of a sanitary wastewater collection and treatment service.

Sustainable Environment

Protection of the environment through the treatment of wastewater.

Learning

Provision of water conservation programmes.

Prosperity

By meeting commercial wastewater needs and meeting community needs at an affordable cost.

CHANGES IN LEVEL OF SERVICE

Main upgrades resulting in increased levels of service:

- Westport (\$220,570 over 10 years)

SIGNIFICANT CAPITAL EXPENDITURE

Mains renewals:

- Westport (\$5.87m over 10 years)
- Reefton (\$1.26m over 10 years)
- Little Wanganui (\$174,000 over 10 years, including new pump and cabinet)

FUNDING ALLOCATIONS

Activity	Funding Mechanism	
	Operating	Capital
Westport Sewerage	Targeted Rate	Loans Depreciation Reserves Investments
Reefton Sewerage	Targeted Rate	Loans Depreciation Reserves Investments
Little Wanganui Sewerage	Targeted Rate	Loans Depreciation Reserves Investments

TARGETED RATES (ROUNDED) (GST EXCLUSIVE)

Sewerage	2018/19 \$0	2019/20 \$0	2020/21 \$0	2021/22 \$0	2022/23 \$0	2023/24 \$0	2024/25 \$0	2025/26 \$0	2026/27 \$0	2027/28 \$0
Westport	880	890	920	960	980	1,000	1,020	1,030	1,040	1,060
Reefton	580	590	600	620	630	640	660	680	700	720
Little Wanganui	630	640	640	650	650	660	670	680	690	700

LEVELS OF SERVICE

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

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

MANDATORY PERFORMANCE MEASURES

Sewer Services	Key Service Criteria	Target Level of Service	Measurement	Current Performance	Performance Target 2018/2019 - 2020/2021	Performance Target 2021/2022 - 2027/2028
----------------	----------------------	-------------------------	-------------	---------------------	---	---

Mandatory Performance Measure 1:

Provide adequate capacity.	How often does the sewer overflow?	Performance measure one (system and adequacy):	The number of dry weather sewage overflows from Council's sewerage system expressed per 1,000 sewerage connections to Council's system.	2016/2017: 0 (2015/2016: 0).	5	4
----------------------------	------------------------------------	--	---	---------------------------------	---	---

Mandatory Performance Measure 2:

Provide sewer collection and disposal with minimal environmental impact.	Is the environment being harmed?	Performance measure two (discharge compliance):	Compliance with Council's resource consents for discharge from its sewerage system measured by the number of:			
			a) Abatement notices;	2016/2017: 0 (2015/2016: 0).	<5	<5
			b) Infringement notices;	2016/2017: 0 (2015/2016: 0).	0	0
			c) Enforcement orders; and	2016/2017: 0 (2015/2016: 0).	0	0
			d) Convictions received by Council in relation to those resource consents	2016/2017: 0 (2015/2016: 0).	0	0

Sewer Services	Key Service Criteria	Target Level of Service	Measurement	Current Performance	Performance Target 2018/2019 - 2020/2021	Performance Target 2021/2022 - 2027/2028
----------------	----------------------	-------------------------	-------------	---------------------	--	--

Mandatory Performance Measure 3:

Provide sewer collection and disposal with minimal environmental impact.	Fault Response Times	Performance Measure three (fault response times):	Where Council attends to sewage overflows resulting from a blockage or other fault in Council's sewerage system, the following median response times are measured:			
			a) Attendance time: from the time that Council receives notification to the time that service personnel reach the site; and	2016/2017: 6 overflows attended within timeframe. Median attendance time was 1 hour (2015/2016: 3 overflows attended within timeframe).	2 hours	2 hours
			b) Resolution time: from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.	2016/2017: 6 overflows resolved within 1 day. Median resolution time was 1 day (2015/2016: 3 overflows resolved within 1 day).	1 day	1 day

Mandatory Performance Measure 4:

Provide sewer collection and disposal with minimal environmental impact.	Customer satisfaction	Performance measure four (customer satisfaction):	The total number of complaints received by Council about any of the following:			
			a) Sewerage odour;	2016/2017: 1 (2015/2016: 0).	5	5
			b) Sewerage system faults;	2016/2017: 0 (2015/2016: 7).		
			c) Sewerage system blockages, and	2016/2017: 1 (2015/2016: 3).		
			d) Council's response to issues with its sewerage system (expressed per 1,000 properties connected to Council's sewerage system).	2016/2017: 0.32 (2015/2016: 2.2).		

FUNDING IMPACT STATEMENT: WASTEWATER/SEWERAGE

AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------

Operating Funding

Sources of Operating Funding

General rates, uniform annual general charge, rates penalties	0	0	0	0	0	0	0	0	0	0
Targeted rates	2,436	2,606	2,638	2,720	2,833	2,889	2,946	3,009	3,047	3,085
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	5	5	5	5	6	6	6	6	6	6
Total Operating Funding	A	2,441	2,611	2,643	2,725	2,838	2,895	2,952	3,015	3,053

Applications of Operating Funding

Payments to suppliers and staff	916	894	911	930	949	970	992	1,015	1,040	1,066
Finance costs	249	233	216	198	179	159	138	116	92	67
Internal charges and overheads applied	323	337	345	352	374	382	393	397	415	416
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total Applications of Operating Funding	B	1,488	1,463	1,472	1,479	1,503	1,511	1,523	1,528	1,546
Surplus/ (deficit) of Operating Funding	A-B	953	1,148	1,171	1,246	1,336	1,384	1,429	1,487	1,507

Capital Funding

Sources of Capital Funding

Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in debt	(285)	(301)	(318)	(336)	(355)	(375)	(396)	(418)	(442)	(467)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
Total Sources of Capital Funding	C	(285)	(301)	(318)	(336)	(355)	(375)	(396)	(418)	(442)

Capital Expenditure

- to meet additional demand	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	167	20	20	21	21	22	22	23	23	24
- to replace existing assets	448	871	880	873	1,166	986	950	1,036	998	981
Increase/ (decrease) in reserves	53	(44)	(47)	16	(206)	1	61	10	44	71
Increase/ (decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of Capital Funding	D	668	847	853	910	981	1,009	1,033	1,069	1,065
Surplus/ (deficit) of Capital Funding	C-D	(953)	(1,148)	(1,171)	(1,246)	(1,336)	(1,384)	(1,429)	(1,487)	(1,507)
Funding Balance	((A-B)+(C-D))	0	0	0	0	0	0	0	0	0

STORMWATER

WHAT DO WE DO?

Stormwater management systems are a set of procedures and physical assets designed to manage the need to dispose of surface water as a result of rainfall.

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

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

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

WHY ARE WE INVOLVED IN THIS ACTIVITY?

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

ASSUMPTIONS

It has been assumed that there will not be significant population growth in urban areas requiring stormwater reticulation.

No new major legislation for stormwater will be enacted.

NEGATIVE EFFECTS

Storm and rain events of a severity which exceed design capability may result in short term negative effects such as localised flooding.

There is a potential danger posed by open drains.

COMMUNITY OUTCOMES & HOW WE CONTRIBUTE TO STRATEGIC GOALS

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

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

Well-being

The service is deemed to provide a public benefit, through the protection of property.

The provision of stormwater systems reduces the risk of death or injury resulting from flooding on private property.

SIGNIFICANT ISSUES AND THEIR IMPACT

\$150,000 has been included in year 1 of the Long Term Plan to complete stormwater modelling to assist with the mains replacement programme for the remainder of the Long Term Plan.

After the severe storm events of cyclone Fehi and Gita in 2018 Council recognises a key issue of climate change in this Long Term Plan. A key project identified for year 1 of the Long Term Plan is analysing and understanding these risks and impacts and having conversations with our community about what the future may need to look like in terms of district planning. The outcome of this project can assist the future planning of capital work required for the stormwater network

SIGNIFICANT CAPITAL EXPENDITURE

Mains renewals (\$1.9m over 10 years).

FUNDING ALLOCATIONS

Stormwater Services Funding

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

LEVELS OF SERVICE

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

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

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

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

- The system has operated for over 30 years without significant flooding.
- The system has operated for over 30 years without significant damage.
- The system has operated for over 30 years to the satisfaction of the community.
- Site specific investigations are undertaken when the existing capacity is not considered acceptable to the individual community. Any upgrade options are considered based on risk and benefit/cost considerations.

MANDATORY PERFORMANCE MEASURES

Stormwater Services	Key Service Criteria	Target Level of Service	Measurement	Current Performance	Performance Target 2018/2019 - 2020/2021	Performance Target 2021/2022 - 2027/2028
Mandatory Performance Measure 1:						
Provide adequate stormwater capacity.	Is there adequate stormwater drainage?	Performance measure one (system and adequacy):	a) The number of flooding events that occur in Council's systems.	2016/2017: there were 3 stormwater flooding events recorded from service requests (stormwater ponding within roadways is a regular occurrence because they are secondary flow paths) – target met. (2015/2016: target met).	No target	No target
			b) For each flooding event, the number of habitable floors affected (expressed per 1.000 properties connected to Council's stormwater systems)	2016/2017: no houses inundated – target met. (2015/2016: nil – target met).	5 for each event	5 for each event
		The system can contain and dispose of stormwater, without ponding or overflow.	All new systems are designed with a minimum 10% AEP capacity, without ponding, and a minimum 2% AEP capacity, without inundation of dwellings.	Number of deficient designs found in any year.	Nil	Nil

Stormwater Services	Key Service Criteria	Target Level of Service	Measurement	Current Performance	Performance Target 2018/2019 - 2020/2021	Performance Target 2021/2022 - 2027/2028
Mandatory Performance Measure 2:						
Dispose of stormwater with the minimum environmental impact.	Is the environment being harmed?	Performance measure two (discharge compliance):	Compliance with Council's resource consents for discharge from its stormwater system measured by the number of:			
			a) Abatement notices;	2016/2017: nil. (2015/2016: nil).	Nil	Nil
			b) Infringement notices;	2016/2017: nil. (2015/2016: nil).	Nil	Nil
			c) Enforcement orders; and	2016/2017: nil. (2015/2016: nil).	Nil	Nil
			d) Convictions received by Council in relation to those resource consents	2016/2017: nil (2015/2016: nil).	Nil	Nil
Mandatory Performance Measure 3:						
Dispose of stormwater with the minimum environmental impact.	Fault Response Times	Performance Measure three (fault response times):	The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.	2016/2017: no service requests to attend flooding events – target met. (2015/2016: nil – target met).	1 hour	1 hour
Mandatory Performance Measure 4:						
Dispose of stormwater with the minimum environmental impact.	Customer satisfaction	Performance measure four (customer satisfaction):	The total number of complaints received by Council about the performance of the stormwater system, expressed per 1,000 properties connected to Council's stormwater system.	2016/2017: 1.2 complaints per 1,000 properties were received, all regarding surface flooding – target met. (2015/2016: 1.6 complaints per 1,000 properties were received – target met).	5	5

FUNDING IMPACT STATEMENT: STORMWATER

AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------

Operating Funding

Sources of Operating Funding

General rates, uniform annual general charge, rates penalties	498	499	523	531	547	556	570	579	595	591	596	
Targeted rates	0	0	0	0	0	0	0	0	0	0	0	
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0	
Fees and charges	0	0	0	0	0	0	0	0	0	0	0	
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0	
Local authorities fuel tax, fines, infringements fees and other receipts	5	5	5	5	5	5	5	5	6	6	6	
Total Operating Funding	A	503	503	527	536	552	561	575	584	600	597	602

Applications of Operating Funding

Payments to suppliers and staff		152	149	152	155	159	162	166	170	174	178	183
Finance costs		25	23	28	26	23	21	18	16	13	10	8
Internal charges and overheads applied		97	100	104	104	112	113	117	117	123	122	128
Other operating funding applications		0	0	0	0	0	0	0	0	0	0	0
Total Applications of Operating Funding	B	274	272	285	286	294	296	302	302	310	310	319
Surplus/ (deficit) of Operating Funding	A-B	229	231	243	250	258	265	273	282	290	287	283

Capital Funding

Sources of Capital Funding

Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0	
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0	
Increase/(decrease) in debt	(24)	124	(32)	(34)	(37)	(39)	(42)	(44)	(47)	(38)	(28)	
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0	
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0	
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0	
Total Sources of Capital Funding	C	(24)	124	(32)	(34)	(37)	(39)	(42)	(44)	(47)	(38)	(28)

Capital Expenditure

- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0	
- to improve the level of service	0	150	0	0	0	0	0	0	0	0	0	
- to replace existing assets	205	205	211	216	221	226	232	237	243	249	255	
Increase/ (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0	
Increase/ (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0	
Total applications of Capital Funding	D	205	355	211	216	221	226	232	237	243	249	255
Surplus/ (deficit) of Capital Funding	C-D	(229)	(231)	(243)	(250)	(258)	(265)	(273)	(282)	(290)	(287)	(283)
Funding Balance	((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0	0

SOLID WASTE

WHAT DO WE DO?

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

Council provides solid waste collection and recycling services through an environmentally sustainable contractor.

Council entered into a 10-year contract with Smart Environmental Ltd to provide this service from 1 February 2014. This includes the collection and disposal of residual refuse and recycling, the management of the transfer stations and the transportation of residual waste to a landfill. The bag and wheelie bin and crate system are a more environmentally sustainable waste system for Zone 1 residents who benefit from many recycling materials being accepted as part of the kerbside collection service.

Council also operates two active landfills at Karamea and Maruia.

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

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

WHY ARE WE INVOLVED IN THIS ACTIVITY?

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

ASSUMPTIONS

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

Legislation will not change significantly over the term of the plan.

Consumer patterns of consumption and product packaging will remain at the current levels, therefore similar amounts of waste will be produced by the District.

NEGATIVE EFFECTS

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

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

COMMUNITY OUTCOMES & HOW WE CONTRIBUTE TO STRATEGIC GOALS

This activity supports the following community outcomes:

Well-being

- By facilitating the collection and disposal of refuse.

Environment

- By facilitating collecting and disposing of refuse in a safe, efficient and sustainable manner that maintains district natural and aesthetic values.
- The solid waste disposal minimises risk of waste being inappropriately or dangerously disposed of.
- By providing safe collection and disposal of refuse by encouraging waste minimisation.

Learning

- Provide programmes to schools and the community on waste care and reduction.

Prosperity

- By meeting commercial needs for dealing with waste.

CHANGES IN LEVEL OF SERVICE PROVIDED

There are no changes in the level of service provided.

SIGNIFICANT ISSUES AND THEIR IMPACT

No significant issues.

SIGNIFICANT CAPITAL EXPENDITURE

- Sealing at the Reefton Transfer Station has been budgeted for year 2 of the Long Term Plan (\$22,440).
- \$110,000 has been budgeted for litter bins across 10 years of the Long Term including \$7,650 for Reefton in year 2.

FUNDING ALLOCATIONS

Funding allocations are as per the Revenue and Finance Policy.

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

CHANGES IN FEES AND CHARGES

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

TARGETED RATES (ROUNDED) (GST EXCLUSIVE)

Solid Waste	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Zone 1	115	120	120	125	132	135	135	137	139	145
Maruia	85	90	90	95	95	100	105	110	110	115
Karamea	85	85	87	89	90	95	97	99	104	107

FUNDING IMPACT STATEMENT: SOLID WASTE

AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------

Operating Funding

Sources of Operating Funding												
General rates, uniform annual general charge, rates penalties		337	272	272	268	298	322	270	267	268	263	263
Targeted rates		654	627	653	654	680	716	734	736	747	760	792
Subsidies and grants for operating purposes		37	42	43	44	45	46	47	48	49	50	51
Fees and charges		0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered		0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		89	95	97	99	101	103	106	108	111	113	116
Total Operating Funding	A	1,117	1,036	1,065	1,064	1,124	1,186	1,156	1,158	1,175	1,186	1,222
Applications of Operating Funding												
Payments to suppliers and staff		811	783	799	815	832	899	870	889	911	934	957
Finance costs		79	61	60	53	81	52	49	45	41	36	31
Internal charges and overheads applied		143	119	120	123	131	137	136	138	143	143	148
Other operating funding applications		0	0	0	0	0	0	0	0	0	0	0
Total Applications of Operating Funding	B	1,033	963	979	991	1,044	1,088	1,055	1,072	1,095	1,113	1,137
Surplus/ (deficit) of Operating Funding	A-B	84	73	86	73	80	98	101	87	79	73	85

Capital Funding

Sources of Capital Funding											
Subsidies and grants for capital expenditure		0	0	0	0	0	0	0	0	0	0
Development and financial contributions		0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in debt		(65)	(66)	(70)	(74)	(78)	(83)	(88)	(93)	(99)	(105)
Gross proceeds from sale of assets		0	0	0	0	0	0	0	0	0	0
Lump sum contributions		0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding			0	0	0	0	0	0	0	0	0
Total Sources of Capital Funding	C	(65)	(66)	(70)	(74)	(78)	(83)	(88)	(93)	(99)	(105)
Capital Expenditure											
- to meet additional demand		0	0	0	0	0	0	0	0	0	0
- to improve the level of service		0	0	0	0	0	0	0	0	0	0
- to replace existing assets		138	35	30	8	8	8	8	8	9	9
Increase/ (decrease) in reserves		(119)	(28)	(14)	(9)	(6)	7	5	(15)	(28)	(41)
Increase/ (decrease) in investments		0	0	0	0	0	0	0	0	0	0
Total applications of Capital Funding	D	19	7	16	(1)	2	15	13	(6)	(19)	(32)
Surplus/ (deficit) of Capital Funding	C-D	(84)	(73)	(86)	(73)	(80)	(98)	(101)	(87)	(79)	(73)
Funding Balance	((A-B)+(C-D))	0	(0)	0	0	0	0	0	0	0	0

PROFESSIONAL SERVICES BUSINESS UNIT

WHAT DO WE DO?

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

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

WHY ARE WE INVOLVED IN THIS ACTIVITY?

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

ASSUMPTIONS

Staffing and engineering requirements remain at present level.

NEGATIVE EFFECTS

There are no negative effects

COMMUNITY OUTCOMES & HOW WE CONTRIBUTE TO STRATEGIC GOALS

This activity supports the following community outcomes:

Well-being

- By monitoring the conditions of Council assets and issuing requests for maintenance in time.

Sustainable Environment

- By monitoring landfills and wastewater treatment plants.

Prosperity

- By requesting necessary maintenance in time.

CHANGES IN THE LEVEL OF SERVICE PROVIDED

No anticipated changes in level of service.

SIGNIFICANT ISSUES AND THEIR IMPACT

No significant issues

SIGNIFICANT CAPITAL EXPENDITURE

Vehicle replacements in line with Councils Vehicle Replacement Policy (every 5 years).

FUNDING ALLOCATIONS

Funding allocations are as per the Revenue and Finance Policy

Activity	Funding Mechanism		
	Operating	Fees	Capital Spend
Professional Services	Overheads reallocated to other activities and departments.	Nil	Loans Depreciation Reserves

KEY PERFORMANCE INDICATORS

What we plan to do and our levels of service

1. Provide engineering advice to Council and administer contracts

How we do it	Provision of Asset Management Plans			
How we measure performance	Provide monthly reports on annual work programmes, monitor contract works. Prepare monthly contract progress. Prepare annual work programmes.	Performance	Year 1 - 3 target: 2018/19 - 2020/21	Year 4 - 10 target: 2021/22 - 2027/28
		2016/2017: monthly reports were presented to the Manager Operations on Work Programme progress – target met. (2015/2016: target met).	Continue to provide programme reports to the Chief Executive Officer and explain all delays and overruns.	Continue to provide programme reports to the Chief Executive Officer and explain all delays and overruns.

FUNDING IMPACT STATEMENT: PROFESSIONAL SERVICES BUSINESS UNIT

	AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
--	------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------

Operating Funding

Sources of Operating Funding

General rates, uniform annual general charge, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	807	915	932	949	967	987	1,007	1,028	1,051	1,074	1,099
Local authorities fuel tax, fines, infringements fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total Operating Funding A	807	915	932	949	967	987	1,007	1,028	1,051	1,074	1,099

Applications of Operating Funding

Payments to suppliers and staff	626	737	749	762	776	790	806	821	838	855	873
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	142	158	163	159	167	185	180	183	193	188	192
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Operating Funding B	768	896	913	921	944	975	986	1,004	1,031	1,043	1,065
Surplus/ (deficit) of Operating Funding A-B	39	20	19	27	24	11	21	24	19	31	34

Capital Funding

Sources of Capital Funding

Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in debt	(4)	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total Sources of Capital Funding C	(4)	0	0	0	0	0	0	0	0	0	0

Capital Expenditure

- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	5	0	36	5	32	38	0	45	0	36	0
Increase/ (decrease) in reserves	30	20	(17)	22	(8)	(27)	21	(22)	19	(5)	34
Increase/ (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of Capital Funding D	35	20	19	27	24	11	21	24	19	31	34
Surplus/ (deficit) of Capital Funding C-D	(39)	(20)	(19)	(27)	(24)	(11)	(21)	(24)	(19)	(31)	(34)
Funding Balance ((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0	0

COMMUNITY SERVICES

WHAT DO WE DO?

Community Grants and Funding

Council currently provides contestable grant funding directly to community organisations, as well as managing the distribution of various government funding for arts, sporting and youth initiatives.

Sports, recreation & cultural facilities & services

Council transferred ownership of the (then) Solid Energy Centre to Buller Recreation Ltd on 01 July 2009 for improved commercial focus. Council continues to contribute towards the provision of recreation and aquatic services in Buller at facilities operated in both Westport and Reefton. The Westport sport and recreation facility is now named the Pulse Energy Recreation Centre after obtaining a ten year sponsorship agreement during 2017.

Libraries

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

NBS Theatre

NBS Theatre complex provides a 350 seater auditorium and double cinema community facility (main cinema provides 55 seats; the smaller cinema provides seating for 20). The theatre is open 7 days a week with multiple movie screenings and the auditorium provides a venue for live performances of all genres. The first 7 Day Makeover was completed outside the NBS Theatre which has helped to promote the theatre and encourage good use of the public space outside the theatre.

Reefton Cinema

Reefton Cinema is part of the Reefton Community Centre which has had significant capital work upgrading and improving the building during 2017.

Communications

Council continued to produce a bi-monthly newsletter that is delivered to all households in the Buller. The Council website is regularly updated to provide information for our customers and Facebook is also used for up to date communications.

District Economic Development

Since 2014/2015 Council has worked towards a Buller Economic plan that aligns with the 2017 West Coast Regional Economic Development Action Plan. This plan was written in response to the West Coast Regional Growth Study which was commissioned due to challenging economic conditions on the West Coast.

The study identified that the West Coast has several assets that will support strong, long term employment and income growth into the future. These assets included spectacular natural assets and environment, abundant resources and resourceful people.

One of the key areas of the Long Term Plan strategy is Council facilitating the diversification of our economy and working toward making Buller *'Fit for Future'*. This will make the district more resilient to the decline in extractive industries and help to stabilise Buller's population. Tourism plays a key role in our future as do new business enterprises based around new technology, the environment and value added products.

Council currently funds one part time economic development officer role.

District Promotion and Tourism Support

Council currently provides funding for i-Sites and information centres throughout the district, and funds museums at Blacks Point and Coaltown in Westport.

WHY ARE WE INVOLVED IN THESE ACTIVITIES?

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

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

ASSUMPTIONS

No changes to funding from central government and national organisations.

NEGATIVE EFFECTS

Expectations from community groups of ongoing financial and resource support.

COMMUNITY OUTCOMES & HOW WE CONTRIBUTE TO STRATEGIC GOALS

This activity supports the following community outcomes:

Well-being

- By providing facilities that allow people to play sport and achieve their fitness and recreational goals. Providing grants, facilities and spaces that assist in developing the community cohesion that supports mental and social well-being.

Learning

- Assisting in the development of lifelong learning and literacy through the Library network. Providing performance space for use in artistic and cultural performance. Working with educational institutions on collaborative projects.

Prosperity

- Providing high quality community facilities to attract people to live and work in the Buller. Provide opportunities and funding that assist with tourism development and district promotion.

Who we are

- Provision of community grants to support community organisations.
- Provision of high quality community spaces and facilities.

Sustainable Environment

- By providing an environment that reflects the lifestyle that is required and expected by residents, visitors and Central Government.

SIGNIFICANT ISSUES AND THEIR IMPACT

Change in Council Grants Funding

- Council is proposing to increase funding to all small rural museums throughout the district over the term of the Long Term Plan.
- Council has increased grants to support key visitor centres in the district which recognises the important part that these facilities provide.
- Council is proposing to fund Coaltown Museum \$120,000 per annum for 2018/19 through to 2020/2021, and increase funding to around \$190,000 per annum for the remainder of the Long Term Plan. This proposed additional funding is contingent upon Coaltown being successful with their bid for external funding toward a new exhibit showcasing early local Maori life in Kawatiri (Buller).
- Pool Funding: Council has provided funding of \$7,000 for rural swimming pools at Ngakawau-Hector and Karamea in year 1 of the Long Term Plan only.

Economic Development including Tourism

Tourism Support

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

In the Long Term Plan, total year 1 funding for direct tourism support expenditure funded from the general rate is estimated at \$249,000. This includes \$100,000 toward Tourism West Coast which is currently being negotiated to be paid by Development West Coast instead of the four Councils from 2018/19 onward.

Advance Northern West Coast is also an important partner with Council in tourism of the district as is the Golden Legacy Project.

Museum Support

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

The Council will be funding \$141,000 from the general rate in 2018/19.

General Economic Development Support

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

SIGNIFICANT CAPITAL EXPENDITURE

NBS Theatre Capital Expenditure

- Re-roofing and theatre assets \$380,000 over 10 years.

Reefton Pool

- Although there is no significant capital expenditure planned for the Reefton pool in this plan, Council intends to conduct a review of this asset and engage in planning to provide an appropriate facility for the community.

Buller Recreation Limited

- Council agreed to fund capital expenditure for Buller Recreation Limited in exchange for shares from Buller Holdings Limited (\$4.5m over the 10 years of the Long Term Plan).

FUNDING ALLOCATIONS

Activity	Funding Mechanism		
	General Rate	Fees	Capital Spend
Tourism and Promotion: • Economic Development • Tourism • Museum Funding	100%		<ul style="list-style-type: none"> • Loans • Depreciation Reserves (for Tourism & Promotion)
Libraries	90%	10%	<ul style="list-style-type: none"> • Loans • Investments • Depreciation Reserves • Grants
Recreation Facilities	100%	Nil *	<ul style="list-style-type: none"> • Loans • Investments • Depreciation Reserves
Theatre	55-70%	30-45%	<ul style="list-style-type: none"> • Loans • Depreciation Reserves • Grants • Investments
Community Development and Support	100%	Nil	Nil

* Fees charged at facilities accrue to Buller Recreation Ltd.

KEY PERFORMANCE INDICATORS

What we plan to do and our levels of service

1. To provide services and facilities that meet information, learning, recreational and cultural needs

How we do it	<ul style="list-style-type: none"> Provision of sport and recreation facilities Provision of library facilities Provision of theatre and cinema facilities 			
How we measure performance	Provide sport and recreation facilities through the Pulse Energy Recreation Centre and the Reefton swimming pool.	Performance 2016/17: Statements of Intent were submitted and approved by Council - target met. (2015/16: targets met).	Year 1 - 3 target: 2018/19 - 2020/21 Continue to submit Statements of Intent annually for Council approval.	Year 4 - 10 target: 2021/22 - 2027/28 Continue to submit Statements of Intent annually for Council approval.
	Provide library facilities through the Sue Thompson-Casey Memorial Library in Westport.	2016/17: 2,636 active members, a decrease of 5.2%. (2015/16: 2,781 members. No percentage increase or decrease could be calculated due to inaccuracies in the system in 2014/15).	Continue to achieve active library members by maintaining or increasing by 0-4% per annum,	Continue to achieve active library members by maintaining or increasing by 0-4% per annum,
		2016/17: member satisfaction survey - new measure. (2015/16: new measure.)	Continue to achieve at least 80% respondents are 'satisfied' or 'very satisfied' with the library services.	Continue to achieve at least 80% respondents are 'satisfied' or 'very satisfied' with the library services.
	Provide theatre and cinema facilities through the NBS Theatre in Westport.	2016/17: 28 screenings per week, on average - target met. (2015/16: 28 screenings per week, on average - target met).	Continue to provide performing arts events, exhibitions and shows and at least 26 cinema screenings per week to be maintained.	Continue to provide performing arts events, exhibitions and shows and at least 26 cinema screenings per week to be maintained.
		2016/17: 32 days per year - target met. (2015/16: 33 days per year - target met).	Continue to hire out the auditorium for shows and performances for more than 30 days per year.	Continue to hire out the auditorium for shows and performances for more than 30 days per year.

2. To keep the community informed

How we do it	<ul style="list-style-type: none"> Provision of information to the community 			
How we measure performance	Continue to engage with the community and keep them informed through the distribution of communications as required.	Performance 2016/17: distribution of electronic newsletters to subscribers, printed newsletters are distributed to every Buller house two-monthly and media releases are distributed as required - target met. (2015/16: target met).	Year 1 - 3 target: 2018/19 - 2020/21 Continue to engage with the community through the distribution of newsletters, emails and media releases as required.	Year 4 - 10 target: 2021/22 - 2027/28 Continue to engage with the community through the distribution of newsletters, emails and media releases as required.

FUNDING IMPACT STATEMENT: COMMUNITY SERVICES

Operating Funding

		AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
Sources of Operating Funding												
General rates, uniform annual general charge, rates penalties		3,594	3,871	3,833	3,891	3,937	3,914	3,903	3,985	4,057	4,075	4,126
Targeted rates		0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes		21	21	21	21	21	21	21	21	21	21	21
Fees and charges		0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered		0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts		551	346	353	360	367	375	384	393	402	412	423
Total Operating Funding	A	4,166	4,237	4,206	4,272	4,326	4,310	4,308	4,399	4,481	4,508	4,569
Applications of Operating Funding												
Payments to suppliers and staff		1,985	1,935	1,955	2,030	2,033	2,015	2,042	2,103	2,098	2,127	2,160
Finance costs		838	842	835	828	821	814	807	845	908	902	935
Internal charges and overheads applied		521	507	522	543	538	554	559	557	576	569	580
Other operating funding applications		569	640	584	585	656	656	657	657	658	659	660
Total Applications of Operating Funding	B	3,911	3,924	3,897	3,986	4,048	4,040	4,065	4,162	4,239	4,258	4,334
Surplus/ (deficit) of Operating Funding	A-B	255	314	309	286	278	270	243	237	242	251	235

Capital Funding

Sources of Capital Funding												
Subsidies and grants for capital expenditure		0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions		0	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in debt		(40)	(125)	(127)	(128)	(135)	(143)	(97)	(102)	(107)	(112)	(95)
Gross proceeds from sale of assets		0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions		435	435	435	435	235	35	35	35	35	35	35
Other dedicated capital funding		0	0	0	0	0	0	0	0	0	0	0
Total Sources of Capital Funding	C	395	310	308	306	99	(108)	(62)	(67)	(72)	(78)	(60)
Capital Expenditure												
- to meet additional demand		0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service		60	0	0	0	0	0	0	0	0	0	0
- to replace existing assets		162	112	104	226	108	111	113	116	118	121	124
Increase/ (decrease) in reserves		428	511	513	367	269	52	67	54	51	51	51
Increase/ (decrease) in investments		0	0	0	0	0	0	0	0	0	0	0
Total applications of Capital Funding	D	650	623	617	593	378	162	180	170	169	173	175
Surplus/ (deficit) of Capital Funding	C-D	(255)	(314)	(309)	(286)	(278)	(270)	(243)	(237)	(242)	(251)	(235)
Funding Balance	((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0	0

GOVERNANCE, REPRESENTATION

WHAT DO WE DO?

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

Council is made up of 11 elected members including 10 Councillors and one Mayor who are elected to serve a three-year term of office which coincides with the local authority elections. Two Councillors represent Inangahua Ward, two represent Seddon Ward and six represent Westport Ward. The Mayor chairs Council. The Inangahua Community Board comprises of four elected members plus two Inangahua Ward Councillors. Governance are supported by a Chief Executive and staff.

Council provides systems for democratic local decision making for the overall benefit of the community, for both our current and future generations. Council decision making and actions are concerned with meeting the current and future needs of communities for good quality infrastructure, local public services and the performance of regulatory functions in a cost effective way for both business and households.

Buller District Mayor and Councillors provide governance to set direction, monitor and review Council performance, represent the Community as well as inform the Community of decisions made.

WHY ARE WE INVOLVED IN THIS ACTIVITY?

The Local Government Act 2002 requires Council and elected members to lead and represent their community. This Act requires Council to meet current and future needs of community in terms of good quality infrastructure and services as well as provide quality regulatory functions, all in a cost effective way. As well as this, Council is well placed to provide advocacy and leadership on other local matters that are outside those core functions.

Council and Community Boards provide:

- Advocacy for community issues
- Monitoring of performance
- Strategy setting to decide the level of services and activities to be provided to the district's communities
- A way for our community to have it's views heard
- A way to promote social, economic, environmental and cultural wellbeing for the Buller District

ASSUMPTIONS AND NEGATIVE EFFECTS

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

SIGNIFICANT ISSUES AND THEIR IMPACT

Council has a major role as a facilitator. It should provide reliable, affordable services and infrastructure that meet the community's needs, help develop attractive towns and a district that people will want to visit and reside in. This is important if the district is to experience economic growth and a transition to a diversified, resilient and sustainable economy which is a key aspect of Councils strategy.

It is critical that Council continues to advocate strongly to Central government on important issues. Key issues include: affordability of local infrastructure, transport links, better local provision of core government services, high speed Broadband access and mobile black spots, Buller Hospital /IFHC; and big projects that will have a transformational effect on Buller's economy such as Waste to Energy, Kawatiri Cycle Trail and future proposed development. Protecting communities from some of the effects of climate change are important given some of the recent weather events, therefore working closely with the West Coast Regional Council is high on Councils list of priorities for this long term plan.

It is also important that Council considers affordability issues in our communities. Rates affordability is important. Although the recent rates review consultation did not result in adopting a new rates proposal Council is committed to improving the current rates system to make it fairer for all. In addition Council intends to work closely with it's holding company to look at opportunities to increase income from this area which would help to ease councils reliance on rates income.

RATES OVERHAUL

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

The long promised review was instigated by the newly elected Council in 2013. Considerable time was spent analysing the issues and considering the possibilities for change. Preliminary consultation was undertaken during 2014, four information packs were sent to all ratepayers and public meetings were held during December 2014. The submission period closed on 14 January 2015 and Councillors heard submissions on 29 and 30 January 2015.

The outcome of the first round of submissions and community consultation was Council decided the draft rating policy and methodology had a number of areas which Councillors would like to review. As a result Council extended the Rates Overhaul Project, and continued to work on this significant task.

A second phase of community consultation began on 15 November 2017. The second phase of consultation differed to the first proposal as it proposed to review only general rates.

Submissions closed on 18 December 2017 and submitters were heard on 24 and 25 January 2018. Council deliberated on the proposed rating system on 31 January 2018 and decided not to adopt the proposal that had been posted to every ratepayer. It was agreed that land value rating would remain the valuation base for striking rates in Buller District and the complicated rating system would be simplified by a review of the differentials.

The timeline for the land value rates differentials review is expected to occur in 2018/19. There may be a requirement for further special consultation with the community. This is dependent upon the significance of any proposed changes to affected ratepayers.

While any new rating system may alter the way rates are assessed and collected, this has no effect on the amount of rates to be collected and therefore no impact on any figures in this Long Term Plan, apart for the individual rating examples. All rating examples in this Long Term Plan are calculated on the existing rating system.

FUNDING ALLOCATIONS

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

KEY PERFORMANCE INDICATORS

What we plan to do and our levels of service

1. To co-ordinate annual budgeting and financial planning processes

How we do it	<ul style="list-style-type: none"> Provide annual budgeting and financial planning processes 			
How we measure performance	Ensure annual budgeting and financial planning processes are adhered to in preparation of Long Term Plans, Annual Plans and Annual Reports within statutory timeframes with an unqualified audit opinion being gained.	Performance	Year 1 - 3 target: 2018/19 - 2020/21	Year 4 - 10 target: 2021/22 - 2027/28
		2016/2017: Council met required statutory deadlines for adoption of required reports – target met. (2015/2016: target met.)	Continue to meet statutory deadlines for adoption of Council's Long Term Plan and Annual Plan.	Continue to meet statutory deadlines for adoption of Council's Long Term Plan and Annual Plan.

What we plan to do and our levels of service

2. To maintain customer satisfaction

How we do it	<ul style="list-style-type: none"> Provide a satisfactory level of customer service 			
How we measure performance	Ensure at least 85% of residents are satisfied with the information they receive from Council	Performance 2016/17: no customer satisfaction survey was carried out. Council plan for a survey to be conducted in 2017/18. (2015/16: no survey was carried out.)	Year 1 - 3 target: 2018/19 - 2020/21 Continue to ensure at least 85% of residents are satisfied with the information Council distributes.	Year 4 - 10 target: 2021/22 - 2027/28 Continue to ensure at least 85% of residents are satisfied with the information Council distributes.

3. To maintain transparency, accountability and accessibility to the public

How we do it	<ul style="list-style-type: none"> Provide Council remain accountable through transparency and accessibility 			
How we measure performance	Ensure each Council meeting allows the opportunity for public participation through speaking rights and public forum, providing accountability, transparency and public accessibility to information provided.	Performance 2016/17: public forums were available at Council meetings - target met. (2015/16: target met.)	Year 1 - 3 target: 2018/19 - 2020/21 Continue to provide a full opportunity for public participation in Council meetings through availability of speaking rights and the public forum.	Year 4 - 10 target: 2021/22 - 2027/28 Continue to provide a full opportunity for public participation in Council meetings through availability of speaking rights and the public forum.
	Ensure at least 90% of Council business is conducted in open forum.	2016/17: 94% of Council business was conducted in open forum - target met. (2015/16: 87%.)	Continue to conduct at least 90% of Council business in open forum.	Continue to conduct at least 90% of Council business in open forum.
	Ensure at least 90% of residents are satisfied that Council consults with them on important issues.	2016/17: not measured, no survey was carried out - planned for early 2018. (2015/16: new measure - not carried out.)	Continue to ensure at least 90% of residents are satisfied that Council consults with them on important issues.	Continue to ensure at least 90% of residents are satisfied that Council consults with them on important issues.

4. To co-operate with other agencies

How we do it	<ul style="list-style-type: none"> Participate in shared services 			
How we measure performance	Ensure full participation in the Mayors, Chairs and CEO meetings with the other West Coast Council's.	2016/17: 100% of meetings attended - target met. 2015/16: 100% - target met.)	Continue to attend 100% of West Coast Mayors, Chairs and CEO meetings.	Continue to attend 100% of West Coast Mayors, Chairs and CEO meetings.

FUNDING IMPACT STATEMENT: GOVERNANCE AND REPRESENTATION

AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------

Operating Funding

Sources of Operating Funding

General rates, uniform annual general charge, rates penalties	1,238	1,210	1,285	1,364	1,279	1,379	1,460	1,393	1,422	1,571	1,447
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	0	0	41	0	0	43	0	0	47	0	0
Total Operating Funding A	1,238	1,210	1,326	1,364	1,279	1,423	1,460	1,393	1,469	1,571	1,447

Applications of Operating Funding

Payments to suppliers and staff	534	465	534	585	493	564	620	523	600	661	557
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	704	745	792	779	786	858	840	870	868	910	890
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Operating Funding B	1,238	1,210	1,326	1,364	1,279	1,423	1,460	1,393	1,469	1,571	1,447
Surplus/ (deficit) of Operating Funding A-B	0	0	0	0	0	0	0	0	0	0	0

Capital Funding

Sources of Capital Funding

Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total Sources of Capital Funding C	0	0	0	0	0	0	0	0	0	0	0

Capital Expenditure

- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase/ (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase/ (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of Capital Funding D	0	0	0	0	0	0	0	0	0	0	0
Surplus/ (deficit) of Capital Funding C-D	0	0	0	0	0	0	0	0	0	0	0
Funding Balance ((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0	0

CUSTOMER SERVICES, SUPPORT SERVICES

WHAT DO WE DO?

Customer Services and Support Services provides numerous functions for Customers and all of Council including:

- Service Centres for customer use in Westport and Reefton
- Corporate planning and support to Governance
- Financial and accounting operations
- Production of Annual Plans, Long Term Plans and Annual Reports
- Rating operations and rates overhaul project
- Human Resources management
- Information Technology management
- General administration
- Health and safety compliance and legal counsel
- Monitoring and compliance of all Council Controlled organisations
- Guidance and monitoring of Holding Company performance
- Asset management
- Management functions

WHY ARE WE INVOLVED IN THIS ACTIVITY?

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

ASSUMPTIONS AND NEGATIVE EFFECTS

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

CONTRIBUTES TO WHAT COMMUNITY OUTCOMES?

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

FUNDING ALLOCATIONS

Activity	Funding Mechanism		
	General Rate	Fees	Capital Spend
Support Services	Overheads reallocated to other departments	Nil	Nil Special Funds

KEY PERFORMANCE INDICATORS

What we plan to do and our levels of service

1. To prioritise and manage operating expenditure and capital expenditure

How we do it	<ul style="list-style-type: none"> Provide timely and accurate information 			
How we measure performance	<p>Ensure accountability to provide sound governance and financial management.</p> <p>Compliance with stated strategies in Annual Plan and Long Term Plan.</p>	<p>Performance</p> <p>2016/17: reports were provided in a timely and accurate manner - target met. (2015/16: target met).</p>	<p>Year 1 - 3 target: 2018/19 - 2020/21</p> <p>Continue to provide timely and accurate reports to the Finance and Audit Committee on all key financial operations for further action, and to monitor and proactively address variances.</p>	<p>Year 4 - 10 target: 2021/22 - 2027/28</p> <p>Continue to provide timely and accurate reports to the Finance and Audit Committee on all key financial operations for further action, and to monitor and proactively address variances.</p>

2. To reduce the incidence of work-related accidents and to ensure that Council complies with Health and Safety legislation

How we do it	<ul style="list-style-type: none"> Provide a satisfactory level of health and safety advice and support 			
How we measure performance	<p>Ensure Council has systems, procedures and policies in place to comply with Health and Safety polices and legislation:</p> <ul style="list-style-type: none"> - Safety and Health in Employment Act 1992 - Safety and Health in Employment Legislation 1995 - Employment Relations Act 2000 	<p>Performance</p> <p>2016/17: update to health and safety manual has been contracted out, ultimately moving toward shared services with other Coast Council's.</p> <p>(2015/16: in-house training on new health and safety legislation provided to all staff and councillors.)</p>	<p>Year 1 - 3 target: 2018/19 - 2020/21</p> <p>Continue to update systems, procedures and policies to comply with legislation.</p>	<p>Year 4 - 10 target: 2021/22 - 2027/28</p> <p>Continue to update systems, procedures and policies to comply with legislation.</p>

FUNDING IMPACT STATEMENT: CUSTOMER AND SUPPORT SERVICES

AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------

Operating Funding

Sources of Operating Funding

General rates, uniform annual general charge, rates penalties	299	280	308	285	292	309	322	314	326	325	331
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	4,163	3,734	3,901	3,822	3,986	4,211	4,177	4,243	4,393	4,386	4,464
Local authorities fuel tax, fines, infringements fees and other receipts	74	67	68	70	71	73	74	76	78	80	82
Total Operating Funding A	4,536	4,081	4,277	4,177	4,350	4,592	4,573	4,634	4,797	4,791	4,878

Applications of Operating Funding

Payments to suppliers and staff	3,233	3,155	3,303	3,244	3,340	3,406	3,458	3,474	3,642	3,607	3,727
Finance costs	135	132	133	134	134	173	171	168	166	163	160
Internal charges and overheads applied	962	949	1,046	984	1,090	1,153	1,144	1,137	1,185	1,159	1,178
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Operating Funding B	4,330	4,237	4,482	4,362	4,565	4,733	4,772	4,779	4,994	4,929	5,065
Surplus/ (deficit) of Operating Funding A-B	206	(156)	(205)	(185)	(215)	(140)	(199)	(146)	(197)	(139)	(187)

Capital Funding

Sources of Capital Funding

Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in debt	(39)	0	0	0	775	(61)	(65)	(68)	(71)	(75)	(79)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding		0	0	0	0	0	0	0	0	0	0
Total Sources of Capital Funding C	(39)	0	0	0	775	(61)	(65)	(68)	(71)	(75)	(79)

Capital Expenditure

- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	167	240	124	80	1,018	130	363	153	104	211	162
Increase/ (decrease) in reserves	0	(396)	(329)	(265)	(458)	(332)	(627)	(367)	(372)	(424)	(428)
Increase/ (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of Capital Funding D	167	(156)	(205)	(185)	560	(202)	(264)	(213)	(268)	(213)	(266)
Surplus/ (deficit) of Capital Funding C-D	(206)	156	205	185	215	140	199	146	197	139	187
Funding Balance ((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0	0

PROPERTY

WHAT DO WE DO?

Buildings and structures

Provision of public buildings and structures.

Cultural and community facilities

Provision of community halls, theatres, aquatic centres, sporting facilities, meeting facilities.

Commercial property

Assist with property transfers and acquisitions along with Council property licences, leases and legal agreements pertaining to property.

Amenities, parks, domains, reserves and public spaces

Council provides and maintains active and passive recreational land and facilities in the Buller District to meet community and environmental needs. These areas may be managed by Council, or in conjunction with local Reserve or Domain Boards, and Hall Committees.

This includes the provision of gardens, sports grounds, green areas, playgrounds and parks.

Public toilets

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

Property management

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

Cemeteries

Council operates the following cemeteries:

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

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

Housing for the elderly

Council provides affordable housing for the elderly. There are 46 housing units provided.

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

Fleet management

Fleet supervision for all Council vehicles is managed.

Urban renewals and revitalisation

In conjunction with the "roading and transport activity", property assists with urban revitalisation which provides a more pleasant environment for our communities by improving urban spaces. Urban revitalisation and renewal shapes and articulates space by giving form, shape and character to buildings, neighbourhoods and towns.

Urban development in the "roading and transport activity" includes the use of plantings, street treatments and decorative measures with a focus on the beautification of main thoroughfares with street flags and hanging floral baskets.

Events Facilitation

Supporting events associated with the various aspects of the property portfolio.

WHY ARE WE INVOLVED IN THIS ACTIVITY?

- The provision and maintenance of amenities and reserves creates a pleasant environment in which to live, work and play, which is an important part of the vision for the district. Amenities and reserve areas provide for social interaction and promote sport and recreation.
- Council owned buildings allows for cost effective provision of essential property for community use.
- The provision of public toilet facilities assists with promoting the health and well-being of the community and environment and enhances visitor experience.
- Jointly funding facilities with other agencies allows the public access to facilities at an acceptable cost.
- Housing for the elderly assists ratepayers to remain in the district close to public facilities.

ASSUMPTIONS

It is assumed that?

- the current levels of service are maintained for parks and reserves maintenance.
- unused and abandoned grounds will be rationalised and depending on Gazette Notice limitations, options and opportunities will be considered to reduce maintenance costs.
- Council will not construct any new pensioner units in Westport, Karamea and Reefton.
- the Urban Revitalisation project will offer opportunities to rationalise the Council building and property portfolio with a view to achieve long term benefits for the district and also achieve integration with progressive community makeover projects.

NEGATIVE EFFECTS

- There are no negative effects.

COMMUNITY OUTCOMES & HOW WE CONTRIBUTE TO STRATEGIC GOALS

This activity supports the following community outcomes:

Well-being

- By ensuring our parks and reserves are healthy and safe.
- By providing areas for people to engage in healthy activities.

Environment

- By offering opportunities for people to contribute to projects that improve our district's environment.

Learning

- By providing the opportunity to learn through social interaction and recreation.

Prosperity

- By contributing to the district's image and attracting businesses, skills and tourism.

CHANGES IN LEVEL OF SERVICE

District revitalisation changes proposed for urban renewals and revitalisation

Council has recently utilised a "community placemaking process" to engage with the community for revitalisation projects. The first project to be completed from this process was the 7 Day Makeover completed outside the NBS Theatre in Westport. The 7 Day Makeover created an attractive and functional space which was delivered at low cost and is well utilised by visitors and locals. The Long Term Plan includes new budgets for this new level of service to be continued.

In 2018/19 \$200,000 has been budgeted in the Long Term Plan to carry out new urban renewal and revitalisation projects throughout the district, with \$250,000 per annum budgeted for the next 2 succeeding years (2019/20 and 2020/21).

\$150,000 has also been budgeted for the first 3 years of the Long Term Plan in order to allow other communities in the Buller District to use the volunteer/community placemaking process to take ownership of their public spaces and revitalise our towns in a cost effective manner. This would be contestable funding with specific criteria relating to community placemaking principles and in alignment with enhancing the new district 'themes'.

You can find more information about these options in the District Revitalisation section of the Long Term Plan under "Key Issues".

In the 2015-2025 long term plan the Council focussed on building rationalisation and how we might get better value out of our significant property assets some of which were not utilised or under-utilised and/or required significant earthquake strengthening and upgrade. That Long Term Plan considered moving the civic centre from Brougham House to incorporate the Clocktower.

The 2018-2028 Long Term Plan proposes to adopt an adaptation of Option 1, which proposes to meet the code of compliance with existing buildings and invest in district revitalisation projects.

Council intends to spend \$2.2m over 3 years planning for and implementing building code of compliance for Council's civic building. Council intends to spend \$200,000 in 2018/19 \$900,000 in 2019/20 and \$1.1m in 2020/21 to complete this work.

Punakaiki master-plan

With the support of central government funding and in conjunction with the work the Department of Conservation are doing to redevelop Dolomite point (one of Buller's major tourism attractions) and in partnership with both Grey District Council and West Coast Regional Council, Buller District Council are leading a masterplan process for Punakaiki in 2018/19. This is to ensure that the infrastructure and community facilities are future proofed and the development as a whole is '**Fit for Future**'. This is a significant project and Council has a key role in advocacy and facilitation.

Public toilets

Council has planned to construct new or refurbish the existing public toilets in Reefton. A budget of \$350,000 has been included in year-2 of the Long Term Plan subject to Council receiving a Central Government subsidy of \$200,000 that will be applied for in 2018/19.

Housing for the elderly

Rental Income:

Much of the Housing for the Elderly was built some years ago at costs that were only a fraction of today's costs. Council has upgraded insulation in all currently rented 45 units and renewed much of the heating to new air-conditioning heat pump units.

Rental costs for the elderly are likely to increase at a rate which is higher than the expected percentage increase in Superannuation. Rental supplements are available from the Ministry of Social Development, provided the tenant meets certain assets and income thresholds. Council cannot guarantee tenants will meet the criteria but expects that most will and these supplements will significantly lower the impact for qualifying pensioner and beneficiaries.

Council has a policy that operating costs associated with the provision of pensioner housing must continue to be self-funding over time.

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

Following is an indication of the pensioner rentals and rental supplements available from 1 April 2018 (if tenant(s) qualify based on them having no assets or extra income above NZ Super payments, for confirmation of individual entitlements you must contact Work and Income NZ:

Single:	(per week)	Couple:	(per week)
New Single	\$134	New Couple	\$176
less: Subsidy	\$24	less: Subsidy	\$17
Net Rent after subsidy (if tenant qualifies)	\$110	Net Rent after subsidy (if tenant qualifies)	\$159

Council will maintain all other assets to the same levels of service, however Council will conduct a full review of the provision of Pension Housing throughout the district during the 2018/19 year. Any changes to the provision of service will be included in the 2019/20 Annual Plan.

FUNDING ALLOCATIONS

Funding allocations are as per the Revenue and Finance Policy.

Activity	Funding Mechanism		
	General Rate	Fees	Capital Spend
Reserves	100%	Nil	Special Funds Loans
Public Toilets	100%	Nil	
Cemeteries	75%	25%	
Housing for the Elderly	Nil	100%	
Property – community	95%	5%	
Property – private	Nil	100%	

SIGNIFICANT CAPITAL EXPENDITURE

Over the 10 years of the long term plan, Council expects to spend the following:

- Parks, playgrounds and green spaces for increased level of service \$765,000.
- Punakaiki Community Facility \$102,000 (in 2019/20).
- Reefton Toilet Renewal or Rebuild \$350,000 (in 2019/20 subject to receipt of Government Subsidy).
- Housing for the Elderly \$365,000 mainly for heating upgrades and re-roofing.
- Old Carnegie Library \$106,000 for seismic assessment and upgrade work on this historically significant building.
- Clocktower \$50,000 to rebuild or replace the clock mechanism (in 2018/19).
- Council **did not** enter into an agreement for an option to purchase the assets of Holcim for a purchase price of \$5.2m, due to the parties being unable to reach agreement over the terms of the option to purchase the property.
- Urban Revitalisation \$3.8m for earthquake strengthening and district revitalisation projects.
- Under the new Better Local Government legislation Council has a statutory requirement to take a 30 year plus asset management approach. Good stewardship and prudent use of ratepayer money would suggest that there is no point in spending money unless the finished building is fit for purpose for at least the next 25 years. Overall there would also appear to be an opportunity to rationalise the building stock and to release some capital tied up in buildings that may not be required in the future.
- There is also a need for urgency. Due to public health and staff safety, Council is required to deal with earthquake risks. The value of any earthquake expenditure can be significantly enhanced if it is undertaken with a renovation and rationalisation programme.

KEY PERFORMANCE INDICATORS

What we plan to do and our levels of service

1. To provide and manage parks and reserves

How we do it	• Provide parks and reserves that meet the community and environmental needs			
How we measure performance		Performance	Year 1 - 3 target: 2018/19 - 2020/21	Year 4 - 10 target: 2021/22 - 2027/28
	Ensure checks on contractors standard of maintenance on active recreation areas are carried out.	2016/17: 100% achieved, checks were undertaken on the maintenance contracts, with any defects notified by the contractor who then remediates. (2015/16: 100%).	Checks are undertaken on the maintenance contract for the whole period.	Checks are undertaken on the maintenance contract for the whole period.
	Conduct weekly safety and maintenance inspections on playground equipment.	2016/17: 100% achieved, the contractor completed weekly safety checks on all playground equipment. (2015/16: 100%).	Weekly safety checks are undertaken by the maintenance contractor for the whole period.	Weekly safety checks are undertaken by the maintenance contractor for the whole period.

2. To provide and manage housing for the elderly

How we do it	• Provide affordable and well maintained elderly housing			
How we measure performance		Performance	Year 1 - 3 target: 2018/19 - 2020/21	Year 4 - 10 target: 2021/22 - 2027/28
	Ensure at least 90% occupancy of elderly persons housing.	2016/17: 98.5%. (2015/16: 99%).	Occupancy rate of elderly persons housing to be 90% or greater.	Occupancy rate of elderly persons housing to be 90% or greater.
	Ensure at least 80% satisfaction on elderly housing provided.	2016/17: 41 questionnaires were returned from a total of 45 with a satisfaction rate of 88%. (2015/16: 33 questionnaires returned out of 45, with a satisfaction rate of 82.5%).	Satisfaction rate of elderly housing provided to be at least 80%.	Satisfaction rate of elderly housing provided to be at least 80%.

3. To provide and manage cemeteries

How we do it	• Provide and manage cemeteries that meet community needs. • Provide adequate plots and land to meet the districts burial needs.			
How we measure performance		Performance	Year 1 - 3 target: 2018/19 - 2020/21	Year 4 - 10 target: 2021/22 - 2027/28
	Ensure provision and management of cemeteries to provide for community health. Maintain cemetery facilities to the appropriate national standard, with public records available on request.	2016/17: cemetery facilities were maintained to the appropriate national standard with public records available on request - target met. (2015/16: target met).	Continue to provide and maintain cemetery facilities to the appropriate national standard, with public records available on request.	Continue to provide and maintain cemetery facilities to the appropriate national standard, with public records available on request.
	Ensure sufficient burial plots are available in all wards to meet current and future demands.	2016/17: no extensions were required. (2015/16: no extensions were required).	Continue to provide adequate plots and land to meet the district's burial needs.	Continue to provide adequate plots and land to meet the district's burial needs.

What we plan to do and our levels of service

4. To provide and manage sufficient public toilets to meet the needs

How we do it	• Provision of public toilets has health and economic benefits supporting local communities, businesses and visitor destinations			
How we measure performance	Ensure facilities are cleaned, inspected and maintained to a serviceable standard.	Performance	Year 1 - 3 target: 2018/19 - 2020/21	Year 4 - 10 target: 2021/22 - 2027/28
		2016/17: toilet facilities were inspected, cleaned and maintained to an acceptable standard. The main toilets were inspected and cleaned daily, the other toilets inspected and cleaned 2 or 3 times a week depending on season and usage - target met. (2015/16: target met.).	Continue to clean, inspect and maintain toilet facilities to a serviceable standard.	Continue to clean, inspect and maintain toilet facilities to a serviceable standard.
		New toilets at Springs Junction are cleaned a minimum of twice daily due to high traffic volumes post Kaikoura earthquake and SH1 road closure.		

5. To provide and manage Council's properties

How we do it	• Provide property management of Council's properties to enable service delivery and safety for its users.			
How we measure performance	Ensure Council's properties are maintained and safe by responding to service requests 100% of the time in 10 working days or less.	Performance	Year 1 - 3 target: 2018/19 - 2020/21	Year 4 - 10 target: 2021/22 - 2027/28
		2016/17: 100% of service requests were responded to within 10 working days - target met. (2015/16: 100% - target met).	Continue to maintain Council's properties and respond to 100% of service requests within 10 working days.	Continue to maintain Council's properties and respond to 100% of service requests within 10 working days.

FUNDING IMPACT STATEMENT: PROPERTY

		AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
Operating Funding												
Sources of Operating Funding												
General rates, uniform annual general charge, rates penalties		1,455	1,906	1,818	1,761	1,832	1,854	1,884	1,815	1,878	1,880	1,965
Targeted rates		0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes		0	0	0	0	0	0	0	0	0	0	0
Fees and charges		0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered		373	406	478	464	472	504	505	504	485	509	488
Local authorities fuel tax, fines, infringements fees and other receipts		1,229	1,442	1,475	1,504	1,536	1,569	1,605	1,642	1,682	1,724	1,767
Total Operating Funding	A	3,057	3,754	3,771	3,729	3,839	3,927	3,994	3,961	4,045	4,114	4,219
Applications of Operating Funding												
Payments to suppliers and staff		2,050	2,479	2,574	2,496	2,504	2,588	2,674	2,660	2,686	2,766	2,904
Finance costs		74	121	122	155	197	188	179	169	159	148	136
Internal charges and overheads applied		379	456	482	465	506	520	552	528	566	547	591
Other operating funding applications		0	0	0	0	0	0	0	0	0	0	0
Total Applications of Operating Funding	B	2,503	3,056	3,178	3,117	3,207	3,296	3,405	3,357	3,411	3,461	3,632
Surplus/ (deficit) of Operating Funding	A-B	554	698	592	612	633	631	589	604	634	653	588
Capital Funding												
Sources of Capital Funding												
Subsidies and grants for capital expenditure		200	200	0	0	0	0	0	0	0	0	0
Development and financial contributions		0	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in debt		1	49	671	842	(167)	(176)	(185)	(195)	(205)	(216)	(228)
Gross proceeds from sale of assets		0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions		0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding		0	0	0	0	0	0	0	0	0	0	0
Total Sources of Capital Funding	C	201	249	671	842	(167)	(176)	(185)	(195)	(205)	(216)	(228)
Capital Expenditure												
- to meet additional demand		0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service		0	858	583	547	129	122	135	128	141	134	148
- to replace existing assets		600	651	1,254	1,262	64	55	48	27	83	20	53
Increase/ (decrease) in reserves		155	(562)	(574)	(356)	272	278	221	254	205	282	159
Increase/ (decrease) in investments		0	0	0	0	0	0	0	0	0	0	0
Total applications of Capital Funding	D	755	947	1,263	1,453	465	455	404	409	429	436	360
Surplus/ (deficit) of Capital Funding	C-D	(554)	(698)	(592)	(612)	(633)	(631)	(589)	(604)	(634)	(653)	(588)
Funding Balance	((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0	0

COUNCIL CONTROLLED ORGANISATIONS

1. NATURE AND SCOPE OF ACTIVITIES

Buller Holdings Limited

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

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

WestReef Services Limited

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

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

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

Buller Recreation Limited

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

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

2. SIGNIFICANT POLICIES AND OBJECTIVES

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

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

Financial performance:

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

Service:

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

Employee relations:

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

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

Safety and environment

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

3. KEY PERFORMANCE TARGETS

Buller Holdings Limited

Objective	Performance Measure	2018/19 Targets
Financial Performance	a) Delivery of an unaudited quarterly report consisting of a revenue statement, statement of financial position, cashflows and KPI's by 16 November, 16 February and 16 May Commentary on the results will also be provided.	Provision of quarterly reports to Council
	b) The Directors shall provide a Statement of Intent by 1 March for approval by Council	Statement of Intent
	c) Financial performance of the Group will be measured against the forecasts and KPI's in the approved Statements of Intent	Annual review
Service	a) The Board of Directors will meet with the Buller District Council Councillors on a formal basis.	Informal report required for Council as requested. Meet with Council as requested.

Westreef Services Limited

Objective	Performance Measure	2018/19 Targets
Financial Performance	a) To achieve a pre-tax operating profit of at least 12% on gross revenue (before any subvention payment) .	12% pre-tax operating profit
	b) To grow revenue from competitively procured work.	Target 40% of gross revenue
Service Performance	a) To renew its TQS1 certification as required.	Achieve renewal
	b) Meeting with major client, BDC engineers, to obtain feedback on specific contract performance.	Meet monthly
	c) Support activities involved with the social and environmental development in the community.	Support minimum of 15 communities activities
Employee Leadership, Development and Retention	a) Ensure succession plans are put in place for all senior management positions.	Succession plans in place
	b) Hold staff meetings to ensure effective communication with all staff.	Meetings to be held weekly with minutes kept
	c) Maintain a zero tolerance to loss time incidents.	LTI's to be nil

Buller Recreation Limited

Objective	Performance Measure	2018/19 Targets
Financial Performance	a) Achieving budget revenue and expenditure	Operate within budget
Service Performance	a) Achieve fitness centre membership of at least 455 per annum with a retention rate of more than 75%	Membership of 455pa Retention rate of more than 75%
	b) Achieve regular patronage of aquatic services to an average of 4,080 visits per month	Average 4,080 visits per month
	c) Achieve swimming lesson students in programmes of 150 students (averaged over four swimming terms)	150 swimming students
	d) Ensuring compliance with legislation and industry best practice in health and safety management	Nil serious harm accidents to customers or staff 100% compliance with health and safety procedures
Employee Leadership, Development and Retention	a) Undertake a staff satisfaction survey and provide feedback on staff engagement.	Staff satisfaction survey to be undertaken.
	b) Hold meetings with all staff every 4 months.	4 monthly staff meetings.
	c) Review succession plans for key positions and undertake training in the next 12 months.	Update succession plans.
Asset Management	a) Maintain a comprehensive asset management plan for the facility, plant and equipment	Asset management plan developed
	b) Complete maintenance and replacement in accordance with asset management plan	Monthly report on asset management

OTHER COUNCIL CONTROLLED ORGANISATIONS

BULLER HEALTH TRUST

1. **Nature and scope of activities to be provided**
The Buller Health Trust was established in May 1997. The purpose of the Trust is the preservation of public health and wellbeing in the Buller District. The Trust's current activities include the provision of low interest loans to medical professionals. The Trust also owns the Westport Dental Clinic following the departure of the previous Dentist in November 2005 and currently employs a dentist.
2. **Significant policies and objectives**
 - The Mayor and Chief Executive are appointed as Trustees.
 - The objective of the trust is to support the provision of medical services in the Buller District.
 - The Buller District Council provides funding to the Trust by way of loans.
3. **Key performance targets**
 - To support the provision of appropriate medical services to the Buller community
 - To operate on a breakeven basis

DENNISTON HERITAGE TRUST

1. **Nature and scope of activities to be provided**
The Denniston Heritage Charitable Trust was established in July 2007. The purpose of the Trust is the preservation, enhancement and interpretation of Denniston's natural, social, industrial and geological history. The Trust's current activities include maintaining historical installations at Denniston to allow visitors to experience the richness of the historic and natural heritage, supported by facilities and information and interpretation panels at Denniston.
2. **Significant policies and objectives**
 - The Board of the Denniston Heritage Trust comprises of at least 7 Trustees, of which 1 is appointed by the Buller District Council.
 - The objective of the Trust is to maintain the historical features of Denniston and to encourage visitors, while at the same time managing unwanted visitor impacts on the local community, natural environment and heritage site.
 - The Buller District Council does not provide funding to the Trust.
3. **Key performance targets**
 - To meet the objectives of the Trust as well as assist in coordinating developments associated with the Denniston Experience Mine Tours.
 - To promote Denniston as a premium visitor location rich in natural and historic heritage.

TOURISM WEST COAST

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

Council currently provides annual funding to the organisation and has signalled in this document for this to continue.
2. **Significant policies and objectives**
 - Enhance the West Coast's basic promotional capabilities
 - Co-ordinate the work of development and promotional agencies
 - Secure long term funding
 - Provide advisory and support services for the local Tourism industry
3. **Key performance targets**
 - The Chairperson of the Board or CEO of Tourism West Coast will address Council on an annual basis
 - The Annual Report will be presented to Council within two months of adoption

WESTPORT AIRPORT

1. Nature and scope of activities to be provided

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

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

2. Significant policies and objectives

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

3. Key performance targets

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

FUNDING IMPACT STATEMENT: WESTPORT AIRPORT

AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------

Operating Funding

Sources of Operating Funding

General rates, uniform annual general charge, rates penalties	84	84	106	81	79	82	76	79	67	56	44
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringements fees and other receipts	94	100	102	104	106	109	111	114	117	120	123
Total Operating Funding A	178	184	208	186	185	191	187	193	183	176	166

Applications of Operating Funding

Payments to suppliers and staff	106	116	131	117	116	122	120	131	126	133	132
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	15	14	15	14	15	15	15	16	15	14	14
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total Applications of Operating Funding B	121	131	146	131	130	137	135	147	141	147	145
Surplus/ (deficit) of Operating Funding A-B	57	54	62	54	55	54	51	46	43	29	21

Capital Funding

Sources of Capital Funding

Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total Sources of Capital Funding C	0	0	0	0	0	0	0	0	0	0	0

Capital Expenditure

- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	5	531	10	5	41	0	0	0	0	0	298
Increase/ (decrease) in reserves	52	(477)	52	49	13	54	51	46	43	29	(277)
Increase/ (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of Capital Funding D	57	54	62	54	55	54	51	46	43	29	21
Surplus/ (deficit) of Capital Funding C-D	(57)	(54)	(62)	(54)	(55)	(54)	(51)	(46)	(43)	(29)	(21)
Funding Balance ((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0	0

FINANCIALS



INCLUDES THE FOLLOWING FINANCIAL REPORTS:

Forecast Statement of Comprehensive Revenue and Expenses.....	111
Forecast Movements in Equity	112
Forecast Statement of Financial Position.....	113
Forecast Statement of Cashflows	115
Notes to the Financial Statements	117
Forecast Statement of Capital Expenditure	123
Forecast Funding Impact Statement.....	124
Rating Examples	135
Assumptions	137
Forecast Reserve Funds.....	144
Accounting Policies	146

FORECAST STATEMENT OF COMPREHENSIVE REVENUE & EXPENSES

		AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
Operating Revenue												
	NOTES:											
General Rates	1	8,314	8,379	8,694	8,638	8,989	9,278	9,179	9,193	9,607	9,668	9,785
Targeted Rates	2	5,517	5,866	6,032	6,253	6,465	6,629	6,746	6,850	6,944	7,041	7,207
Rates Penalties		150	150	150	160	160	160	170	170	170	180	180
Metered Water Charges		204	204	209	214	219	224	230	236	242	248	255
Subsidies & Grants	3	4,442	4,342	3,851	3,964	2,749	2,547	2,732	2,792	2,746	2,879	2,957
Fees & Charges	4	3,091	3,090	3,197	3,219	3,287	3,403	3,437	3,517	3,648	3,692	3,785
Development Contributions		105	50	51	52	53	27	28	28	29	30	31
Vested Assets		101	50	51	52	53	54	56	57	58	60	61
Profit on Sale of Assets		0	1,200	0	0	0	0	0	0	0	0	0
Revaluation of Investment Properties		0	169	163	166	176	187	199	202	214	227	231
Holding Company Distribution		910	1,200	1,000	1,100	1,100	1,100	1,200	1,200	1,200	1,250	1,250
Investment Income	5	636	756	821	819	886	933	991	1,029	1,091	1,129	1,187
Total Operating Revenue		23,470	25,456	24,219	24,635	24,137	24,544	24,968	25,274	25,950	26,404	26,929
Operating Expenditure												
Employee Benefit Expenses		4,658	4,773	4,846	4,929	5,018	5,109	5,206	5,306	5,412	5,521	5,638
Depreciation and Amortisation	6	5,462	6,453	6,476	6,625	6,368	6,540	6,508	6,727	6,750	7,049	7,059
Finance Costs	7	1,115	1,222	1,240	1,319	1,392	1,392	1,378	1,405	1,456	1,438	1,463
Other Expenses		11,499	11,995	13,342	12,258	11,991	12,284	12,616	12,606	13,049	13,215	13,597
Writeoff of Assets		350	501	512	525	22,038	555	572	590	609	630	653
Total Operating Expenditure	8	23,084	24,943	26,416	25,656	46,807	25,880	26,280	26,633	27,276	27,853	28,409
Net Surplus (deficit) before Taxation		386	513	(2,197)	(1,021)	(22,670)	(1,336)	(1,312)	(1,359)	(1,327)	(1,449)	(1,480)
Income Tax Expense		0	0	0	0	0	0	0	0	0	0	0
Net Surplus (deficit) after Taxation		386	513	(2,197)	(1,021)	(22,670)	(1,336)	(1,312)	(1,359)	(1,327)	(1,449)	(1,480)
Comprehensive Revenue and Expense												
Increase in Infrastructure Revaluation Reserve		0	0	11,932	0	11,772	0	12,817	0	13,848	0	15,157
Total Comprehensive Revenue and Expense		386	513	9,735	(1,021)	(10,898)	(1,336)	11,505	(1,359)	12,521	(1,449)	13,677

FORECAST MOVEMENTS IN EQUITY

	AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
Equity as at 1 July	325,979	328,986	329,499	339,235	338,213	327,315	325,980	337,484	336,125	348,646	347,197
Total Comprehensive Revenue and Expenses	386	513	9,735	(1,021)	(10,898)	(1,336)	11,505	(1,359)	12,521	(1,449)	13,677
Total Equity at end of year	326,365	329,499	339,235	338,213	327,315	325,980	337,484	336,125	348,646	347,197	360,874
Components of Equity											
Accumulated Funds	166,725	169,432	167,392	166,641	157,096	155,489	154,218	152,683	151,160	149,650	147,559
Reserves	5,385	5,812	5,655	5,385	5,694	5,964	5,925	6,099	6,296	6,356	6,967
Assets Revaluation Reserve	154,255	154,255	166,187	166,187	164,525	164,525	177,342	177,342	191,190	191,190	206,347
Total Equity at end of year	326,365	329,499	339,235	338,213	327,315	325,979	337,484	336,125	348,646	347,197	360,874

FORECAST STATEMENT OF FINANCIAL POSITION

	AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
Current Assets											
Cash and Bank	1,030	1,515	1,030	1,402	1,208	1,343	1,076	1,225	1,379	1,037	815
Trade and Other Receivable	4,858	5,020	5,013	5,099	4,996	5,081	5,168	5,232	5,372	5,466	5,574
Inventories	13	15	14	14	14	14	14	15	15	15	15
Other Current Assets	35	35	35	35	35	35	35	35	35	35	35
Short Term Investments	13,784	16,204	17,404	17,404	18,404	19,404	20,404	21,404	22,404	23,404	24,404
Total Current Assets	19,720	22,789	23,496	23,954	24,657	25,877	26,698	27,910	29,204	29,956	30,844
Non Current Assets											
Investment In Council Controlled Organisations	20,035	20,123	20,229	20,360	20,420	20,435	20,616	21,562	23,079	23,654	24,496
Investment Properties	7,568	8,223	8,335	8,449	8,572	8,705	8,849	8,994	9,150	9,318	9,488
Infrastructural Assets	294,822	293,963	303,798	301,587	289,788	287,492	297,924	295,459	306,810	304,080	316,541
Other Non Current Assets	19,595	21,798	22,743	23,824	23,346	22,786	22,465	21,979	21,464	21,006	20,874
Intangible Assets	50	179	143	113	881	773	711	609	548	462	401
Total Non Current Assets	342,070	344,286	355,249	354,334	343,007	340,191	350,565	348,604	361,051	358,521	371,800
Total Assets	361,790	367,075	378,745	378,288	367,665	366,068	377,263	376,514	390,255	388,478	402,644

FORECAST STATEMENT OF FINANCIAL POSITION

	AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
Current Liabilities											
Trade and Other Payables	3,982	4,303	4,557	4,426	4,366	4,464	4,533	4,594	4,705	4,805	4,901
Derivative Financial Instruments	55	60	64	62	61	63	63	64	66	67	69
Employee Benefits	451	488	516	502	495	506	514	521	533	545	555
Current Portion of Term Debt	107	157	175	227	267	341	358	375	392	411	431
Total Current Liabilities	4,595	5,007	5,312	5,217	5,189	5,374	5,468	5,554	5,697	5,828	5,955
Non Current Liabilities											
Derivative Financial Instruments	1,100	700	700	700	700	700	700	700	700	700	700
Environmental Provisions	1,483	1,281	1,247	1,209	1,044	1,013	982	953	924	894	866
Bond Deposits	82	82	82	82	82	82	82	82	82	82	82
Employee Entitlement	140	140	140	140	140	140	140	140	140	140	140
Term Debt	28,025	30,366	32,030	32,727	33,195	32,780	32,406	32,960	34,067	33,637	34,028
Total Non Current Liabilities	30,830	32,569	34,199	34,858	35,161	34,714	34,310	34,835	35,912	35,453	35,815
Equity											
Accumulated Funds	166,725	169,432	167,392	166,641	157,096	155,489	154,218	152,683	151,160	149,650	147,559
Reserves	5,385	5,812	5,655	5,385	5,694	5,964	5,925	6,099	6,296	6,356	6,967
Asset Revaluation Reserve	154,255	154,255	166,187	166,187	164,525	164,525	177,342	177,342	191,190	191,190	206,347
Total Equity	326,365	329,499	339,235	338,213	327,315	325,979	337,484	336,125	348,646	347,197	360,874
Total Equity and Liabilities	361,790	367,075	378,745	378,288	367,665	366,068	377,263	376,514	390,255	388,478	402,644

FORECAST STATEMENT OF CASHFLOW

AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------

CASHFLOWS FROM OPERATING ACTIVITIES

Cash will be provided from:

Rates	13,981	14,395	14,876	15,050	15,614	16,067	16,096	16,213	16,721	16,889	17,172
Other Income	7,532	7,432	7,048	7,183	6,036	5,951	6,169	6,309	6,394	6,571	6,742
Interest Received	636	756	821	819	886	933	991	1,029	1,091	1,129	1,187
Dividend Income & Subvention Payments Received	1,220	1,454	1,260	1,366	1,372	1,351	1,457	1,464	1,471	1,528	1,536
	23,369	24,037	24,005	24,417	23,907	24,303	24,713	25,015	25,677	26,117	26,637

Cash will be applied to:

Payments to Suppliers and Employees	17,227	16,605	17,928	17,459	17,139	17,397	17,863	17,936	18,505	18,748	19,265
Interest Paid	1,115	1,222	1,240	1,319	1,392	1,392	1,378	1,405	1,456	1,438	1,463
	18,342	17,827	19,168	18,778	18,531	18,790	19,241	19,341	19,962	20,185	20,727

Net Cash from Operating Activities	5,027	6,210	4,836	5,640	5,377	5,513	5,473	5,674	5,715	5,931	5,909
---	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------

CASHFLOWS FROM INVESTING ACTIVITIES

Cash will be provided from:

Investments Realised	0	0	0	0	0	0	0	0	0	0	0
Sale of Fixed Assets	0	1,200	0	0	0	0	0	0	0	0	0
Sale of Investment Property	100	50	51	52	53	54	56	57	58	60	61
	100	1,250	51	52	53	54	56	57	58	60	61

Cash will be provided from:

Purchase of Fixed Assets	7,225	6,959	5,749	5,938	5,072	4,076	4,256	4,208	4,227	4,346	4,761
Purchase of Equity Investments	35	88	106	131	60	15	181	946	1,517	576	841
Purchase of Investments	500	0	1,200	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	7,760	7,047	7,055	6,069	6,132	5,091	5,437	6,153	6,744	5,922	6,602

Net Cash from Investing Activities	(7,660)	(5,797)	(7,004)	(6,017)	(6,078)	(5,037)	(5,382)	(6,097)	(6,686)	(5,862)	(6,541)
---	----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------

FORECAST STATEMENT OF CASHFLOW

	AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
CASHFLOWS FROM FINANCING ACTIVITIES											
Cash will be provided from:											
Loans raised	2,585	496	1,857	977	775	0	0	946	1,517	0	841
	2,585	496	1,857	977	775	0	0	946	1,517	0	841
Cash will be applied to:											
Payments of Loans	107	157	175	227	267	341	358	375	392	411	431
	107	157	175	227	267	341	358	375	392	411	431
Net Cash from Financing Activities	2,478	339	1,682	750	508	(341)	(358)	571	1,124	(411)	410
Net Increase (decrease) in Cash	(155)	752	(485)	372	(193)	135	(267)	148	154	(342)	(221)
Opening Cash as at 1 July	1,185	764	1,515	1,030	1,402	1,208	1,343	1,076	1,225	1,379	1,037
Closing Cash as at 30 June	1,030	1,515	1,030	1,402	1,208	1,343	1,076	1,225	1,379	1,037	815

NOTE 1: REQUIRED FROM GENERAL RATES

	AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
Democracy	1,238	1,210	1,285	1,364	1,279	1,379	1,460	1,393	1,422	1,571	1,447
Support	299	280	308	285	292	309	322	314	326	325	331
Community Services	3,594	3,871	3,833	3,891	3,937	3,914	3,903	3,985	4,057	4,075	4,126
Regulatory Services	984	1,022	1,069	1,039	1,109	1,119	1,159	1,154	1,217	1,188	1,239
Property Management, Amenities & Reserves	1,455	1,906	1,818	1,761	1,832	1,854	1,884	1,815	1,878	1,880	1,965
Roading & Urban Development	2,133	1,941	2,007	2,017	2,231	2,342	2,261	2,324	2,497	2,496	2,559
Water	0	0	0	0	0	0	0	0	0	0	0
Solid Waste	337	272	272	268	298	322	270	267	268	263	263
Wastewater	0	0	0	0	0	0	0	0	0	0	0
In House Professional Services	(28)	(11)	(9)	(17)	(10)	8	1	(1)	4	(7)	(13)
Airport	84	84	106	81	79	82	76	79	67	56	44
Stormwater	498	499	523	531	547	556	570	579	595	591	596
	10,594	11,072	11,211	11,220	11,594	11,885	11,905	11,908	12,332	12,437	12,556
Less:											
Investment Income	(1,220)	(1,343)	(1,366)	(1,322)	(1,345)	(1,347)	(1,356)	(1,345)	(1,355)	(1,339)	(1,341)
Other Income - Dividends	(910)	(1,200)	(1,000)	(1,100)	(1,100)	(1,100)	(1,200)	(1,200)	(1,200)	(1,250)	(1,250)
	(2,130)	(2,543)	(2,366)	(2,422)	(2,445)	(2,447)	(2,556)	(2,545)	(2,555)	(2,589)	(2,591)
Rates Penalties	(150)	(150)	(150)	(160)	(160)	(160)	(170)	(170)	(170)	(180)	(180)
Total General Rates Requirement	8,314	8,379	8,694	8,638	8,989	9,278	9,179	9,193	9,607	9,668	9,785

NOTE 2: TARGETED RATES

	AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
Water	2,427	2,632	2,741	2,879	2,952	3,024	3,066	3,105	3,149	3,196	3,267
Solid Waste	654	627	653	654	680	716	734	736	747	760	792
Wastewater	2,436	2,606	2,638	2,720	2,833	2,889	2,946	3,009	3,047	3,085	3,148
Community Services	0	0	0	0	0	0	0	0	0	0	0
Total Targeted Rates	5,517	5,866	6,032	6,253	6,465	6,629	6,746	6,850	6,944	7,041	7,207

NOTE 3: SUBSIDIES AND GRANTS

	AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
Amenities & Reserves	200	200	0	0	0	0	0	0	0	0	0
Community Services	456	456	456	456	256	56	56	56	56	56	56
Roading & Urban Development	3,346	3,244	3,352	3,464	2,448	2,446	2,630	2,688	2,641	2,773	2,850
Water	403	401	0	0	0	0	0	0	0	0	0
Solid Waste	37	42	43	44	45	46	47	48	49	50	51
Total Subsidies and Grants	4,442	4,342	3,851	3,964	2,749	2,547	2,732	2,792	2,746	2,879	2,957

NOTE 4: FEES AND CHARGES

	AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
Democracy	0	0	41	0	0	43	0	0	47	0	0
Community Services	551	346	353	360	367	375	384	393	402	412	423
Regulatory Services	894	880	898	916	935	956	978	1,000	1,024	1,050	1,076
Property Management, Amenities & Reserves	1,229	1,442	1,475	1,504	1,536	1,569	1,605	1,642	1,682	1,724	1,767
Roading & Urban Development	150	150	153	157	160	164	168	172	177	182	187
Water	0	0	0	0	0	0	0	0	0	0	0
Solid Waste	89	95	97	99	101	103	106	108	111	113	116
Wastewater	5	5	5	5	6	6	6	6	6	6	6
Support Activities	74	67	68	70	71	73	74	76	78	80	82
In House Professional Services	0	0	0	0	0	0	0	0	0	0	0
Stormwater	5	5	5	5	5	5	5	5	6	6	6
Airport	94	100	102	104	106	109	111	114	117	120	123
Total Fees and Charges	3,091	3,090	3,197	3,219	3,287	3,403	3,437	3,517	3,648	3,692	3,785

NOTE 5: INVESTMENT INCOME

	AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
Interest, Dividends & Subventions	1,220	1,343	1,366	1,322	1,345	1,347	1,356	1,345	1,355	1,339	1,341
less Internal Interest	(584)	(587)	(546)	(503)	(460)	(414)	(365)	(316)	(264)	(210)	(154)
Total Investment Income	636	756	821	819	886	933	991	1,029	1,091	1,129	1,187

NOTE 6: DEPRECIATION

	AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
Democracy	0	0	0	0	0	0	0	0	0	0	0
Community Services	320	264	257	232	222	212	182	173	175	181	186
Regulatory Services	26	28	23	19	25	22	29	30	30	27	23
Property Management, Amenities & Reserves	568	676	664	624	638	634	617	565	564	564	556
Roading & Urban Development	2,652	3,041	3,046	3,180	2,870	2,890	2,888	3,026	3,024	3,177	3,175
Water	626	939	959	1,016	1,026	1,084	1,094	1,158	1,167	1,239	1,249
Solid Waste	82	82	81	81	79	76	77	77	76	74	74
Wastewater	705	863	875	924	939	994	1,007	1,068	1,082	1,148	1,162
Support Services	205	251	247	220	236	274	259	265	266	270	273
In House Professional Services	11	8	10	10	13	19	23	23	23	24	20
Airport	57	54	62	54	55	54	51	46	43	29	21
Stormwater	210	249	251	264	266	280	282	297	299	316	318
Total Depreciation	5,462	6,453	6,476	6,625	6,368	6,540	6,508	6,727	6,750	7,049	7,059

NOTE 7: FINANCE COSTS

	AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
Interest Expenses	1,699	1,809	1,786	1,822	1,851	1,806	1,743	1,721	1,721	1,647	1,617
Less Internal Interest	(584)	(587)	(546)	(503)	(460)	(414)	(365)	(316)	(264)	(210)	(154)
Total Finance Costs	1,115	1,222	1,240	1,319	1,392	1,392	1,378	1,405	1,456	1,438	1,463

NOTE 8: OPERATING EXPENDITURE PER ACTIVITY

	AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
Democracy	1,238	1,210	1,326	1,364	1,279	1,423	1,460	1,393	1,469	1,571	1,447
Community Services	4,231	4,187	4,155	4,218	4,270	4,251	4,247	4,335	4,415	4,439	4,521
Regulatory Services	1,888	1,883	1,946	1,928	2,018	2,050	2,108	2,119	2,205	2,196	2,271
Property Management, Amenities & Reserves	3,071	3,732	3,842	3,741	3,845	3,930	4,021	3,922	3,975	4,025	4,187
Roading & Urban Development	6,441	6,655	7,873	7,005	6,236	6,333	6,400	6,625	6,712	6,955	7,052
Water	2,508	2,951	2,817	2,891	2,939	3,016	3,053	3,134	3,179	3,265	3,318
Solid Waste	1,115	1,045	1,059	1,072	1,122	1,164	1,131	1,148	1,171	1,187	1,211
Wastewater	2,193	2,326	2,347	2,403	2,441	2,504	2,530	2,596	2,628	2,696	2,727
Support Services	4,535	4,487	4,729	4,582	4,801	5,007	5,032	5,044	5,260	5,199	5,338
In House Professional Services	779	904	922	932	957	995	1,008	1,027	1,055	1,067	1,085
Airport	178	184	208	186	185	191	187	193	183	176	166
Stormwater	484	521	536	550	560	575	583	599	609	626	637
	28,661	30,085	31,760	30,869	30,654	31,440	31,761	32,134	32,860	33,402	33,961
Less:											
PLUS Writeoff of Assets	350	501	512	525	22,038	555	572	590	609	630	653
LESS Internal Interest	(584)	(587)	(546)	(503)	(460)	(414)	(365)	(316)	(264)	(210)	(154)
LESS Internal Recoveries	(5,343)	(5,056)	(5,310)	(5,235)	(5,425)	(5,701)	(5,688)	(5,775)	(5,929)	(5,969)	(6,051)
Total Operating Expenditure	23,084	24,943	26,416	25,656	46,807	25,880	26,280	26,633	27,276	27,853	28,409

NOTE 9: INTERNAL RECOVERIES

	AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
Community Services	0	0	0	0	0	0	0	0	0	0	0
Regulatory Services	0	0	0	0	0	0	0	0	0	0	0
Amenities and Reserves	373	406	478	464	472	504	505	504	485	509	488
Support	4,163	3,734	3,901	3,822	3,986	4,211	4,177	4,243	4,393	4,386	4,464
In House Professional Services	807	915	932	949	967	987	1,007	1,028	1,051	1,074	1,099
Total Internal Recoveries	5,343	5,056	5,310	5,235	5,425	5,701	5,688	5,775	5,929	5,969	6,051

FORECAST STATEMENT OF CAPITAL EXPENDITURE

		AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
Support Services	Information Technology, Vehicle Replacement	168	240	124	80	1,018	130	363	153	104	211	162
Regulatory Services	Vehicle Replacement, Rural Fire Equipment	39	2	0	31	32	38	67	0	35	0	79
Community Services	Urban Streetscape Vision 2010 Projects	60	0	0	0	0	0	0	0	0	0	0
	Theatres, Recreation Facilities and Libraries	162	112	104	226	108	111	113	116	118	121	124
	Promotion & Development	0	0	0	0	0	0	0	0	0	0	0
Amenties and Reserves	Reserves, Playgrounds and Camping Grounds	133	274	268	117	120	68	70	71	119	75	77
	Cemeteries	8	20	9	66	9	0	9	0	10	0	10
	Council Properties and Buildings, Public Toilets	516	1,189	1,428	1,575	53	68	96	57	58	63	105
	Housing for the Elderly	3	26	132	52	11	41	8	27	37	16	9
Roading	Roading	1,616	1,467	1,499	1,532	1,185	1,213	1,243	1,274	1,307	1,342	1,380
	Footpaths, Security Cameras, Street Banners	221	218	222	227	232	238	244	250	256	263	271
Solid Waste	Contracted Refuse (litter bins & transfer stn)	138	35	30	8	8	8	8	8	9	9	9
Sewerage	Westport Sewer	416	724	704	699	876	826	758	813	786	805	824
	Reefton Sewer	161	166	169	173	283	180	184	244	193	198	203
	Little Wanganui Sewer	39	2	27	22	28	2	29	2	42	2	35
Water	Westport Water	2,761	704	619	687	650	720	659	733	727	770	727
	Reefton Water	143	195	138	163	145	148	152	156	160	164	169
	District Water Supplies	593	702	19	56	20	20	21	21	22	22	23
Stormwater	Stormwater Upgrades and Replacements	205	355	211	216	221	226	232	237	243	249	255
PSBU	Vehicle Replacement	5	0	36	5	32	38	0	45	0	36	0
Airport	Rock wall and Runway replacement	5	531	10	5	41	0	0	0	0	0	298
Total Capital Expenditure		7,390	6,959	5,749	5,938	5,072	4,076	4,256	4,208	4,227	4,346	4,761

FORECAST FUNDING IMPACT STATEMENT

Note: small movements to the indicative rates stated in this document may occur as the Rating Information Database changes to 30 June 2018 will be reflected in the final rates resolution.
(all figures in this policy are GST exclusive)

1. GENERAL RATES

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

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

1.1 General (Differential) Land Rate

The general rate is set and assessed on the land value of all rateable land in the district, on a differential basis based on location, area, land use, and the activities that are permitted, controlled or discretionary for the area in which the land is situated as per the District Plan. The definition of the differential categories is set out in Part 5 of this Funding Impact Statement.

Table 1 – Differentials (general rates exclusive of GST)

General Rate Differential Categories	Percentage of General Rates	General Rate (Cents per \$ Land Value)
Residential 101	0.927%	0.33243
Residential 102	0.181%	0.26111
Residential 103	0.648%	0.35362
Residential 104	0.811%	0.34332
Residential 105	0.354%	0.24092
Residential 106	18.887%	1.05408
Residential 107	1.438%	0.84453
Residential 108	1.124%	0.67074
Residential 109	0.616%	0.58232
Residential 110	0.495%	0.61896
Residential 111	0.215%	0.20517
Residential 112	0.570%	0.41508
Residential 113	0.392%	0.39824
Residential 114	1.042%	0.46216
Residential 115	2.553%	0.73916
Multi Residential 121	0.016%	1.04726

General Rate Differential Categories	Percentage of General Rates	General Rate (Cents per \$ Land Value)
Multi Residential 122	0.008%	0.66885
Multi Residential 123	1.441%	2.32966
Multi Residential 124	0.062%	2.28365
Multi Residential 125	0.132%	1.22309
Multi Residential 126	0.155%	1.79772
Commercial 131	0.899%	1.61887
Commercial 132	0.249%	0.95863
Commercial 133	1.758%	2.63051
Commercial 134	9.821%	3.62643
Commercial 135	0.125%	1.66450
Commercial 136	0.304%	0.77407
Commercial 138	0.019%	0.13994
Commercial 139	1.189%	0.97712
Commercial 140	0.951%	1.55768
Rural 141	18.592%	0.19639
Rural 142	1.215%	0.19054
Rural 143	3.786%	0.15677
Rural Residential 151	4.205%	0.39716
Rural Residential 152	3.059%	0.36290
Rural Small Holding 161	1.527%	0.27392
Rural Small Holding 162	0.110%	0.16369
Rural Small Holding 163	0.218%	0.20740
Rural Small Holding 164	0.050%	0.09407
Industrial 171	2.928%	6.63283
Industrial 172	9.701%	5.89775
Industrial 173	5.119%	1.66091
Industrial 174	2.107%	12.40834
100.0%		

1.2 Uniform Annual General Charge (UAGC)

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

The Uniform Annual General Charge will be \$426.09 (exclusive of GST) per rating unit.

Expected Yield (Collect)

The expected collect from the general (differential) rate is calculated to be \$5,625,997 (excluding GST), and the expected collect from the uniform annual general charge is calculated to be \$2,752,948 (excluding GST), a total of \$8,378,945.

2. WATER

Targeted water supply rates are set for each rating unit connected, or able to be connected within certain scheme areas. The rates are set on a per rating unit basis with a differential applied for each rate based on the use of the rating unit and the number of connections.

A 'connection' is defined as a rating unit, or each separately used or inhabited portion (SUIP) of a rating unit, which is connected to the water supply in any scheme area, whether the connection is from the main supply line, or from any other line that is connected to the main supply.

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

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

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

Table 2 – Unit rates

Water Supply Scheme Rates	Differential category (refers to use by number of connections)	Differential Factor	Targeted Rate
			(GST excl)
Westport - Multi-residential only			
	1-2	1.00	\$740.00
	3	1.70	\$1,258.00
	4	2.30	\$1,702.00
	5	2.80	\$2,072.00
	6	3.20	\$2,368.00
	7	3.60	\$2,664.00
	8	4.00	\$2,960.00
	9	4.40	\$3,256.00

Water Supply Scheme Rates	Differential category (refers to use by number of connections)	Differential Factor	Targeted Rate
			(GST excl)
	10	4.80	\$3,552.00
	11	5.20	\$3,848.00
	12	5.60	\$4,144.00

Westport - all other rating sectors

	1	1.00	\$740.00
	2	1.70	\$1,258.00
	3	2.30	\$1,702.00
	4	2.80	\$2,072.00
	5	3.20	\$2,368.00
	6	3.60	\$2,664.00
	7	4.00	\$2,960.00
	8	4.40	\$3,256.00
	9	4.80	\$3,552.00
	10	5.20	\$3,848.00
	11	5.60	\$4,144.00
	12	6.00	\$4,440.00

Reefton - Multi-residential only

	1-2	1.00	\$550.43
	3	1.70	\$935.73
	4	2.30	\$1,265.99
	5	2.80	\$1,541.20
	6	3.20	\$1,761.38
	7	3.60	\$1,981.55
	8	4.00	\$2,201.72
	9	4.40	\$2,421.89
	10	4.80	\$2,642.06
	11	5.20	\$2,862.24
	12	5.60	\$3,082.41

Reefton - all other rating sectors

	1	1.00	\$550.43
	2	1.70	\$935.73

Water Supply Scheme Rates	Differential category (refers to use by number of connections)	Differential Factor	Targeted Rate (GST excl)
	3	2.30	\$1,265.99
	4	2.80	\$1,541.20
	5	3.20	\$1,761.38
	6	3.60	\$1,981.55
	7	4.00	\$2,201.72
	8	4.40	\$2,421.89
	9	4.80	\$2,642.06
	10	5.20	\$2,862.24
	11	5.60	\$3,082.41
	12	6.00	\$3,302.58
Reefton - major users			
1905006101	1+	2.00	\$1,100.86
1905023800	1+	2.00	\$1,100.86
1905043500	1+	2.00	\$1,100.86
1905044200	1+	2.00	\$1,100.86
1905050000	1+	2.00	\$1,100.86
1905036800	1+	40.00	\$22,017.20
Mokihinui			
Connected (excluding major users)	1	1.00	\$260.00
Major users*	1+	8.00	\$2,080.00
Ngakawau Hector			
Connected (excluding major users)	1	1.00	\$310.43
Major users*	1+	20.00	\$6,208.60
Waimangaroa			
Connected (excluding major users)	1	1.00	\$370.43
Major users*	1+	3.00	\$1,111.29
Punakaiki			
Connected	1	1.00	\$900.00

Water Supply Scheme Rates	Differential category (refers to use by number of connections)	Differential Factor	Targeted Rate (GST excl)
Serviceable	1	0.50	\$450.00
Little Wanganui			
Connected (excluding major users)	1	1.00	\$220.00
Serviceable	1	0.50	\$110.00
Major users*	1+	15.00	\$3,300.00
Inangahua Junction			
Connected (excluding major users)	1	1.00	\$500.00
Serviceable	1	0.50	\$250.00
Major users*	1+	3.00	\$1,500.00
Granity South			
Connected	1	1.00	\$240.00

* Definition of major users differential categories (for other than Reefton)

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

2.1 Metered Water Supplies

2.1.1 Cape Foulwind Rural Water Supply

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

2.1.2 Westport Metered Water Supply

The Council sets two rates for Westport Metered Water Supply.

A targeted rate is set for each connection to the Westport water supply through a meter. The rate is set as a fixed amount per connection of \$740.00 (exclusive of GST).

Each metered supply is then charged at a rate of \$1.90 (exclusive of GST) per cubic metre (m³) for consumption over 400m³ per connection per annum.

2.1.3 Reefton Metered Water Supplies

Council is considering options to introduce metered water supply for extraordinary users.

2.2 Punakaiki Water Supply

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

The rate is set on a differential basis, based on use of the rating unit. The rate for differential factor 1.0 is \$900.00 (excluding GST).

Table 2.2A – General description of differential categories and differential factor

Differential category	Differential factor	Targeted Rate (GST Exclusive)
(A) Section only	0.5	\$450.00
(B) Single residential dwelling	1.0	\$900.00
(C) Department Of Conservation Depot	1.0	\$900.00
(D) Two residential dwellings or a residential dwelling and lodge, on one rating unit	2.0	\$1,800.00
(E) Motel complex of more than 4 units	2.0	\$1,800.00
(F) Three residential dwellings on one rating unit	3.0	\$2,700.00
(G) Hostel (backpackers)	4.0	\$3,600.00
(H) Tavern, motel complex, and dwelling	6.0	\$5,400.00
(I) Camping ground	11.0	\$9,900.00

Table 2.2B – Categorisation of each property

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

Category	Valuation reference(s)
(A)	1886029000, 1886029001, 1886029003, 1886029007, 1886029013, 1886029015, 1886029019, 1886029029, 1886029030
(B)	1886016900, 1886016901, 1886017000, 1886017100, 1886017101, 1886017200, 1886017201, 1886017300, 1886017400, 1886017500, 1886017700, 1886017701, 1886017800, 1886017900, 1886018000, 1886018400, 1886018500, 1886018600, 1886018700, 1886018900, 1886019200, 1886019201, 1886019400, 1886019500, 1886019600, 1886019700, 1886019800, 1886019900, 1886028700, 1886028900, 1886029002, 1886029004, 1886029006, 1886029008, 1886029009, 1886029010, 1886029012, 1886029014, 1886029017, 1886029018, 1886029020, 1886029025, 1886029026, 1886029031, 1886029033, 1886029034, 1886029035, 1886029036, 1886031601, 1886031602, 1886031604, 1886031607, 1886031610, 1886031611, 1886031614, 1886031615
(C)	1886018001
(D)	1886029021, 1886029028, 1886031609
(E)	1886019000
(F)	1886029023
(G)	1886018100
(H)	1886031616
(I)	1886031200

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

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

Expected Yield (Collect)

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

Water supply area	Collect
Little Wanganui Subdivision	\$16,874
Mokihinui	\$12,220
Ngakawau-Hector	\$54,326
South Granity	\$5,520
Waimangaroa	\$54,083
Westport	\$2,011,024
Reefton	\$369,177
Punakaiki	\$82,350
Inangahua Junction	\$15,750
Cape Foulwind	\$53,736

3. SEWAGE DISPOSAL

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

The rates are set on the number of connections, with a differential applied for each rate based on the use of the rating unit.

A 'connection' is defined as a rating unit, or each separately used or inhabited portion (SUIP) of a rating unit, which is connected to the disposal line in any scheme area, whether the connection is to the main disposal line, or from any other line that is connected to the main disposal line.

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

For the Westport and Reefton, only connected rating units are rated (there is no differential for serviceable rating units) with the exception of those rating units able to be connected to the Orowaiti sewerage upgrade to the Westport Scheme. These rating units, although serviceable, shall pay the full service charge(s) applicable to that scheme.

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

Table 3 – Unit rates

Sewerage Scheme rates	Differential category (refers to use by number of connections)	Differential factor	Targeted Rate (GST excl)
Westport and Carters Beach - multi-residential only			
	1-2	1.00	\$880.00
	3	1.70	\$1,496.00
	4	2.30	\$2,024.00
	5	2.80	\$2,464.00
	6	3.20	\$2,816.00
	7	3.60	\$3,168.00
	8	4.00	\$3,520.00
	9	4.40	\$3,872.00
	10	4.80	\$4,224.00
	11	5.20	\$4,576.00
	12	5.60	\$4,928.00
Westport and Carters Beach - all other rating sectors			
	1	1.00	\$880.00
	2	1.70	\$1,496.00
	3	2.30	\$2,024.00
	4	2.80	\$2,464.00
	5	3.20	\$2,816.00
	6	3.60	\$3,168.00
	7	4.00	\$3,520.00
	8	4.40	\$3,872.00
	9	4.80	\$4,224.00
	10	5.20	\$4,576.00
	11	5.60	\$4,928.00
	12	6.00	\$5,280.00
Reefton - multi-residential only			
	1-2	1.00	\$580.00
	3	1.70	\$986.00
	4	2.30	\$1,334.00

Sewerage Scheme rates	Differential category (refers to use by number of connections)	Differential factor	Targeted Rate (GST excl)
	5	2.80	\$1,624.00
	6	3.20	\$1,856.00
	7	3.60	\$2,088.00
	8	4.00	\$2,320.00
	9	4.40	\$2,552.00
	10	4.80	\$2,784.00
	11	5.20	\$3,016.00
	12	5.60	\$3,248.00

Reefton - all other rating sectors

	1	1.00	\$580.00
	2	1.70	\$986.00
	3	2.30	\$1,334.00
	4	2.80	\$1,624.00
	5	3.20	\$1,856.00
	6	3.60	\$2,088.00
	7	4.00	\$2,320.00
	8	4.40	\$2,552.00
	9	4.80	\$2,784.00
	10	5.20	\$3,016.00
	11	5.60	\$3,248.00
	12	6.00	\$3,480.00

Little Wanganui

Connected	1	1.00	\$630.43
Serviceable	1	0.50	\$315.22

Expected Yield (Collect)

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

Sewerage Area	Collect
Little Wanganui Subdivision	\$38,267
Westport	\$2,214,256
Reefton	\$337,212

4. WASTE MANAGEMENT (FORMERLY REFUSE & RECYCLING)

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

The localities of these zones are:

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

The levels of service for each are:

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

4.1 Waste Management - Zone 1

The cost of providing recycling and refuse collection is recovered from those properties that receive the service, in the form of a targeted annual waste management rate of a fixed amount per set of two bins (one wheelie bin and one basket) delivered to those properties within the Zone 1 area. Thus, any property that has been delivered more than one set of bins, is deemed to be receiving the service for each of those sets of bins, and shall be liable for the fixed amount for each set of bins delivered to the property.

The bins are used for the fortnightly recycling collection, while bags are available for purchase at various district outlets for the use of weekly refuse collection. The annual waste management rate for Zone 1 will be \$114.78 per set of two bins (excluding GST).

4.2 Waste Management - Zone 2

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

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

4.3 Waste Management - Zone 3

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

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

Expected Yield (Collect)

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

Waste Management Area	Collect
Zone 1	\$571,273
Zone 2	\$46,955
Zone 3	\$9,374

Lump sum contributions:

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

5. DIFFERENTIAL CATEGORIES

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

Also note that subject to the rights of objection to the rating information database set out in Section 29 of the Local Government (Rating) Act 2002, the Council is the sole determiner of the categories applied to a rating unit.

Residential Categories:

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

Residential 101

- includes residential rating units, or parts of rating units, within the valuation rolls numbered 18780 (but excluding the Little Wanganui Subdivision); 18800 (but excluding the township of Granity); 18820; 18830 (but excluding the townships of Waimangaroa and Conns Creek); 18840 (but excluding the settlement of Snodgrass, and those properties in the greater Westport area to the west of the Orowaiti River); 19000; 19010; 19040; 19080; and 19081.

Residential 102

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

Residential 103

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

Residential 104

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

Residential 105

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

Residential 106

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

Residential 107

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

Residential 108

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

Residential 109

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

Residential 110

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

Residential 111

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

Residential 112

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

Residential 113

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

Residential 114

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

Residential 115

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

Multi Residential:

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

Multi Residential 121

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

Multi Residential 122

- includes the rating unit under valuation reference 1878037247.

Multi Residential 123

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

Multi Residential 124

- includes those rating units within the valuation roll numbered 18860.

Multi Residential 125

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

Multi Residential 126

- includes those multi-residential rating units within the valuation roll numbered 19050.

Commercial:

Rating units, or portions of rating units, used primarily for, or able to be used in terms of the District Plan for, carrying out a commercial or trading enterprise, including retail and/or wholesale, community, personal, business and repair services, offices, hotels, motels, camps and air transport.

Commercial 131

- includes commercial rating units, or parts of rating units, within the valuation rolls numbered 18780; 18820; 19000; 19010; 19040; 19080; and 19081; and those rating units under valuation references 1884018600 and 1884018701.

Commercial 132

- includes commercial rating units, or parts of rating units, within the valuation rolls numbered 18790; 18800; 18810; 18830, and those rating units under valuation references 2000074765, and 2000075336.

Commercial 133

- includes commercial rating units, or parts of rating units, within the valuation rolls numbered 18840 (excluding 1884018600 and 1884018701); 18960; and 18970; and those rating units under valuation references 1895021600, 1895032100, 2000076417, and 2000081373.

Commercial 134

- includes commercial rating units, or parts of rating units, within the valuation roll numbered 18950 (excluding 1895009100, 1895021600 and 1895032100), and 2000081380.

Commercial 135

- includes the rating unit under valuation references 1885002400BB, 1885002600, and 1885022400.

Commercial 136

- includes commercial rating units, or parts of rating units, within the valuation roll numbered 18850 (excluding 1885002400BB, 1885002600, and 1885022400).

Commercial 138

- includes commercial rating units within the valuation roll 18860, north of the Fox River.

Commercial 139

- includes commercial rating units within the valuation roll 18860, south of the Fox River.

Commercial 140

- includes commercial rating units, or parts of rating units, within the valuation roll numbered 19050.

Rural:

Properties being 10 hectares or greater, used exclusively or principally for agricultural, horticultural, and/or pastoral purposes, including forestry, or vacant land that is able to be used for such purposes in terms of the District Plan.

Rural 141

- includes rural rating units, or parts of rating units, within the valuation rolls numbered 18780; 18810; 18820; 18830; 18840; 18950; 18960; 18970; 19000; 19010; 19040; 19050; 19080; and 19081.

Rural 142

- includes rural rating units, or parts of rating units, within the valuation rolls numbered 18790; and 18800.

Rural 143

- includes rural rating units, or parts of rating units, within the valuation rolls numbered 18850; and 18860.

Rural Residential:

Properties being greater than 4,000 square metres but less than 4 hectares, primarily used for the purpose of residential living.

Rural Residential 151

- includes rural residential rating units, or parts of rating units, within the valuation rolls numbered 18780; 18810; 18820; 18830; 18840; 18950; 18960; 18970; 19000; 19010; 19040; 19050; 19080; and 19081.

Rural Residential 152

- includes rural residential rating units, or parts of rating units, within the valuation rolls numbered 18790; 18800; 18850; and 18860.

Rural Small Holding:

Properties being greater than 4 hectares but less than 10 hectares, used exclusively or principally for agricultural, horticultural and/or pastoral purposes, including forestry.

Rural Small Holding 161

- includes rural small holding rating units, or parts of rating units, within the valuation rolls numbered 18780; 18810; 18820; 18830; 18840; 18850; 18950; 18960; 18970; 19000; 19010; 19040; 19050; 19080; and 19081.

Rural Small Holding 162

- includes rural small holding rating units, or parts of rating units, within the valuation rolls numbered 18790; and 18800.

Rural Small Holding 163

- includes rural small holding rating units, or parts of rating units, within the valuation roll numbered 18860 (but excluding those units within the valuation reference ranges 1886003000 to 1886003600 and 1886023800 to 1886027700).

Rural Small Holding 164

- includes rural small holding rating units, or parts of rating units, within the valuation reference ranges of 1886003000 to 1886003600 and 1886023800 to 1886027700.

Industrial Clay-Cement

Properties used primarily in the extraction of lime or clay, and/or used, or able to be used, in the manufacture, storage, and/or distribution of cement.

Industrial 171

- includes those industrial rating units, or parts of rating units, that fall within the definition of Industrial Clay-Cement above.

Industrial Coal:

Properties used primarily in the extraction, storage, and/or distribution of coal.

Industrial 172

- includes those industrial rating units, or parts of rating units, that fall within the definition of Industrial Coal above.

Industrial Other:

Properties used primarily in the following, as well as all associated land and buildings related to:

- storage sites (except those associated with the three other industrial categories);
- transport (road, rail, sea), excepting those properties defined as Industrial Harbour;
- utility services (communications, electricity, gas, water, sanitation);
- the manufacture of food, drink, and tobacco;
- the processing of textiles, leather, and fur;
- the processing of timber products, including manufacturing and storage sites (ie sawmills and timber yards, wooden articles of manufacture such as furniture)
- all other types of mining, not included in the sectors defined as Industrial Clay-Cement or Industrial Coal;
- engineering, metalwork appliances, and machinery works;
- chemicals, plastics, rubber, and paper manufacture;
- other manufacturing industries not defined above;
- depots and yards of contractors, central and local government; demolition, and fumigation and pest control firms; and
- vacant land designated for the primary purpose of industrial use

Industrial 173

- includes those industrial rating units, or parts of rating units, that fall within the definition of Industrial Other above.

Industrial Harbour

- properties used for harbour and associated activities.

Industrial 174

- includes those industrial rating units, or parts of rating units, that fall within the definition of Industrial Harbour above.

6. SUIP (SEPARATELY USED OR INHABITED PART) OF A RATING UNIT – DEFINITION

A separately used or inhabited part of a rating unit includes:

- any part or parts of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement, or
- any part or parts of a rating unit that is/are used or occupied by the ratepayer for more than one single use.

Examples of separately used or inhabited parts of a rating unit include:

- A residential property that contains two or more separately occupiable units, flats or houses, each of which is separately inhabited or is capable of separate habitation.
- A commercial, or other non-residential property containing separate residential accommodation in addition to its commercial, farming or other primary use.
- A commercial premise that contains separate shops, kiosks or other retail or wholesale outlets, each of which is operated as a separate business or is capable of operation as a separate business.
- An office block which contains several sets of offices, each of which is used by a different business or which is capable of operation as separate businesses.

Council recognises that there are certain instances where the above situations will occur, but in circumstances that do not give rise to separate uses or inhabitations. These specific instances are:

- Where a business, farm, orchard, vineyard or horticultural operation contains accommodation on a rent-free basis for the owner, staff or share-milkers associated with the enterprise's productive operation.
- Where a residential property contains not more than one additional separately inhabited part, or where members of the owners family inhabit the separate part on a rent-free basis.
- Where an orchard, vineyard or horticultural operation contains a stall for the sale of goods produced solely by the operation.

FUNDING IMPACT STATEMENT: BULLER DISTRICT COUNCIL

AP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------

Operating Funding

Sources of Operating Funding

General rates, Uniform Annual General Charge, Rates penalties	8,314	8,379	8,694	8,638	8,989	9,278	9,179	9,193	9,607	9,668	9,785
Targeted rates	5,517	5,866	6,032	6,253	6,465	6,629	6,746	6,850	6,944	7,041	7,207
Subsidies and grants for operating purposes	2,249	2,239	2,314	2,391	1,791	1,833	1,877	1,923	1,973	2,025	2,081
Fees and charges	204	204	209	214	219	224	230	236	242	248	255
Interest and dividends from investments	1,546	1,956	1,821	1,919	1,986	2,033	2,191	2,229	2,291	2,379	2,437
Local authorities fuel tax, fines, infringements fees and other receipts	3,241	3,240	3,347	3,379	3,447	3,563	3,607	3,687	3,818	3,872	3,965
Total Operating Funding A	21,071	21,885	22,417	22,793	22,897	23,561	23,831	24,118	24,875	25,234	25,730

Applications of Operating Funding

Payments to suppliers and staff	15,590	16,127	17,604	16,602	16,354	16,737	17,166	17,254	17,803	18,077	18,575
Finance costs	1,115	1,222	1,240	1,319	1,392	1,392	1,378	1,405	1,456	1,438	1,463
Other operating funding applications	567	640	584	585	656	656	657	657	658	659	660
Total Applications of Operating Funding B	17,272	17,990	19,428	18,506	18,401	18,785	19,200	19,317	19,918	20,174	20,697
Surplus/ (deficit) of Operating Funding A-B	3,799	3,895	2,989	4,287	4,496	4,776	4,630	4,801	4,957	5,060	5,032

Capital Funding

Sources of Capital Funding

Subsidies and grants for capital expenditure	1,758	1,668	1,102	1,138	723	679	820	834	739	819	842
Development and financial contributions	105	50	51	52	53	27	28	28	29	30	31
Increase/(decrease) in debt	2,478	339	1,682	750	508	(341)	(358)	571	1,124	(411)	410
Gross proceeds from sale of assets	100	1,250	51	52	53	54	56	57	58	60	61
Lump sum contributions	435	435	435	435	235	35	35	35	35	35	35
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total Sources of Capital Funding C	4,876	3,742	3,321	2,426	1,572	454	581	1,525	1,985	532	1,378

Capital Expenditure

- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	2,798	2,133	1,070	1,046	640	645	670	677	704	711	740
- to replace existing assets	4,427	4,826	4,679	4,892	4,432	3,431	3,586	3,531	3,523	3,635	4,021
Increase/ (decrease) in reserves	1,315	(573)	510	723	943	1,100	900	1,116	1,140	1,186	748
Increase/ (decrease) in investments	135	1,250	51	52	53	54	56	1,003	1,575	60	902
Total applications of Capital Funding D	8,675	7,636	6,310	6,713	6,068	5,230	5,211	6,326	6,942	5,592	6,411
Surplus/ (deficit) of Capital Funding C-D	(3,799)	(3,895)	(2,989)	(4,287)	(4,496)	(4,776)	(4,630)	(4,801)	(4,957)	(5,060)	(5,032)
Funding Balance ((A-B)+(C-D))	0	0	0	0	0	0	0	0	0	0	0

2018/19 RATING EXAMPLES (WITH COMPARISONS TO PREVIOUS YEARS)

SECTOR Location	Res 101 Karamea	Res 103 Little Wanganui	Res 103 Mokihinui	Res 103 Seddonville	Res 104 Hector	Res 104 Waimangaroa
Land Value	\$43,000	\$57,000	\$76,000	\$32,000	\$48,000	\$40,000
General Rates	142.94	201.57	268.75	113.16	164.79	137.33
UAGC	426.09	426.09	426.09	426.09	426.09	426.09
Targeted Water Rate	0	220.00	260.00	0	310.43	370.43
Targeted Sewer Disposal Rate	0	630.43	0	0	0	0
Targeted Solid Waste Rate	85.22	85.22	114.78	114.78	114.78	114.78
Net rates	\$654.25	\$1,563.30	\$1,069.62	\$654.03	\$1,016.10	\$1,048.63
GST	\$98.14	\$234.50	\$160.44	\$98.10	\$152.41	\$157.29
Total rates	\$752.39	\$1,797.80	\$1,230.07	\$752.13	\$1,168.51	\$1,205.92
Comparison to Previous Year	\$729.36	\$1,745.36	\$1,220.15	\$754.33	\$1,170.33	\$1,184.94
% Change	3.16%	3.00%	0.81%	(0.29%)	(0.16%)	1.77%

SECTOR Location	Res 106 Westport (Brougham)	Res 106 Westport (Russell)	Res 108 Carters Beach	Res 113 Charleston	Res 114 Punakaiki	Res 101 Ikamatua
Land Value	\$60,000	\$54,000	\$76,000	\$80,000	\$180,000	\$41,000
General Rates	632.45	569.21	509.76	318.59	831.89	136.30
UAGC	426.09	426.09	426.09	426.09	426.09	426.09
Targeted Water Rate	740.00	740.00	740.00	0	900.00	0
Targeted Sewer Disposal Rate	880.00	880.00	880.00	0	0	0
Targeted Solid Waste Rate	114.78	114.78	114.78	114.78	114.78	114.78
Net rates	\$2,793.32	\$2,730.07	\$2,670.63	\$859.46	\$2,272.76	\$677.17
GST	\$419.00	\$409.51	\$400.59	\$128.92	\$340.91	\$101.57
Total rates	\$3,212.32	\$3,139.59	\$3,071.23	\$988.38	\$2,613.67	\$778.74
Comparison to Previous Year	\$3,072.80	\$3,000.52	\$2,932.58	\$989.10	\$2,449.73	\$780.77
% Change	4.54%	4.63%	4.73%	(0.07%)	6.69%	(0.26%)

KEY: Res (Residential) Com (Commercial) RR (Rural Residential) Rur (Rural)

SECTOR Location	Res 115 Reefton	Res 101 Springs Junction	Com 131 Karamea	Com 134 Westport	Com 140 Reefton	Rur 141 Karamea
Land Value	\$29,000	\$35,000	\$90,000	\$180,000	\$78,000	\$810,000
General Rates	214.36	116.35	1,456.99	6,527.57	1,214.99	1,590.77
UAGC	426.09	426.09	426.09	426.09	426.09	426.09
Targeted Water Rate	550.43	0	0	740.00	550.43	0
Targeted Sewer Disposal Rate	580.00	0	0	880.00	580.00	0
Targeted Solid Waste Rate	114.78	85.22	85.22	114.78	114.78	85.22
Net rates	\$1,885.66	\$627.65	\$1,968.29	\$8,688.44	\$2,886.29	\$2,102.07
GST	\$282.85	\$94.15	\$295.24	\$1,303.27	\$432.94	\$315.31
Total rates	\$2,168.51	\$721.80	\$2,263.53	\$9,991.70	\$3,319.24	\$2,417.39
Comparison to Previous Year	\$2,112.98	\$732.97	\$2,231.13	\$9,810.08	\$3,256.56	\$2,384.02
% Change	2.63%	(1.52%)	1.45%	1.85%	1.92%	1.40%

SECTOR Location	Rur 143 Cape Foulwind	Rur 141 Grey Valley	RR 151 Karamea	RR 152 Granity	RR 151 Fairdown	RR 152 Alma Road
Land Value	\$1,750,000	\$1,870,000	\$118,000	\$106,000	\$136,000	\$155,000
General Rates	2,743.42	3,672.52	468.64	384.68	540.13	562.50
UAGC	426.09	426.09	426.09	426.09	426.09	426.09
Targeted Water Rate	0	0	0	0	0	0
Targeted Sewer Disposal Rate	0	0	0	0	0	0
Targeted Solid Waste Rate	229.57	114.78	85.22	114.78	114.78	
Net rates	\$3,399.08	\$4,213.39	\$979.95	\$925.54	\$1,081.00	\$988.58
GST	\$509.86	\$632.01	\$146.99	\$138.83	\$162.15	\$148.29
Total rates	\$3,908.94	\$4,845.40	\$1,126.94	\$1,064.38	\$1,243.15	\$1,136.87
Comparison to Previous Year	\$3,900.35	\$4,822.17	\$1,101.59	\$1,064.63	\$1,242.30	\$1,127.85
% Change	0.22%	1.48%	2.30%	(0.02%)	0.07%	0.80%

KEY: Res (Residential) Com (Commercial) RR (Rural Residential) Rur (Rural)

ASSUMPTIONS

The Buller District Council Long Term Plan is based on a number of significant forecasting assumptions. These assumptions include assessments of a number of factors that might impact on Council and the community including a consideration of how the population may change over the next 10 years, funding of Council services, and the financial environment.

The assumptions are the best reasonable assessment based on current information, but actual results may differ and these differences could be large. Council has therefore, included an assessment of how likely the actual may vary from the assumptions and what impact the variances would have on Council and the community. These are overarching assumptions relating to Council's activities. In addition to these assumptions, activity specific assumptions are found within each of the activity sections.

Assumption	Description of Risk	Level of Uncertainty	Impact
1. Population growth:			
<p>In the prior Long Term Plan for 2015-2025, the Council assumed that the normally resident population as at 1 July 2015 would in the region of 10,000 persons and that there will be further declines in population to a base level of about 9,500 persons post the Holcim closure. It was expected that the normal resident population would stabilise and start to rise as coal prices begin to recover as the Districts economic diversity slowly expands. By the end of the 10 years covered by this plan population levels were expected to have recovered to about 10,500 persons.</p> <p>The March 2013 census recorded a total of 10,473 persons as being normally resident in the district.</p> <p>For the purposes of this Long Term Plan we have assumed that the normally resident population as at 1 July 2018 is in the region of 10,000 persons. This is post the Holcim and Reefton Globe Hill Mine closure and some rationalisation that has occurred in the mining sector. By the end of the 10 years covered by this plan we expect population levels to be relatively stable at around 9900 persons which is in line with Statistics NZ predictions.</p>	The recovery in population may take longer dependent on economic activity within the District.	Medium	Council will need to reassess the growth rates and whether its projects need to be brought forward or delayed as part of each year's Annual Plan or Long Term Plan
2. Inflation/Price Changes:			
<p>In preparing the Long Term Plan Council has utilised the inflation factors as provided by Business and Economic Research Limited (BERL) to be the inflation factors uses to escalate expenses.</p> <p>Refer to page 29.</p>	That inflation is higher or lower than predicted.	Medium to low	<p>There is likely to be some variation in the actual rates of inflation from those assumed and this will impact on the financial results of Council.</p> <p>If the variances are significant, Council may need to consider either increasing or decreasing rates and charges or the levels of services for activities. This would be considered through the Annual Plan process. Council plans to spend \$260 million in operating expenditure and \$50 million in capital over the term of the plan. A 1% movement in inflation could increase or decrease costs by an average of approximately \$321,000pa. There would also be an impact on debt levels.</p> <p>Escalation has been undertaken using the BERL indices.</p>

Assumption	Description of Risk	Level of Uncertainty	Impact
3. New Zealand Transport Agency Funding:			
<p>The New Zealand Transport Agency (NZTA) financial assistance rate provided to Councils roading programmes is currently 63% for Local Roads and 100% for assistance for the Karamea Highway which is a Special Purpose Road (SPR).</p> <p>NZTA advised Council that the FAR rate for local roads will be further increased by 1% each year for the next 3 years from 64% to 66% in year 2020/2021.</p> <p>At the same time the NZTA review requires all financial assistance for roading programmes to be judged in terms of the new One Network classifications.</p> <p>This Long Term Plan assumes that the local roads financial assistance rate will increase to 66% until the end of 2020/2021 financial year and then drop back to 61% for the 2021/2022 and it will continue at that rate for the rest of the term of the Long Term Plan. A similar assumption is made regarding the Special Purpose Road. The 100% financial assistance rate will continue until the end of the 2020/2021 year when the road will revert back to State Highway status for the rest of the Long Term Plan. The Long Term Plan also assumes that the present levels of service applied to the District's roads will not be materially different from any new levels established by the One Network classifications. The consequence of these assumptions is that (before inflation) the cost of roading to the ratepayer will be fairly stable.</p>	That the Government will reduce the subsidy available to Councils	Medium	<p>Any decrease in NZTA funding will require Council to make a decision of whether to increase funding from rates, reduce service levels, remove projects from the Long Term Plan or apply a mix of these options.</p> <p>This means levels of funding will not increase to take account of rising costs of providing the service. Therefore service levels in roading will reduce, this will be particularly evident in higher road roughness levels, maintenance of low volume rural roads and a reduction in vegetation control including mowing.</p>
4. Karamea Special Purpose Road			
<p>NZTA have indicated to the Buller District Council that it is proposed that the Karamea Special Purpose Road will lose its designation and revert from 100% subsidy to the Buller District Council's financial assistance rate of 66%, with a three year phase-in period.</p> <p>In examining the unquantifiable risk associated with the long term maintenance of the Karamea Special Purpose Road, the financial risks associated with this proposal are considered to be beyond the financial resources of Buller District Council's ratepayers to fund.</p> <p>At this stage we have assumed that the Karamea Highway revert back to State Highway status from 2021/2022.</p>	Financial assistance rate may reduce	High	<p>If the Karamea Highway does not revert back to a State Highway then the ratepayer may be required to fund a greater portion of maintenance and capital costs which could increase rates (estimated at \$300,000 in 2021/22).</p>

Assumption	Description of Risk	Level of Uncertainty	Impact
5 One Network Roding Classification			
<p>A joint initiative between the New Zealand Transport Agency and Local Government New Zealand has introduced a road classification system for all roads in New Zealand. The classification system aims:</p> <ul style="list-style-type: none"> to deliver similar driving experience across New Zealand. to support more consistent asset management across the Country. to make collaboration and prioritisation between those organisations responsible for the planning, delivery, operation and maintenance of the nation's roading network, leading to a more efficient and safer network and improved value for money. <p>This will introduce different levels of service across roads of different classification.</p> <p>Council has assumed that there will be no change in the levels of service currently provided.</p>	<p>Financial assistance rate may reduce depending on the levels of funding agreed to be provided by NZTA.</p>	<p>Medium</p>	<p>Council will be faced with two choices:</p> <ol style="list-style-type: none"> 1. Change the current level of service provided to that set by NZTA. 2. Fund the difference between the current service level and that proposed by NZTA from ratepayer contributions.
6. Useful lives of significant assets:			
<p>Council has made a number of assumptions about the useful life of its assets. These assumptions affect the depreciation charge contained within the Plan. The detail for each asset category is reflected in the Statement of Accounting Policies on pages 143-149 of this document. Council's assets depreciation rates are contained within of the Statement of Accounting Policies.</p>	<p>That the lives of assets are materially different from those contained within the Plan</p>	<p>Low</p>	<p>If the life of the assets are materially different from those contained within the Plan, the asset values stated in the prospective balance sheet and the profit contained in the prospective statement of financial performance would be affected. If the life was shorter than expected then Council might need to replace the asset sooner than planned and this would need to be funded. Council has a long history of managing assets and has asset management practices in place which reduce the likelihood of assets being very different to projections.</p>
7. Significant Asset Condition:			
<p>Council understanding of condition of its assets underpins the renewal forecasts in the Long Term Plan (and also the significant lives of assets discussed above). Council has sufficient information about the condition of its assets to forecast their probable replacement periods. However, further more detailed information is desirable to further reduce the risk that actual condition varies from the assumed condition.</p>	<p>That condition information is not a sufficiently accurate representation of the actual condition of assets</p>	<p>Medium</p>	<p>If the asset condition is substantially worse than expectations then there is an increased risk of unexpected asset failure and the increased costs of repairing assets would need to be funded. These costs are not in the Long Term Plan and Council would need to consider how they should be funded - higher rates, use of cash reserves or debt would be options.</p>
8. Vested Assets:			
<p>Council will receive \$50,000 vested assets per annum (escalated with BERL inflation indices). Vested assets are engineering assets such as roads, sewers and water mains paid for by developers and vested to Council in completion of the subdivision.</p>	<p>That Vested Assets may vary from budget.</p>	<p>Medium</p>	<p>Vested assets must be maintained by Council, so if growth is higher than forecast Council will need to increase its budget to maintain those assets. The impact of higher or lower growth is not considered significant.</p>

Assumption	Description of Risk	Level of Uncertainty	Impact
9. Return on Investments:			
It is assumed that the return on investments, including dividends from Council Controlled Organisations and retained earnings on subsidiaries will continue at current level for Buller Recreation and WestReef Services Limited. Westport Harbour Limited was disestablished prior to this Long Term Plan.	That return on investment decreases.	Low	Higher or lower returns will impact on rates as the income will need to be raised from other sources.
10. Interest Rates - External Borrowings:			
Council has assumed an interest rate of 4-6% across the 10 years of the plan	The prevailing interest rate may differ significantly from those estimated.	Medium	Increases in interest rates flow through to higher debt servicing costs and higher rates funding requirements. Council has mitigated these risks with a prudent fixed interest swaps programme developed within the limits of Council's Treasury Management Policy.
11. External Borrowings - Renewability:			
It has been assumed that Council will be able to renew existing external loan facility.	Higher interest rates or delay of capital projects	Medium	If the loan could not be renegotiated with the current debt providers, a change in provider could alter finance costs
12. Interest Rates - Term Deposits:			
Council has assumed an interest rate range of 3 to 4.5% across the 10 years of the plan	The prevailing rate may differ from those estimated	Medium	Decreases in term deposit interest rates would lower investment income which would ultimately lead to increased General Rates
13. Rates and Rate Increases:			
Limits on rates and rate increases, as required by the Local Government Act 2002, are set out in the Financial Strategy on pages 27-40. This plan assumes that Council will remain within these limits.	That rate increases are above the limits set by Council	Low	Annual Plan - reality check and rates will change but this will not happen without consultation as required by the Local Government Act
14. Disasters:			
It is assumed that there will be limited events during the term of this Plan, but that these events will not be significant.	That there is a significant natural disaster in the District, such as flooding, earthquake or fire	Low	Council has adequate insurance to cover natural disasters. However, in the event of a significant event Council will need to re-evaluate its work programme and implement disaster recovery plans.

Assumption	Description of Risk	Level of Uncertainty	Impact
15. Climate Change:			
Council uses the Ministry for the Environment (MFE) guidelines set out in “Coastal Hazards and Climate Change 2017” for estimating Sea Level Rise (SLR).	The potential impacts of climate change might lead to increased costs for Council in both responding to events and building greater resilience into infrastructure	Medium	Climate change is likely to increase the magnitude of some natural hazards in the medium to long term. Therefore it is important to incorporate risk management in the design of infrastructure supporting new developments to maintain the same level of service throughout the design lifetime. The design of infrastructure for land development and subdivision needs to provide for the potential impact of sea level rise and the increased frequency of extreme weather events. Council has budgeted for protection of infrastructure in this plan.
16. Resource Consents:			
It is assumed that Resource Consents held by Council will not be significantly altered and any due for renewal during the life of the Plan can be renewed accordingly.	That conditions of Resource Consents are significantly altered and there are accordingly significant new compliance costs or consents cannot be renewed	Low	Budgets are in place for renewal of resource consents. Any increased compliance costs will be managed through the Annual Plan process. If Resource Consents are not renewed then Council will need to consider how it delivers these services. These costs could be significant, for example if water extraction rights are not approved.
17. Potential Impact of Societal Changes:			
Council assumes population will decline, given the decline in economic activity especially in mining. There will be an aging population. The proportion of the population over 65 years is assumed to increase from 19% to 29% over the next 25 years.	Most significant is an increase in the age of the population, increasing demand for houses over the long term.	Medium	The Plan has assumed a population decline followed by a gradual recovery. Council has allowed for further development of the Town Heart Plan and District Plan Review to assist with the creation of a vibrant civic hub. The plan assumed that the demand for housing for the elderly is adequate and can be met through surplus rentals at modest prices.
18. External Assumptions - Government Legislation:			
It is assumed that there will be no material changes to existing legislation or additional activity or compliance requirements imposed by Central Government, which has not already been allowed for in this document.	That Central Government requires Council to undertake further activities, without corresponding funding or imposes additional compliance costs on Local Government.	Medium	If changes in legislation require Council to provide further services, or significantly increases, levels of compliance or operating costs then this will need to be offset by increases in fees and charges, and/or in increases in rates. It is unlikely that Government will reduce compliance or legislative costs incurred by Council, but if there was a reduction this would enable Council to reduce rates or fees and charges.

Assumption	Description of Risk	Level of Uncertainty	Impact
19. Repayment of Loans:			
It has been assumed that the loan from Council to Buller Holdings Limited will not be repaid over the term of the Plan.	Inability to service the loan	Low	Debt will be rolled over on an annual basis.
20. Water Upgrades:			
The drinking water standard upgrades to rural drinking water supplies is based on an assumption that the Ministry of Health subsidy will be available to be claimed.	There is a risk that the project may not proceed if funding is not received	Low	Provision of safe, clean water may not eventuate if a subsidy is not received. Water schemes may be unaffordable for some communities.
21. Capital Projects:			
Capital projects are based on an assumption that they will occur when they have been identified in the Long Term Plan and for the costs have been identified. However, this assumption has a high level of uncertainty as projects may cost more or less due to more or less work needing to be done and/or a project may need to be delayed.	There is a risk of deferral of projects to later years of the Long Term Plan.	High	This will lower capital expenditure, loans and finance costs. Depreciation would be lower than rated for.
22. One District Plan:			
Local Government Commission has made a preliminary decision to transfer the statutory powers associated with district plan making to the regional council. This is subject to further community consultation after which they may decide to proceed, do nothing or go back to another option such as amalgamation. The proposal is that the plan will be governed by a joint committee of elected members from all the councils with support from staff across the region. This transfer is for plan making only and Buller would still require a planning team to process consents and administer the plan and would more than likely still be involved in developing the plan therefore we have maintained status quo in terms of planning resourcing	<ul style="list-style-type: none"> - potential loss of local control over key decisions relating to district planning - potential legal challenge to plan 	Medium	<p>Buller not having a plan that aligns or reflects the direction we wish to head</p> <p>Higher costs than we currently expend on this activity due to legal challenges</p>

Price Adjustments for Inflation

The Council is required to provide a 10 Year Plan adjusted for inflation. The figures within the plan have been adjusted for price movements. The price adjusters used have been derived from those recommended to Local Government from Business and Economic Research Limited (BERL).

The following adjustors have been applied at an activity level based on the nature of the input costs for that activity:

BERL Adjustors: % Per Annum Change

Year ending	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	Jun-28
Expense Type										
Roading	1.020	1.022	1.022	1.023	1.024	1.024	1.025	1.026	1.027	1.028
Community Activities	1.017	1.020	1.021	1.021	1.022	1.023	1.023	1.024	1.024	1.026
Water	1.023	1.025	1.023	1.024	1.024	1.025	1.026	1.026	1.027	1.028
Energy (Local Govt Admin)	1.021	1.020	1.020	1.021	1.022	1.023	1.023	1.024	1.025	1.025
Staff	1.016	1.016	1.017	1.018	1.018	1.019	1.019	1.020	1.020	1.021
Other (Local Govt Admin)	1.021	1.020	1.020	1.021	1.022	1.023	1.023	1.024	1.025	1.025
Earthmoving	1.020	1.023	1.024	1.024	1.025	1.026	1.027	1.028	1.029	1.031
Pipelines	1.022	1.027	1.025	1.024	1.024	1.024	1.024	1.024	1.024	1.024
Private Sector Wages	1.019	1.019	1.018	1.016	1.017	1.018	1.018	1.019	1.019	1.020
Average	1.020	1.021	1.021	1.021	1.022	1.023	1.023	1.024	1.025	1.026

Source: Business and Economic Research Limited

BERL Adjustors: Cumulative % change from June 2017

Year ending	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	Jun-28
Expense Type										
Roading	1.000	1.022	1.044	1.069	1.094	1.120	1.148	1.178	1.210	1.244
Community Activities	1.000	1.020	1.041	1.063	1.087	1.112	1.137	1.165	1.192	1.223
Water	1.000	1.025	1.049	1.074	1.100	1.127	1.156	1.186	1.218	1.253
Energy (Local Govt Admin)	1.000	1.020	1.040	1.062	1.086	1.111	1.136	1.163	1.192	1.222
Staff	1.000	1.016	1.033	1.052	1.071	1.091	1.112	1.134	1.157	1.181
Other (Local Govt Admin)	1.000	1.020	1.040	1.062	1.086	1.111	1.136	1.163	1.192	1.222
Earthmoving	1.000	1.023	1.048	1.073	1.100	1.128	1.159	1.191	1.226	1.264
Pipelines	1.000	1.027	1.053	1.078	1.104	1.130	1.157	1.185	1.214	1.243
Private Sector Wages	1.000	1.019	1.037	1.054	1.072	1.091	1.111	1.132	1.153	1.176

Source: Business and Economic Research Limited

FORECAST RESERVE FUNDS

Reserve	Activity that the Reserve relates to:	Purpose of Reserve	Projected Opening Balance 2018/2019	Transfer to Reserves	Transfer from Reserves	Balance 2027/2028
			\$000	\$000	\$000	\$000
Amenities Reserve	various not specified	Proceeds from general ratepayer to fund various infrastructure where there was no government subsidy available	365	0	0	365
Community Development - Other	various not specified	Funds from depreciation used for the upgrade and construction of replacement Council assets	3,291	65,583	63,288	5,586
Reserve Contributions	Regulatory	Proceeds from subdivision for public reserve upgrades	1,381	379	895	865
Miles Bequest	Property Management, Amenities & Reserves	Funds set aside for the purchase of engraved seats at the Westport cemetery	0	0	0	0
Powell Bequest	Property Management, Amenities & Reserves	Funds bequested to Council for the purchase of public seating in Westport	0	0	0	0
Mayor's Relief Fund	Democracy	Funds for providing grants for relief at the discretion of the Mayor	5	0	0	5
Boiler Replacement Fund	Property Management, Amenities & Reserves	Funds set aside to go toward replacement of boiler at Brougham Street offices	7	0	0	7
Development Contributions	Regulatory	Proceeds from commercial and industrial development to provide for social and recreation need of the area	118	0	0	118
Sale of Gifted Property	various not specified	Funds set aside from the sale of property gifted to Council	11	0	0	11
Infrastructure Contributions	Regulatory	Funds set aside for upgrading infrastructure where appropriate	10	0	0	10
Total Reserves Only			5,187	65,962	64,183	6,966
Karamea Solid Waste	Solid Waste	Separates all funding and expenditure and surpluses or deficits for each solid waste activity	32	687	561	157
Maruia Solid Waste	Solid Waste	Separates all funding and expenditure and surpluses or deficits for each solid waste activity	8	124	129	4
Contracted Refuse/ Recycling Operations	Solid Waste	Separates all funding and expenditure and surpluses or deficits for each solid waste activity	96	7,171	7,231	35
Westport Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(614)	24,483	24,241	(372)
Reefton Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(85)	4,167	4,118	(36)

Reserve	Activity that the Reserve relates to:	Purpose of Reserve	Projected Opening Balance 2018/2019	Transfer to Reserves	Transfer from Reserves	Balance 2027/2028
			\$000	\$000	\$000	\$000
Little Wanganui Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	35	188	151	72
Mokihinui Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	45	174	128	91
Ngakawau Hector Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	307	716	477	547
Waimangaroa Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	13	1,066	842	237
Cape Foulwind Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	544	1,110	814	840
Punakaiki Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(105)	714	1,000	(392)
Inangahua Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	(53)	156	179	(76)
South Granity Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	12	65	28	48
Karamea Water	Water	Separates all funding and expenditure and surpluses or deficits for each water scheme	0	0	0	0
Westport Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	(736)	21,514	21,108	(330)
Reefton Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	414	3,252	3,695	(29)
Little Wanganui Sewerage	Wastewater/Sewerage	Separates all funding and expenditure and surpluses or deficits for each sewerage scheme	33	397	420	10
Punakaiki Camp	Property	Separates all funding and expenditure and surpluses or deficits for the Punakaiki Camp Activity	(231)	442	323	(112)
Pensioner Housing	Property	Separates all funding and expenditure and surpluses or deficits for Pensioner Housing	(18)	3,669	3,534	117
Dog Control	Regulatory	Separates all funding and expenditure and surpluses or deficits for the dog control activity	(240)	2,006	1,835	(69)
Total Separate Balances Only			(543)	72,100	70,815	742
Total Reserves & Separate Balances			4,643	138,063	134,997	7,708

STATEMENT OF ACCOUNTING POLICIES

Statement of Responsibility & Cautionary Note

The 2018-2028 Long Term Plan was authorised for issue by Council on 27 June 2018. The prospective financial statements will not be updated subsequent to issue.

The purpose of this Long Term Plan is to consult with the community on the planned activities and expenditure of Council over the next 10 years. The use of this information for other purposes other than for which it was prepared may not be appropriate.

The Council is responsible for the prospective financial statements presented, including the appropriateness of the underlying assumptions and related disclosures. Actual financial results achieved for the period covered may vary from the information presented, and the variations may be material. There are no actual financial results incorporated into these prospective financial statements.

The prospective financial statements comply with Tier 1 Public Benefit Entity (PBE) Accounting Standards (including PBE FRS 42 – Prospective Financial Statements). The prospective financial statements have been prepared using the best information available at the time they were prepared.

Reporting Entity

The Buller District Council is a territorial local authority governed by the Local Government Act 2002.

The Buller District Council provides local infrastructure, local public services and provides regulatory functions to the community. The Council does not operate to make a financial return. Accordingly, Buller District Council has designated itself as a Public Benefit Entity for financial reporting purposes.

The prospective financial statements of Buller District Council are for the 10-years ended 30 June 2028.

Basis of Preparation

The prospective financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period there and have been no changes in accounting policies during the financial year. The financial statements have been prepared on a historical cost basis, modified by the revaluation of certain

infrastructural assets, investment property and financial instruments.

Statement of Compliance

The prospective financial statements of Buller District Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 93 and Part 1 of schedule 10, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP). The prospective financial statements have been prepared in accordance with Tier 1 PBE accounting standards. These prospective financial statements are presented and comply with PBE accounting standards.

Presentation currency and Rounding

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$1,000) unless stated. The functional currency of Buller District Council is New Zealand dollars.

Subsidiaries

Subsidiaries are those entities where Buller District Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where Buller District Council controls the majority voting power of the governing body or where such policies have been irreversibly predetermined by Buller District Council.

The subsidiaries of Buller District Council are Buller Holdings Limited, WestReef Services Limited, Buller Recreation Limited and the Buller Health Trust.

Buller District Council measures the cost of a business combination as the aggregate of the fair values at the date of exchange, of assets given, liabilities incurred or assumed, in exchange for control of the subsidiary plus any costs attributable to the business combination.

Any excess of the cost of the business combination over Buller District Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, is recognised as goodwill. If Buller District Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities

exceeds the cost of the business combination, the difference will be recognised immediately in the surplus or deficit.

The purchase method of consolidation has been used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, revenue and expenses on a line by line basis. All significant intra-group balances, transactions, revenue and expenses are eliminated on consolidation.

Buller District Council's investment in its subsidiaries is carried at cost in the Buller District Council's own "parent entity" financial statements.

The prospective financial statements only include prospectives for the parent entity (Buller District Council).

Associates

An associate is an entity over which Buller District Council has significant influence and that is neither a subsidiary nor an interest in a joint venture.

Buller District Council accounts for an investment in an associate using the equity method. The investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the share of the surplus or deficit of the associate.

The Council has two associates, Tourism West Coast and Denniston Heritage Trust. There is no equity investment and therefore no results are equity accounted for in these prospective financial statements.

Joint Ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

Buller District Council has a 50/50 joint venture interest in the Westport Airport Authority with Ministry of Transport.

Buller District Council recognises in its prospective financial statements the assets it controls, the liability and expenses it incurs, and the share of revenue that it earns from the joint venture.

Revenue

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

Rates Revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.
- Rates collected on behalf of the West Coast Regional Council (WCRC) are not recognised in the prospective financial statements, as the Council is acting as an agent for the WCRC.

Other Revenue

Buller District Council receives Government Grants from the New Zealand Transport Authority, which subsidises part of Buller District Council's costs in maintaining the local roading infrastructure. Grants are received from the Ministry of Health for eligible water schemes. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure are fulfilled.

Sales of goods are recognised when a product is sold to a customer. Sales are usually in cash. The recorded revenue is the gross amount of the sale.

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

- Rental revenue is recognised on a straight line basis.
- Interest revenue is recognised using the effective interest method.
- Distributions are recognised when the right to receive the payment has been established.

Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Grant Expenditure

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

Discretionary grants are those grants that Buller District Council has no obligation to award and are recognised as expenditure when a successful applicant has been notified of the Buller District Council's decision.

Income Tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

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

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

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

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

Deferred tax is recognised on taxable temporary differences

arising from investments in subsidiaries and associates, and interests in joint ventures, except where the Council can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

Current tax and deferred tax is charged or credited against the surplus or deficit for the period, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

Leases

Finance Leases

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

At the commencement of the lease term, Buller District Council recognises finance leases as assets and liabilities in the Prospective Statement of Financial Position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

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

Operating leases

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

Cash and Cash Equivalents

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

Bank overdrafts are shown as current liabilities in the Prospective Statement of Financial Position.

Trade and other receivables

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

Loans, including loans to community organisations made by Buller District Council at nil, or below market interest rates, are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset / investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and the present value of the expected future cash flows of the loan is recognised in the surplus or deficit.

A provision for impairment of receivables is established when there is objective evidence that Buller District Council will not be able to collect all the amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments are indicators that the asset is impaired.

The amount of the provision is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

Inventories

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost and current replacement cost.

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

The write down from cost to current replacement cost or net realisable value is recognised in the surplus or deficit.

Non-Current Assets Held for Sale

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

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

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

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

Financial Assets

Buller District Council classifies its financial assets into the following four categories:

- Financial assets at fair value through surplus or deficit;
- Held-to-maturity investments;
- Loans and receivables; and
- Fair value through other comprehensive revenue.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

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

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

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Buller District Council uses a variety of methods and makes assumptions that are based on market conditions existing at balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

Financial Assets at Fair Value through Surplus or Deficit

This category has two sub-categories:

- Financial assets held for trading
- Those designated at fair value through surplus or deficit at inception.

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the surplus or deficit.

Currently Buller District Council recognises derivative financial instruments in this category.

Held to Maturity Investments

Held to maturity investments are assets with fixed or determinable payments and fixed maturities that Buller District Council has the positive intention and ability to hold to maturity.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus or deficit.

Currently Buller District Council does not hold any financial assets in this category.

Loans and Receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus or deficit. Loans and receivables are classified as "trade and receivables" and short and long term investments in the Prospective Statement of Financial Position.

Investments in this category include loans to subsidiaries and other companies and term deposits.

Fair Value through Other Comprehensive Revenue & Expenses

Financial assets at fair value through other prospective comprehensive revenue and expenses are those that are designated into this category at initial recognition or are not classified in any of the other categories above.

This category encompasses:

- Investments that Buller District Council intends to hold long-term but which may be realised before maturity.
- Shareholdings that Buller District Council holds for strategic purposes. Buller District Council's investments in its subsidiary and associate companies are not included in this category as they are held at cost whereas this category is to be measured at fair value.

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

Gains and losses are recognised directly in other prospective comprehensive revenue and expenses except for impairment losses, which are recognised in the surplus or deficit.

Investments in this category include shares in other companies.

Impairment of Financial Assets

At each balance sheet date Buller District Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

Any cumulative losses previously recognised in equity will be removed from equity and shown in the surplus or deficit.

- Term deposits, loans to subsidiaries and associates, and community loans (loans and receivables)

Impairment is established when there is evidence that the Council and group will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments are indicators that the asset is impaired.

- Listed and unlisted shares, listed bonds (fair value through other comprehensive revenue and expense)

For shares, a significant or prolonged decline in the fair value of the shares below its cost is considered to be objective evidence of impairment. For listed bonds, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payment

is considered to be objective evidence of impairment.

Derivative Financial Instruments

Buller District Council uses derivative financial instruments to hedge exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, Buller District Council does not hold or issue derivative financial instruments for trading purposes. However derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date.

The gain or loss on re-measurement to fair value is recognised immediately in surplus or deficit. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of interest rate swaps is the estimated amount that Council would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

Buller District Council has not adopted hedge accounting to account for its derivative financial instruments.

Property, Plant and Equipment

Property, plant and equipment consist of:

Council Assets – These include land, buildings, plant and machinery, motor vehicles, office equipment, library books and the Airport runway.

Infrastructure Assets – These include roads, footpaths, traffic facilities, street lights, bridges, culverts, water reticulation, storm water reticulation, sewerage reticulation and landfill.

Harbour Assets – These include land, buildings, wharves, plant and machinery, office equipment, motor vehicles and harbour vessels.

WestReef Assets – These include leasehold improvements, plant and equipment, office equipment, office furniture, fittings and computer equipment.

Buller Health Trust Assets – These include plant and equipment and furniture and fittings.

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

Additions

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

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

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

Subsequent Costs

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

Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment, other than land or erosion protection assets, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

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

Assets

Council Assets	Depreciation Rate (%)	Useful Life (Years)
Motor vehicles	15%	7
Office Equipment	10% to 50%	2 - 10
Plant and machinery	3.33% to 15%	7 - 30
Buildings	1% to 10%	10 - 100
Library Books	10%	10
Airport runway:		
Basecourse	1.3%	75
Seal	5%	20

Westport Harbour Assets	Depreciation Rate (%)	Useful Life (Years)
Wharves	1.67%	60
Buildings	2.5%	40
Plant and Machinery	3.3% to 10%	10 - 30
Office Equipment	20% to 33.5%	3 - 5
Motor Vehicles	10% to 20%	5 - 10
Harbour Vessels	5% to 6.7%	15 - 20

Infrastructure Assets	Depreciation Rate (%)	Useful Life (Years)
Roads:		
Formation	Not depreciated	
Basecourse - unsealed roads	Not depreciated	
Basecourse - sealed roads	1% to 2%	50 - 100
Seal	4% to 12.5%	8 - 25
Footpaths:		
Basecourse	Not depreciated	
Pavement	1.25% to 10%	10 - 80
Traffic facilities	5% to 10%	10 - 20

Infrastructure Assets	Depreciation Rate (%)	Useful Life (Years)
Street lights	3.33%	30
Bridges	1% to 2%	50 - 100
Culverts	1.11% to 1.25%	80 - 90

Water Reticulation:

Drains	Not depreciated	
Kerb and Channelling	1.25%	80
Pipes	1.10% to 4.10%	25 - 100
Valves, hydrants	1.67%	60
Intake structures	1.11% to 2%	50 - 90
Reservoirs	1.25%	80
Resource Consents	2.85%	35
Pump stations	2% to 6.67%	15 - 50
Treatment Equipment	2% to 6.67%	15 - 50
Tunnels	0.7% to 4%	25 - 150

Stormwater Reticulation:

Pipes	1% to 1.54%	65 - 100
-------	-------------	----------

Sewerage Reticulation:

Pipes	1% to 1.42%	70 - 100
Treatment Plants	1.11% to 6.67%	15 - 90
Pump Stations	1.11% to 6.67%	15 - 90
Manholes	1.11%	90

Capital work in progress is not depreciated. The total cost of the project is transferred to Property Plant and Equipment on its completion and then depreciated.

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

Revaluation

Those asset classes that are revalued are valued on a basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

Council Land - The Airport land was revalued to fair value as determined by market based evidence by an independent valuer. The most recent valuation was performed by Quotable Value with an effective date as at 30 June 2005. Council land is recognised at deemed cost.

Harbour Land - The Harbour land was revalued to fair value as determined by market based evidence by an independent valuer. The most recent valuation was performed by Quotable Value with an effective date as at 30 June 2005. Harbour land is recognised at deemed cost.

Infrastructural Assets - The infrastructural assets are valued on a two yearly valuation cycle at fair value determined on a depreciated replacement cost basis by an independent valuer. At balance date Buller District Council assesses the carrying values of its infrastructural assets to ensure that they do not differ materially from the assets fair value. The most recent valuation was performed by GHD Limited and the valuation is effective as at 1 July 2017. All infrastructural asset classes carried at valuation were valued. The total value of infrastructural assets valued by GHD Limited on 1 July 2017 was \$281,609,862.

Accounting for Revaluation

Buller District Council accounts for revaluations of property, plant and equipment on a class of assets basis.

The results of revaluing are credited or debited to an asset revaluation reserve. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the surplus or deficit, will be recognised first in the surplus or deficit up to the amount previously expensed, and then credited to the revaluation reserve.

Intangible Assets**Software acquisition and development**

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

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

Staff training costs are recognised in the surplus or deficit when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows: Computer software 3 to 5 years 20 to 33.3%

Goodwill

Goodwill is initially measured at its cost, being the excess of the cost of the acquisition over Buller District Council's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Goodwill on acquisition of subsidiaries is included in intangible assets by applying the purchase method.

Goodwill arising in business combinations is not amortised. Instead, goodwill is tested for impairment annually. After initial recognition, Buller District Council measures goodwill at cost less any accumulated impairment losses. An impairment loss recognised for goodwill will not be reversed in any subsequent period.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination, in which the goodwill arose.

Investment Property

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

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

After initial recognition, Buller District Council measures all investment property at fair value as determined annually by an independent valuer. The most recent valuation of investment property was carried out by Quotable Valuations with an effective date as at 30 June 2017.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Impairment of Non-Financial Assets

Property, plant and equipment assets, measured at fair value are not required to be reviewed and tested for impairment. The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the asset class is revalued.

Property, plant and equipment, and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangible assets subsequently measured at cost that have an indefinite useful life, and goodwill, are not subject to amortisation and are tested annually for impairment.

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.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non-cash generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

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

Employee Entitlements

Short Term Benefits

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

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

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

Buller District Council recognises a liability and expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Long Term Benefits

- Long Service Leave and Retirement Leave

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

Likely future entitlements accruing to staff, based on years of service, years to entitlement and the likelihood that staff will reach the point of entitlement; and

The present value of the estimated future cashflows. A discount rate of 4.5%, and a inflation factor of 1.9% were used. The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long term increase in remuneration for employees.

Superannuation Schemes

- Defined Contributions Schemes

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

Provisions

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

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

Borrowings

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

Equity

Equity is the community's interest in Buller District Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Retained earnings;
- Restricted reserves; and
- Asset revaluation reserve.

Goods and Services Tax (GST)

All items in the prospective financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

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

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

Commitments and contingencies are disclosed exclusive of GST.

Cost Allocation

Buller District Council has derived the cost of service for each significant activity using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using an appropriate cost driver.

Critical Accounting Estimates and Assumptions

In preparing these prospective financial statements Buller District Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

Classification of Property

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

The estimates and assumptions that form a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Landfill Aftercare Provision

The Landfill Aftercare Provision Note (if applicable) discloses an analysis of the exposure of Buller District Council in relation to estimates and uncertainties surrounding the landfill aftercare provision.

Infrastructural Assets

There are a number of assumptions and estimates used when performing valuations over infrastructural assets which include:

- The physical deterioration and condition of an asset, eg, Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible such as stormwater, wastewater and water supply pipes that are underground. The risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by local conditions, eg, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit. To minimize the risk, Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructure Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of Council's Asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced independent valuers prepare Council's infrastructural asset revaluations. The last valuation was prepared by GHD Limited as at 1 July 2017.

INFRASTRUCTURE STRATEGY



OUR INFRASTRUCTURE STRATEGY

This is Buller District Council's second Infrastructure Strategy. It has been prepared from Councils 2018 suite of Asset Management Plans and the Long Term Plan of which it forms part of.

The issues and topics discussed in the Infrastructure Strategy reflect the current legislative environment and the communities' priorities across the district.

It covers core infrastructure including roads, water supplies, sewage treatment and disposal, and stormwater.

The Infrastructure Strategy includes financial forecasts which are estimates. The reliability of those forecasts decreases beyond ten years and out to the thirty years that this strategy covers.

WHAT ARE THE GOALS OF THE INFRASTRUCTURE STRATEGY?

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

The core of our strategy is:

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

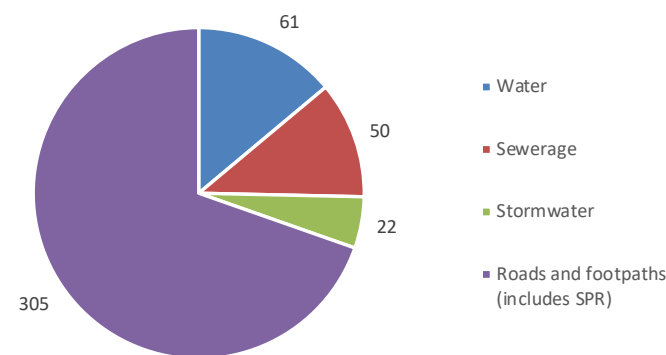
WHAT DOES OUR INFRASTRUCTURE LOOK LIKE?

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

Asset	Description	Replacement Value	% of total
Water	Water extraction, treatment and distribution. 10 schemes	\$60.95m	14%
Sewerage	Wastewater collection, treatment and discharge	\$49.73m	11%
Stormwater	Stormwater collection and discharge	\$21.95m	5%
Roads & footpaths	Roads (arterial, collectors, local; curbs and gutters), bridges, footpaths	\$304.81m	70%
TOTAL		\$437.44m	100%

REPLACEMENT VALUE - INFRASTRUCTURE ASSETS

Infrastructure valuation (2017: \$millions)



STRATEGY LAYOUT

The Strategy Document sections and corresponding LGA Amendment Bill sections are tabled below:

Table 2.1: Strategy Layout

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

CORE INFRASTRUCTURE

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

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

CORE INFRASTRUCTURAL ASSETS

The core Buller District Council Infrastructure Assets are tabled below:

Table 2.2: Buller District Infrastructure Assets

Asset	Description	Replacement Value	% of total
Water	Water extraction, treatment and distribution	\$60.95m	14%
Sewerage	Wastewater collection, treatment and discharge	\$49.73m	11%
Stormwater	Stormwater collection and discharge	\$21.95m	5%
Roads and footpaths	Roads (arterial, collectors, local; curbs and gutters), bridges, footpaths	\$304.81m	70%
TOTAL		\$437.44m	100%

OTHER ACTIVITIES

Council has elected to develop this Infrastructure Strategy to cover Core Community Infrastructure as required by the Local Government Act:

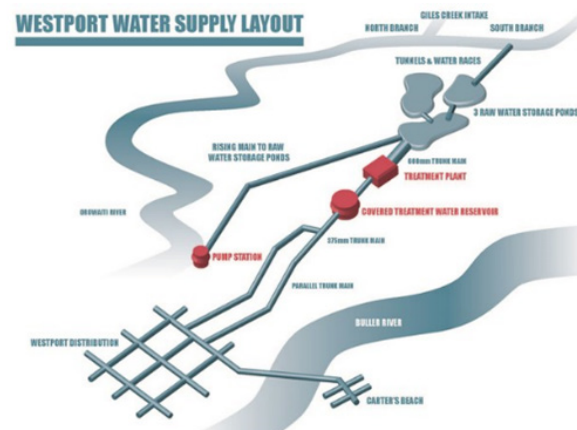
- Water
- Sewerage
- Stormwater
- Roads and footpaths

This infrastructure strategy addresses roads, water supplies, sewage treatment and disposal, and stormwater. In time the data collection for the other assets such as parks and reserves, cemeteries and buildings will be improved and included in future strategies. The Council is at present preparing asset management plans for parks and reserves, cemeteries and buildings and this strategy does not address these other activities.

INFRASTRUCTURE PERFORMANCE

Generally, the portfolio of assets owned and managed by the Buller District Council is performing appropriately for the Levels of Service agreed with the community.

There are small communities where reliability is key, and a limited service is acceptable. This is a challenge for Council to balance, particularly for water quality. Examples of this are the number of schemes where communities are hands-on operators and the 2015 decision of the Karamea community against establishing a community water supply. These communities are determined and have a culture of being self-sufficient.



There is currently (2018) a national focus on drinking water management and this is an ongoing and important conversation for Council and the Buller community. With several schemes having no form of treatment or disinfection, and three schemes on permanent boil water notices, changes are imminent. Two schemes need more certainty over ownership before action is taken to improve the water treatment system.

Council remains committed to work with the Buller communities around safe drinking water requirements within community affordability constraints.

Stormwater networks are limited and provide a satisfactory service most of the time. However, once rainfall exceeds moderate levels and outfalls are affected by floodwaters or tides, performance is hampered. In Westport, long term decisions around flood protection led by the West Coast Regional Council will override localised stormwater issues. Council is continuing to liaise with the West Coast Regional Council regarding Westports flood protection from the Buller River, coastal protection, and any subsequent stormwater system installation Council may require. This integrated approach is currently in the investigation phase, with analysis reports being undertaken. Potential design directions have not been finalised and as such any costing of potential future work would be speculative. Dependant on design decisions a future Buller DC Infrastructure Strategy may include additional stormwater capital expenditure for Westport.

The reticulation serving communities varies in age as development occurred within the townships. This information as well as condition is being gathered and recorded in the computer based asset management system. The renewal programmes that have been developed in the asset management plan are developed taking into account the criticality of the pipe, as well as age, condition and material. Reticulation renewal is required in a timely manner to ensure pipes provide the level of service required.

It is noted that only 9% of water pipe reticulation and 2% of wastewater pipe reticulation are asbestos cement pipe, and as a result asbestos cement pipe is not considered to be a material issue in the management of Councils pipe reticulation.

With the road and footpath network, resilience is the primary focus. The local and state highway networks operate as one, with economic, social and tourist activity reliant on the 'one roading network'.

Performance issues with the local network are not having a significant impact on the economy or the districts communities. The capability of the network including bridges is the main performance issue that requires consideration. Keeping up with maintenance and renewal work remains vital to preserve the asset and provide a satisfactory level of service.

EMERGING ISSUES

The task of building, operating and maintaining these infrastructure assets in an affordable manner is becoming increasingly difficult in view of:

- Demographic changes
- Environmental impacts and climate change
- Economic Change
- Continually changing legislative environment (Central & Regional Government)
- Infrastructure resilience
- Aging of infrastructure
- Other community infrastructure

DEMOGRAPHIC CHANGES

The population of the district is reasonably stable and is now predicted to remain stable. This differs from three years ago when a decline was expected. There is an increasing number of visitors to the area, and this creates different demands on assets, particularly peak loading.

The council is maintaining assets at present to ensure that they are functioning, with renewals kept as low as possible.

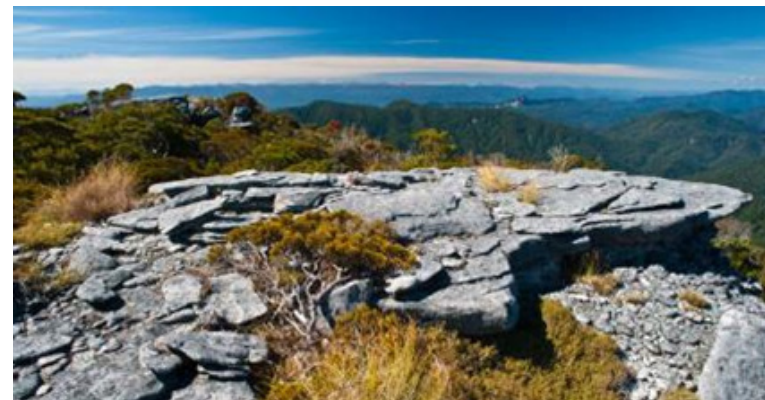
NEW TECHNOLOGIES

Clearly over the thirty-year period of this strategy be some huge advancement in technology that affect the demand for infrastructure and the methodology for infrastructure provision. While there will be progressive improvements overall that can be considered, disruptive technologies are highly unpredictable. The roll-out of high speed internet is welcomed across Buller district, and this will provide greater opportunities for remote businesses to develop, and others to advance their use of technology.

In preparing this strategy while we are aware that there will be advancement we have by necessity based our projections and maintenance costs on the methods that in use today.

ECONOMIC CHANGE

With an underpinning economy of mining and developing agriculture and tourism sectors, Buller economy is very prone to external influences. New opportunities are developing and there is a positive outlook. BDC is mindful that infrastructure investments must be 'in-tune' with the current economy and future opportunities unfolding.



Denniston



Denniston

CHANGING GOVERNMENT PRIORITIES AND LEGISLATIVE ENVIRONMENT

The government's priorities for infrastructure are discussed in the National Infrastructure Plan (2015); the vision in the document is:

By 2045 New Zealand's infrastructure is resilient and coordinated and contributes to a strong economy and high living standards.

The key responses, which local government are partner to are:

- Increasing understanding of levels of service and future drivers of demand.
- Strengthening asset management.
- Ensure that we have the right settings to make decisions in the future.

The impacts from the Havelock North Water Inquiry are significant and wide ranging including but not limited to the way the water service is delivered, managed, operated, maintained, monitored and reported on.

The Inquiry recommends significant legislative changes relating to potable water.

Along with the requirements of the Resource Management Act and the Local Government legal requirements, the Regional Council's requirements as outlined in the Land and Water Plan are expected to involve higher levels of compliance. Further change is expected as regional Councils implement the National Policy Statement on Freshwater Management.

Summary: The Thirty Year New Zealand Infrastructure Plan 2015

Vision: By 2045 New Zealand's infrastructure is resilient and coordinated and contributes to a strong economy and high living standards

Desired outcomes: better use of existing assets and Better allocation of new investment



ENVIRONMENTAL IMPACTS AND CLIMATE CHANGE

Coastal erosion is a long-term natural hazard that affects the West Coast of New Zealand in particular due to the prevailing wind conditions. Significant erosion can occur due to storm events, throughout New Zealand

One asset affected by coastal erosion that is within Council's responsibility is the Westport Airport. Protection works have been undertaken to ensure the airport remains in service. Loss of the airport would be significant for the area in terms of economic activity and transport resilience.



Ngakawau

Severe storms and resulting flooding is a particular concern for the Westport township located on the banks of the Buller River. Flooding puts lives at risk as well as causing significant damage to homes and infrastructure such as stormwater systems and roading.

The New Zealand government has been looking at the natural hazards issue for a long time now. With the potential risk of increased frequency and magnitude of severe storms in the future due to climate change, the government will be taking the lead. They have provided some direction to local government on this.

In the meantime the Buller District Council is working with the other West Coast councils and the West Coast Regional Council on strategies for managing natural hazards, and the issue of longer term climate change adaption and mitigation.



Surface flooding at Carters Beach (February 2018)

INFRASTRUCTURE RESILIENCE

Customers have a high expectation of continuing functionality and service delivery. While communities are resilient themselves, they are reliant on services provided to support their long term wellbeing. As the impact of risks such as coastal erosion, earthquakes and floods are better understood, there is an opportunity to identify better infrastructure management

Resilience is based on a design philosophy which acknowledges that failure will occur at some point in time. Resilience requires early detection and recovery, but not necessarily through re-establishing the failed system through maintenance or capital works.

Buller District Council has undertaken a thorough analysis of resilience issues relating to natural disasters and the managing and mitigating the risks to, and the resilience of, our infrastructure assets from natural disasters. This is discussed in the Buller District Council Lifelines Assets Report (August 2017), and has also informed the level of insurance Council holds against natural disaster events.

In all renewal projects the resilience of the design and materials being used is a factor when determining designs and construction methods.

AGING INFRASTRUCTURE

The infrastructure was constructed as the various communities were established. From that time the Councils have maintained the systems and replaced or renewed when higher maintenance costs indicated that it was timely. As the townships developed the infrastructure was extended either by the Local Authority or by developers.

This strategy defines in some detail the effect of the aging infrastructure and the timelines for installation. Details of the infrastructure to be replaced will continue to be refined as more data on condition is collected and entered into the asset management data base.

Buller District must carefully manage its investment in infrastructure to ensure it gets value for every dollar and provide infrastructure in a lawful, functional and affordable manner.

COMMUNITY ASSETS

The community looks to Council to help maintain its links to the past and provide for its future wellbeing. At times this involves Council expanding its assets portfolio to include assets that would otherwise be lost or not provided at all. Providing venues for Government agencies and other services such as medical centres are becoming more common in provincial New Zealand.

Until 2018, the Westport harbour was a commercial operation under Buller Holdings Limited, a holding company of the Buller District Council. Council is now undertaking a transition to direct control.

Until July 2016, Holcim NZ Ltd was the principal port user. In 2013 Holcim announced the closure of its Westport plant in favour of silo facilities in Timaru and Auckland taking imported cement from Japan. The MV Westport took the final load of Cape Foulwind cement from the port on the 29th of June 2016.

The port is currently in another stage of evolution, its international facilities have ceased and there is a greater focus on the harbour function. Council's role in the harbour is expected to include a new asset management approach to the harbour, which is likely to be discussed in a future Infrastructure Strategy.



Westport Harbour

ASSUMPTIONS

The following assumptions are a subset of those developed for the 2018-28 Long Term Plan. Those that relate to the long term provision of infrastructure are discussed below.

Table 2.3: Significant Assumptions

Significant Assumptions	Risk & Impact
Roading & Urban Development	
New Zealand Transport Agency Funding:	
<p>The New Zealand Transport Agency (NZTA) financial assistance rate provided to Councils roading programmes is currently 63% for Local Roads and 100% for assistance for the Karamea Highway which is a Special Purpose Road (SPR).</p> <p>NZTA advised Council that the FAR rate for local roads will be further increased by 1% each year for the next 3 years from 64% to 66% in year 2020/2021.</p> <p>At the same time the review requires all financial assistance for roading programmes to be judged in terms of the new One Network classifications.</p> <p>This Long Term Plan assumes that the local roads financial assistance rate will increase to 66% until the end of 2020/2021 financial year and the drop back to 61% for the 2021/2022 and it will continue at that rate for the rest of the term of the Long Term Plan. A similar assumption is made that the Special Purpose Road. The 100% financial assistance rate will continue until the end of the 2020/2021 year and will then revert back to State Highway status for the rest of the Long Term Plan. The Long Term Plan also assumes that the present levels of service applied to the District's roads will not be materially different from any new levels established by the One Network classifications. The consequence of these assumptions is that (before inflation) the cost of roading to the ratepayer will be fairly stable.</p>	<p>That the Government will reduce the subsidy available to Councils</p> <p>Any decrease in NZTA funding will require Council to make a decision of whether to increase funding from rates, reduce service levels, remove projects from the Long Term Plan or apply a mix of these options.</p> <p>This means levels of funding will not increase to take account of rising costs of providing the service. Therefore service levels in roading will reduce, this will be particularly evident in higher road roughness levels, maintenance of low volume rural roads and a reduction in vegetation control including mowing.</p>
Karamea Special Purpose Road:	
<p>NZTA have indicated to the Buller District Council that it is proposed that the Karamea Special Purpose Road will lose its designation and revert from 100% subsidy to the Buller District Council's financial assistance rate of 66%, with a three year phase-in period.</p> <p>In examining the unquantifiable risk associated with the long term maintenance of the Karamea Special Purpose Road, the financial risks associated with this proposal are considered be to beyond the financial resources of Buller District Council's ratepayers to fund.</p> <p>At this stage we have assumed that the Karamea Highway revert back to State Highway status from 2021/22.</p>	<p>Financial assistance rate may reduce</p> <p>If the financial assistance rate reduces Karamea Highway will revert to a State Highway.</p>

Significant Assumptions	Risk & Impact
One Network Rooding Classification	
<p>A joint initiative between the New Zealand Transport Agency and Local Government New Zealand has introduced a road classification system for all roads in New Zealand. The classification system aims:</p> <ul style="list-style-type: none"> to deliver similar driving experience across New Zealand. to support more consistent asset management across the Country. to make collaboration and prioritisation between those organisations responsible for the planning, delivery, operation and maintenance of the nation's roading network, leading to a more efficient and safer network and improved value for money. <p>This will introduce different levels of service across roads of different classification. Council has assumed that there will be no change in the levels of service currently provided.</p>	<p>Financial assistance provision may reduce depending on the levels of funding agreed to be provided by NZTA</p> <p>Council will be faced with two choices:</p> <ol style="list-style-type: none"> 1. Change the current level of service provided to that set by NZTA 2. Fund the difference between the current service level and that proposed by NZTA from ratepayer contributions
There will be no subsidisation of footpath and cycling facilities by the New Zealand Transport Agency	No policy change is expected beyond tourism development, therefore footpath and cycling facilities are rates funded
No significant upgrades are required for the increased population	Following a review of likely population and demographic changes throughout the district, it is not expected that the increased usage due to population growth will be significant requiring roading network upgrades. It is believed that there is adequate capacity in the current network for any future growth. It is expected that new roads will be built by developers during the subdivision process
There are currently no resource consents required for stormwater discharges from roading and there is no specific treatment of the stormwater currently required	The low volumes of traffic on Council roads and the passage of road run off through grass berms or grass swales minimises any environmental impact
Water Supplies	
It has been assumed that there will be no significant change to current water demand from any of the Council water supplies	Following a review of population and demographic growth throughout the district little change is expected so risk of under overcapacity is low.
It is assumed that the conditions of Resource Consents held by the Council (requirements and costs) will remain at similar to current levels and that Council will obtain the necessary Resource Consents for planned projects	There is a risk that consent conditions will change or that consent will not be obtained for the Council projects. There is a risk of future changes to consent requirements as a result of the implementation of National Policy Statements, and Freshwater Management legislation. If consent conditions change, expenditure may increase to comply with the conditions and this may have an impact on water supply revenue (rate) requirements. If consents cannot be obtained for planned projects, the project may be delayed or may not proceed
Changing expectations from customers or future legislation changes may affect the appropriateness of existing consents	
Assistance will be available through the Ministry of Health to provide financial assistance to all Council water supplies where treatment upgrades have been provided for	However it should be noted that there can be no certainty regarding the receipt of the subsidy from the Drinking Water Assistance Programme (DWAP) and should the subsidy not materialise, there would need to be consultation with the community and the decision to upgrade or not would be based on affordability and legislative requirements.
Council has made application to the Ministry of Health for funding assistance for the upgrade of the Waimangaro water supply. Solutions for other small supplies are still under consideration.	There is a risk that scheme upgrades will be mandated and timeframes will require local funding for these upgrades

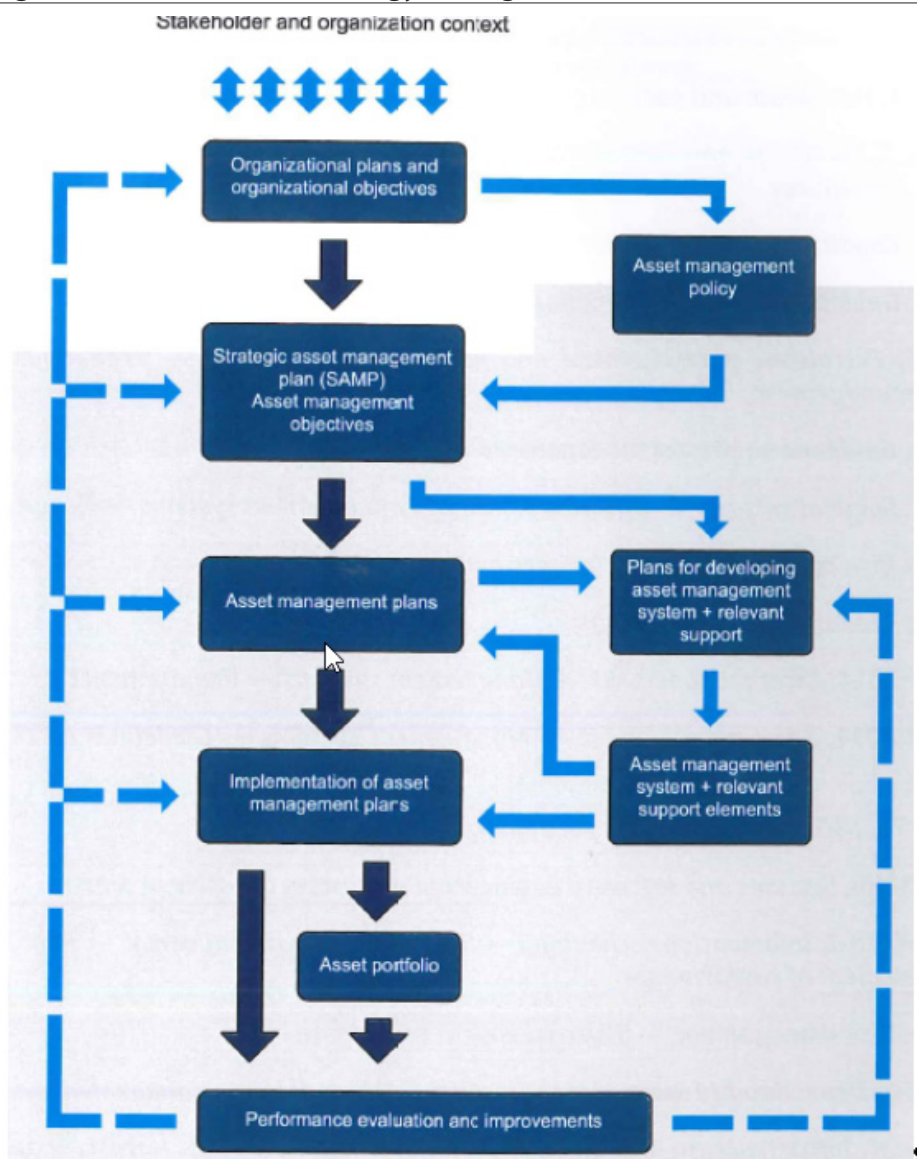
Significant Assumptions	Risk & Impact
Wastewater/sewerage	
It has been assumed that there will be no significant capacity change required for infrastructure to meet to demands	Following a review of likely population and demographic growth throughout the district little change is expected so risk of under overcapacity is low.
Resource Consents will be renewed for Westport sewerage for emergency discharge	There is a risk this consent will not be renewed in a timeframe or with conditions that will cause a response from council that is not budgeted for.
Resource consent to discharge primary treated and untreated sewage effluent to Buller River during storm overflow events was for 20 years from date of issue July 2003	There is a risk from 2023 if this is not approved that further separation of sewer and stormwater in Westport will be required. However the flat grades on many of the sewers will require flushing devices if all stormwater is to be removed
Stormwater	
It has been assumed that there will be no significant growth in urbanised area requiring stormwater reticulation. The only area identified for stormwater reticulation is the North Beach area of Westport	Following a review of likely population and demographic changes throughout the district little change is expected so risk of under overcapacity is low.
Westport is a town only 2 metres above sea level which provides some issues for stormwater collection and discharge. One of the longer term requirements will be to install pumps on stormwater outlets to reduce areas of surface flooding	Council is currently investigating the possibility of installing additional stormwater systems, specifically a large pump station to pump stormwater over the river stop banks. Similar designs are currently deployed in Greymouth and Palmerston North. Further investigation, modelling, and design work will be required given the potential impacts of this possible system. These systems can have complex secondary effects on existing stormwater systems and stormwater flows. Preliminary estimates are in the range \$0.5 million to \$1 million. Council has chosen not to proceed with the system. Future versions of the Infrastructure Strategy will further consider options.
Assumptions Relating to all Activities	
Disasters:	
It is assumed that there will be limited events during the term of this Plan, but that these events will not be significant.	That there is a significant natural disaster in the District, such as flooding, earthquake or fire Council had adequate insurance to cover natural disasters. However, in the event of a significant event Council will need to re-evaluate its work programme and implement disaster recovery plans.
Climate Change:	
Council uses the Ministry for the Environment (MFE) guidelines set out in "Coastal Hazards and Climate Change 2017" for estimating Sea Level Rise (SLR).	Climatic events might lead to increased costs for Council in both responding to events and building greater resilience into infrastructure Climate change is likely to increase the magnitude of some hazards, therefore it is important to incorporate risk management in the design of infrastructure supporting new developments to maintain the same level of service throughout the design lifetime. The design of infrastructure for land development and subdivision needs to provide for the impact of sea level rise and the increased frequency of extreme weather events. Council has budgeted for protection of infrastructure in this plan.

Significant Assumptions	Risk & Impact
Inflation/Price Changes:	
<p>In preparing the Long Term Plan Council has utilised the inflation factors as provided by Business and Economic Research Limited (BERL) to be the inflation factors uses to escalate expenses.</p>	<p>There is likely to be some variation in the actual rates of inflation from those assumed and this will impact on the financial results of Council.</p> <p>If the variances are significant, Council may need to consider either increasing or decreasing rates and charges or the levels of services for activities. This would be considered through the Annual Plan process. Escalation has been undertaken using the BERL indices.</p>
Useful lives of significant assets:	
<p>Council has made a number of assumptions about the useful life of its assets. These assumptions affect the depreciation charge contained within the Plan. The detail for each asset category is reflected in the Statement of Accounting Policy. Council's assets depreciation rates are contained within of the Statement of Accounting Policies.</p>	<p>That the lives of assets are materially different from those contained within the Plan.</p> <p>If the life of the assets are materially different from those contained within the Plan, the asset values stated in the prospective balance sheet and the profit contained in the prospective statement of financial performance would be affected. If the life was shorter than expected then Council might need to replace the asset sooner than planned and this would need to be funded. Council has a long history of managing assets and has asset management practices in place which reduce the likelihood of assets being very different to projections.</p>
Significant Asset Condition:	
<p>Council understanding of condition of its assets underpins the renewal forecasts in the Long Term Plan (and also the significant lives of assets discussed above). Council has sufficient information about the condition of its assets to forecast their probable replacement periods. However, further more detailed information is desirable to further reduce the risk that actual condition varies from the assumed condition.</p>	<p>That condition information is not a sufficiently accurate representation of the actual condition of assets.</p> <p>If the asset condition is substantially worse than expectations then there is an increased risk of unexpected asset failure and the increased costs of repairing assets would need to be funded. These costs are not in the Long Term Plan and Council would need to consider how they should be funded - higher rates, use of cash reserves or debt would be options.</p>

LINKAGE WITH OTHER DOCUMENTS

The following diagram illustrates the Infrastructure Strategy Linkages with other documents in the Asset Management and Strategic Planning Context.

Figure 3.1: Infrastructure Strategy- Linkages with other Documents



THIRTY YEAR STRATEGY

In its role as Local Authority Buller District Council will comply with the relevant New Zealand legislation, while the following Strategic Statements will guide decision-making over the next 30 years.

These statements have been derived from Council's Community Outcome Statements and Long Term Plan Community Outcomes are the goals that Council wants to achieve for the Community. They reflect what the Community sees as important for its well-being and they help to build up a picture of the collective vision for the District's future. The outcomes guide decision-making by Council. The Council links its activities and services back to the outcomes.

Table 5.1: Strategic Statements

Strategy #	Strategic Statements
1	Wellbeing: a vibrant, resilient, healthy & safe community with access to quality facilities & service
2	Learning: a district that values & supports learning with accessible, relevant education & training opportunities
3	Who we are: a 'happening' region with a strong community spirit & distinctive lifestyle
4	Sustainable Environment: the distinctive character of the environment appreciated & retained
5	Prosperity: a thriving, resilient and innovative economy creating opportunities for growth & employment

APPLYING THE STRATEGIC STATEMENTS TO INFRASTRUCTURE PLANNING

Wellbeing: A vibrant, healthy & safe community with access to quality facilities & service
Infrastructure provision actions discussed in this strategy that support this statement include:

- Provide access to quality amenities for physical activity (roading and footpaths)
- Quality drinking water (water supply)
- Number of traffic accidents (roading and footpaths)
- Improved safety in public places (roading and footpaths)
- Emergency Management Programmes and preparedness (all)

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

Infrastructure provision actions discussed in this strategy that support this statement include:

- Provide access to quality amenities for physical activity (roading and footpaths)

Who we are: a 'happening' region with a strong community spirit & distinctive lifestyle

Infrastructure provision actions discussed in this strategy that support this statement include:

- Provide access to quality amenities for physical activity (roading and footpaths)
- Improved safety in public places (roading and footpaths)

Sustainable Environment: the distinctive character of the environment appreciated & retained

Infrastructure provision actions discussed in this strategy that support this statement include:

- Provide access to quality amenities for physical activity (roading and footpaths)
- Improved safety in public places (roading and footpaths)
- Emergency Management Programmes and preparedness (all)

Prosperity: a thriving, resilient and innovative economy creating opportunities for growth & employment

Infrastructure provision actions discussed in this strategy that support this statement include:

- Provide access to quality amenities for physical activity (roading and footpaths)
- Quality drinking water (water supply)
- Emergency Management Programmes and preparedness (all)

The Organisations' Priorities

'Fit for Future'

The theme of **'Fit for Future'** runs through the 2018-2028 Long Term Plan and this Infrastructure Strategy. Buller District Council is aware of the role of infrastructure in providing the basic needs of residents and underpinning economic activity. Alongside a commitment to affordability, this infrastructure strategy will guide Council's investment in future infrastructure.

When Council reviewed the current Long Term Plan and its strategy amongst other things it carried out a SWOT and PESTLE analysis (an evaluation of Buller's strengths, weaknesses, opportunities and threats and a range of factors which could have an effect on the district).

It became apparent that the Buller has a lot going for it, as well as a number of challenges. On the plus side we have resilient communities, cheap land and housing, abundant natural resources, unique natural assets and environment and endless recreational choices.

The main challenges identified included socio-demographic factors: ageing population, retaining our youth in the region, increasing socio-economic issues in the community, geographical isolation and spread; natural hazards, reliance on a few major employers & industries and public perception of our district and region.

It is important that we recognise that successful communities have a balance of offerings that when combined provide a district that is attractive as a place, to work, live, invest and visit and is **'Fit for Future.'** This includes:

- Resilient and reliable public infrastructure and transport options
- Schools that strive to provide the best quality education and consistently aim to turn out high achievers
- Fit for purpose health facilities and social services
- First class leisure and recreational facilities and opportunities
- Strong and connected social networks and public spaces that facilitate this
- A resilient diversified economy that avoids the boom and bust cycles of the past

Provided that there is a vibrant and flexible local economy that provides jobs there is no reason why the population should not stabilise or even grow. The key to creating a more diversified and sustainable economy and attracting people to our district to live, work, invest and visit is all of the factors above plus the reinvention of ourselves as a district and to change the often negative perceptions of the past. As part of the Westport Revitalisation project that kicked off in 2016-17 the question that was investigated was what are the unique selling points of our district that form part of our 'story' and point us to where we need to go. **Three things came out of this process:**

1. We offer a world class back country biking experience– this is not only through the Old Ghost Road, we also have the tracks being developed in Reefton, the proposed Kawatiri Coastal Trail and other trails than are available for biking/cycling. This lends itself well to Westport and Reefton becoming biking 'hubs'
2. We have the wildest Backyard in NZ –87% of our land is in the DOC estate, we have beach and riverside towns, two national parks in our district and all the recreational and leisure opportunities that go with this. This aligns well with the award winning regional brand 'Untamed Natural Wildness'
3. We are generous and entrepreneurial – During the 7 day makeover it was noted that Westport had the highest level of volunteer participation and donated goods and services of any town large or small who had participated in this process. As a district we have a number of technology and innovation start-ups. Continuing to attract and nurture entrepreneurs and innovators is vitally important to our future

All these things paint a picture of what **'Fit for Future'** could look like. Council's role achieving our vision is primarily as a facilitator. It should provide reliable, affordable services and infrastructure that meet the community's needs, help develop attractive towns and a district that people will want to visit and reside in. And finally Council's role as an advocate cannot be understated. Our district requires its share of regional development to be successful now and in the future and to help transformation into modern attractive locations with all the quality services that are now expected in 21st century communities. Council will also work closely with other Coast councils and DWC to ensure that high speed Broadband access to the internet becomes available across the district along with comprehensive mobile phone connectivity.

This means Council needs to continue to invest in infrastructure assets. Over the life of this plan Council expects to spend \$53m to maintain the level of service we currently have and to modernise our towns if the district is to be truly competitive as a place to live and work and play.

Affordability is one of the key challenges that many Councils, including Buller, faces. In the past 3 years leading up to this plan Council has demonstrated that it has been prudent in the allocation of is expenditure and has come well within its predictions of expenditure and the resultant rates increases. It also rates well in prudence measures by third party rates watchdog organisations.

For this LTP and IS to be sustainable it also needs to be affordable both in the short and long term and to continue with this philosophy. Looking at this LTP operating expenditure is prudent and the resulting rates predictions are in the majority of case close to the benchmarks that council has set. These benchmarks have been developed keeping affordability for communities at the forefront.

Council continually looks at ways that it can provide better services or provide the same service a different way at a cheaper cost to the ratepayer. Shared services (the new buzzword) with other West Coast Councils are one way that costs can be saved. Council is doing this already with information technology, insurance, finance, civil defence, processing of building consents and planning. There are ways that councils can work with other organisations to set up a tightly focussed Economic Development service that will facilitate the desired economic diversification that Council believes it needs to make our district **'Fit for Future'**.



Reefton

ASSET AND SERVICE MANAGEMENT STRATEGY

Looking forward, Buller District Council's approach will be a focus on maintaining its infrastructural assets to provide services in the most cost effective manner. This will be achieved through:

1. Robust asset inventory information
2. Improving knowledge about network demand and risks
3. Planning and managing using a prioritised approach (greatest risks and or greatest benefits)
4. Programming works based on priority and cost-effectiveness rather than 'worst first'
5. Seeking the best appropriate combination of maintenance and renewal work, accepting improvement may be limited
6. Acknowledging that currently levels of service may not sustainable across all services

Buller District Council's lifecycle management approach is relatively straightforward with a

priority on security of service and resilience. Condition monitoring is undertaken to refine renewal programmes. Systems thinking is applied to maintenance works, to seek improved service delivery and reduce costs. As affordability will be an ongoing challenge, lifecycle management practice will be key to driving savings and works prioritisation.

The delivery of roading services relies heavily on the services of contractors. Outsourcing is bundled as regular maintenance work requiring a local presence, or project type work that can be undertaken by a range of contractors who can undertake more finite works.

BDC's Professional Services Unit play a key part in the delivery of serves as representatives of the asset owner (Council) and supervisor of contracts. The systems, processes and personal involved are responsible for ensuring the deliverables provided by contracts (inputs) and transferred into the outputs and outcomes sought by Council.

COST EFFECTIVE DELIVERY OF SERVICES

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

- (2) In this Act, good-quality, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are:
 - (a) efficient; and
 - (b) effective; and
 - (c) appropriate to present and anticipated future circumstances

In order to demonstrate that the delivery of services is efficient, effective and appropriate; Buller District Council has developed a procurement system which is based on providing fair payment for the delivery of services. Council has utilised a cost plus contract for all of its maintenance contracts with WestReef Services Ltd which is a Council owned entity. The Council uses the system thinking strategy to identify waste in both the delivery of the service and the manner in which the Council conducts its business.

Service Delivery Reviews (LGA 2002 section 17a) are being undertaken for council activities to assess their effectiveness and efficiency. A priority assessment has been undertaken which will guide the level of detail that will be included in the review. The results of these evaluations will be part of future LTPs.

Council is increasing its collaborative and shared services approach. This is generally with other West Coast Local authorities with initiatives such as the common District Plan, funding business cases for roading and Emergency Management. More integration of services should be expected, but without loss of local decision making and character.

ADDRESSING RESILIENCE

There is a need to increase the sophistication of how we think about resilience, shifting beyond a narrow focus on shock events or infrastructure failure and thinking more about interdependencies, levels of service and community preparedness. A longer-term view needs to be taken with increased focus on adapting to slower changes over time, including climate change. The graphic over the page shows key elements of resilience. Importantly, increased resilience is not necessarily about making things stronger or investing more, and is quite often achieved by operational changes.

Both physical and system resilience are crucial. This means:

- Design and construction standards (where cost effective) that ensure infrastructure is able to withstand natural hazards and long term changes in circumstances such as those resulting from climate change.
- Organisations and networks of organisations with the ability to identify hazards must share information, assess vulnerabilities, and plan for and respond to emergencies.

Acknowledging the value of adaptability and redundancy in the network to improve business confidence.

In order to improve resilience Council approach will be to:

- Actively participate in CDEM planning and activities, at both regional and local levels
- Consider and action recommendations in Lifelines Reports
- Investigate options for alternative service provision and system redundancy
- Identify critical assets and ensure mitigation methods are developed
- Obtain insurance where this is deemed to be the most cost effective approach

SIGNIFICANT DECISIONS REQUIRED

Taking a long term view to the management of infrastructural Assets, Buller District Council needs to make key decisions in a timely manner. In addressing Community desires and priorities the following key decisions have been identified.

Key Decision	Indicative Timeframe
Water Supplies – Water Quality and Management Programme of upgrades required and the role of community members as operators	2018/19-2020/21
Wastewater Consent - Westport Consent 408/2 discharge to river during storm overflow expires July 2023.	2020 (for 2021 LTP)
Stormwater improvement and addition of SW Pump Station at Brougham Street	2021/22 following WCRC flood protection decisions
Bridge renewals and upgrades (timing and level of service to be provided)	2018/19-2044/45
Special Purpose Road – options for future management	2018/19-2020/21 Decision prior to 2021/22-2031/32 LTP

SIGNIFICANT INFRASTRUCTURE ISSUES

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

(2) The purpose of the infrastructure strategy is to—

“(a) identify significant infrastructure issues for the local authority over the period covered by the strategy; and

“(b) identify the principal options for managing those issues and the implications of those options.

In developing this 30 Year Strategy Council identified the anticipated significant infrastructure issues over the 30 years and considered each significant action and the benefits of the action. The significant infrastructure issues faced by Buller District Council with the benefits and costs are tabled below.

WATER

Council's goal for the water activity is:

Council's principal goal for water over the next ten years is:

"to provide an adequate supply of water that is of sufficient quality for household, agricultural, commercial and industrial use, which meets the current and future needs of the consumer, in a cost effective manner."

Figure 6.1: Water Capital Projects (Inflated)



Issue	What are we doing?	What is the benefit?	How much will it cost?	When are we doing it	Growth	LoS	Renew
Drinking Water needs to be improved to meet the Drinking Water Standards	Upgrading Water Treatment Plants	Improve public health	\$0.65m	2018/19		✓	✓
	Assumptions	The upgrade will improve the quality of the drinking water. Some expenditure commitment is still awaiting community decisions and may not proceed.					
Ownership of schemes is unclear	Determining Councils role Inangahua Junction scheme	Clarify responsibilities and liabilities	Further consultation required	Further consultation required			
	Assumptions: The will be a satisfactory solution available that balances legislative requirements and community views						

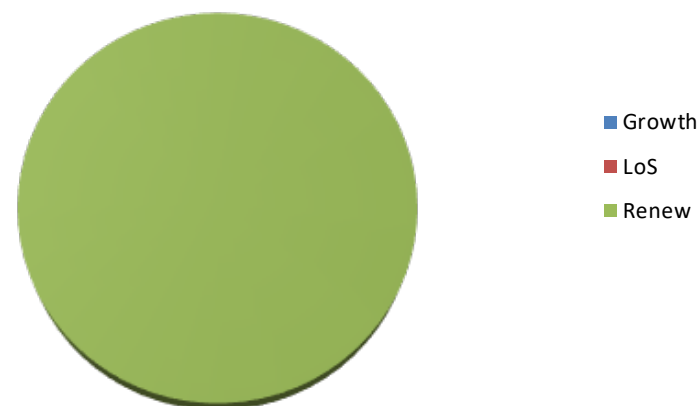
SEWERAGE

Council's goal for the sewerage activity is:

Council's principal goal for wastewater over the next ten years is:

"to provide cost effective sewerage services for townships, as required by the community, and to continue investigations into minimising any adverse impact of effluent discharges into the environment."

Figure 6.2: Wastewater Capital Projects (Inflated)



Issue	What are we doing?	What is the benefit?	How much will it cost?	When are we doing it	Growth	LoS	Renew
Consent is to discharge primary treated and untreated sewage during storm overflow events	Develop joint approach through multi-party discussion	Address issue of potential environmental and cultural impacts in an affordable manner	No cost for discussions	2021/22-2022/23		✓	✓
Assumptions: It is assumed a decision is made on the preferred flood protection option and the impact on stormwater management in Westport.							

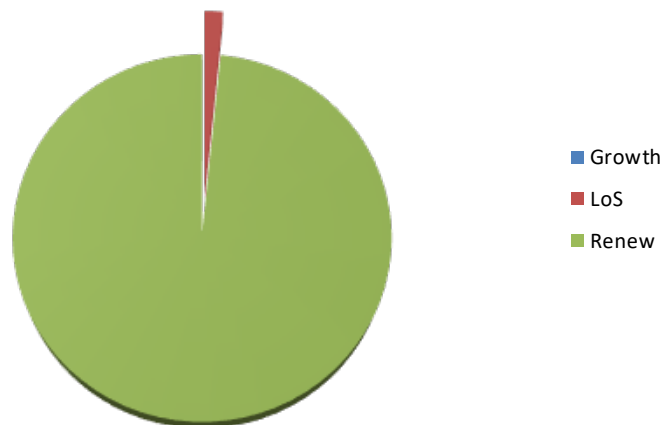
STORMWATER

Council's goal for the stormwater activity is:

Council's principal goal for stormwater over the next ten years is:

"to provide for the collection and disposal of stormwater to acceptable environmental standards."

Figure 6.3: Stormwater Capital Projects (Inflated)



Issue	What are we doing?	What is the benefit?	How much will it cost?	When are we doing it	Growth	LoS	Renew
Localised flooding in Westport	Building new stormwater pump station	Protection of property from flooding	\$0.15m	2018/19	✓		
	<i>Assumptions: The Brougham Street stormwater pump station will proceed following investigation.</i> <i>The mains renewals programme will be refined based on performance and condition.</i>						
	Work collaboratively with WCRC to see flood protection progressed	Protection of property from flooding			✓		
<i>Assumption: A coordinated approach to flooding in Westport will proceed, and that it will provide a satisfactory level of protection for levels and business.</i>							

ROADS AND FOOTPATHS

Council's goal for the roads and footpaths activity is:

Council's principal goal for roads and footpaths over the next ten years is:

"to provide and maintain a network of roads for the movement of vehicles, goods and people in a safe and efficient manner throughout the District in accordance with Council and NZTA standards."

Figure 6.4: Roads (Local) Capital Projects (Inflated)



Issue	What are we doing?	What is the benefit?	How much will it cost?	When are we doing it	Growth	LoS	Renew
Special Purpose Road: funding	Negotiate for NZTA management of the road as a State Highway	Ensure this portion of the area is sustainably funded to ensure levels of service can be met	\$0	2021 /22		✓	✓
Load Capacity and Aging Infrastructure	Bridge Replacements/ upgrades to allow for 50MAX / HPMVs	Ensure continuity of service in a reliable manner. Increase capacity to allow for 50MAX	\$12.9m	2018/19 – 2047/48		✓	✓
<i>Assumptions: The network (including bridges) will perform satisfactorily while a reduced load limit is enforced, until upgraded with some increased maintenance</i>							

Issue	What are we doing?	What is the benefit?	How much will it cost?	When are we doing it	Growth	LoS	Renew
Aging Infrastructure	Resurfacing	Maintain level of service and asset preservation	\$0.61m per annum	2018/19-20/21			✓
			\$0.49m per annum	2021/22 – 2047/48			
	Assumptions	The resurfacing programme will be refined based on performance and condition					

SUMMARY OF SIGNIFICANT INFRASTRUCTURE ISSUES

In 2015 the infrastructure strategy illustrated the key issues requiring an Infrastructure response as follows.

In 2018, many of these issues remain pertinent, with water quality issues continuing and becoming increasingly important

OTHER INFRASTRUCTURE MANAGEMENT SCENARIOS CONSIDERED

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

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

Since 2015, the outlook for Buller district has improved and the population is relatively stable. Investment in infrastructure remains tight, but economic opportunities are being developed. Council is working more closely with the other councils in the region, such as a combined business for roading investment.

Specific options are discussed under each activity area.



Punakaiki
(February 2018)

FINANCIAL ESTIMATES

The LGA 2002 Section 101B – Infrastructure Strategy states:

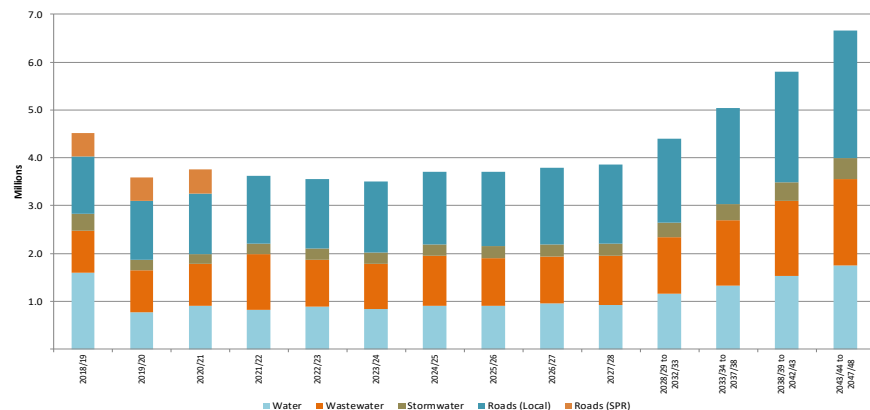
- (4) The infrastructure strategy must outline the most likely scenario for the management of the local authority's infrastructure assets over the period of the strategy and, in that context, must—
 - “(a) show indicative estimates of the projected capital and operating expenditure associated with the management of those assets—
 - “(i) in each of the first 10 years covered by the strategy; and
 - “(ii) in each subsequent period of 5 years covered by the strategy

Total Expenditure

The projected capital expenditure associated with the significant infrastructure assets are graphically represented below. The five year blocks from 2028/29 to 2047/48 represented as annual average expenditure for the five year forecast period:

COMBINED INFRASTRUCTURE FORECAST – CAPITAL (INFLATED)

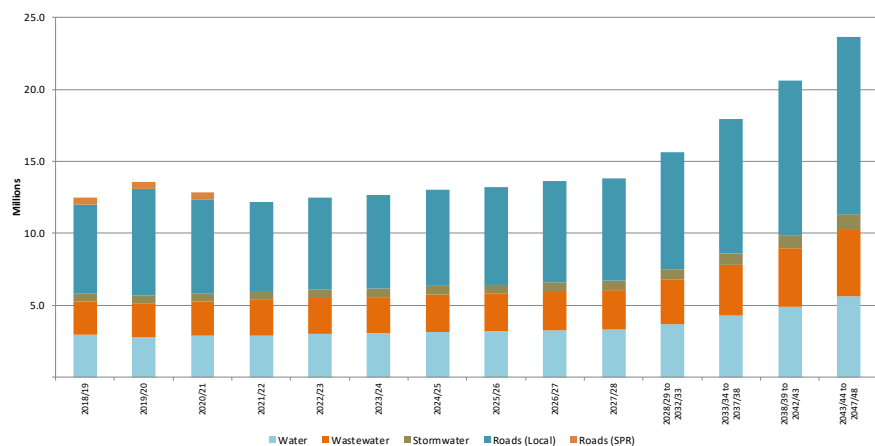
Figure 7.1: Projected Capital Expenditure - Infrastructure Assets



Note - SPR = Special Purpose Road

COMBINED INFRASTRUCTURE FORECAST - OPERATIONS & MAINTENANCE (INFLATED)

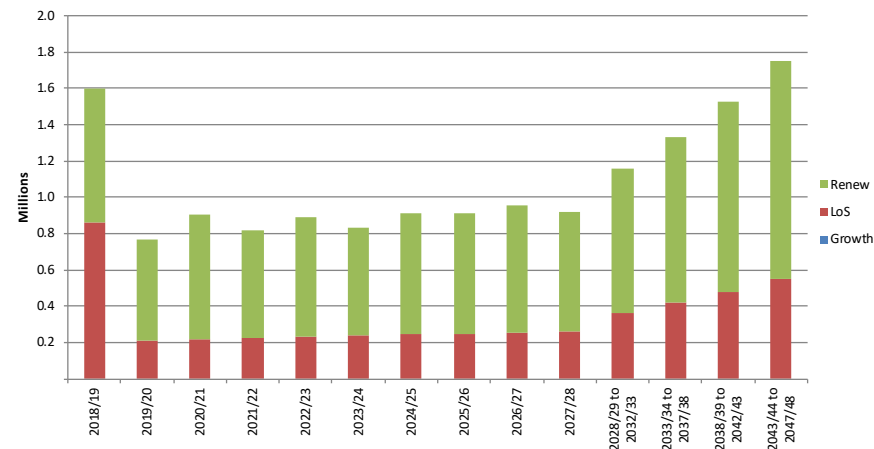
Figure 7.2: Projected Operational Expenditure - Infrastructure Assets



WATER SUPPLY FORECAST (INFLATED)

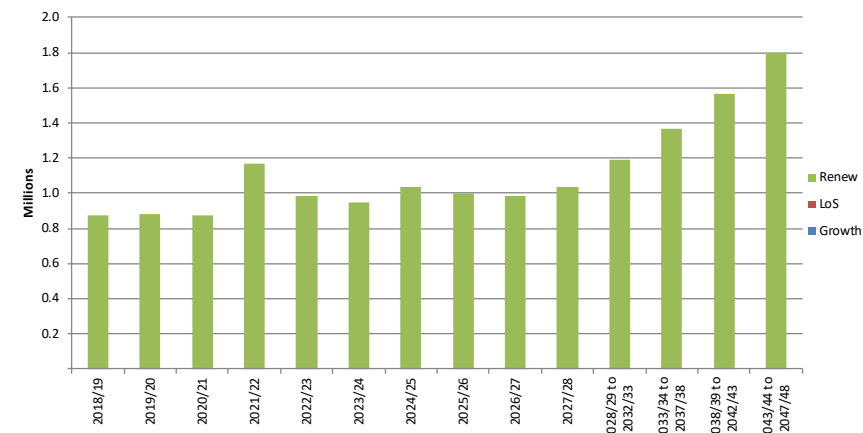
The projected capital expenditure associated with the water infrastructure assets are graphically represented below:

Figure 7.3: Projected Capital Expenditure – Water



SEWERAGE FORECAST (INFLATED)

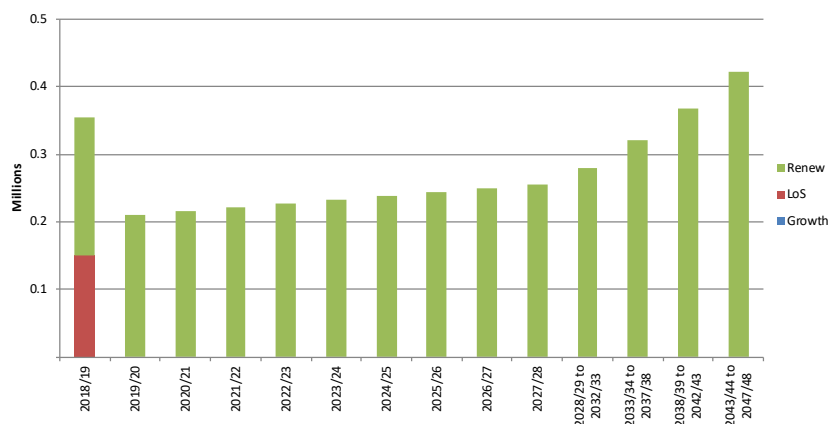
Figure 7.4: Projected Capital Expenditure – Sewerage



Note LoS = Levels of Service

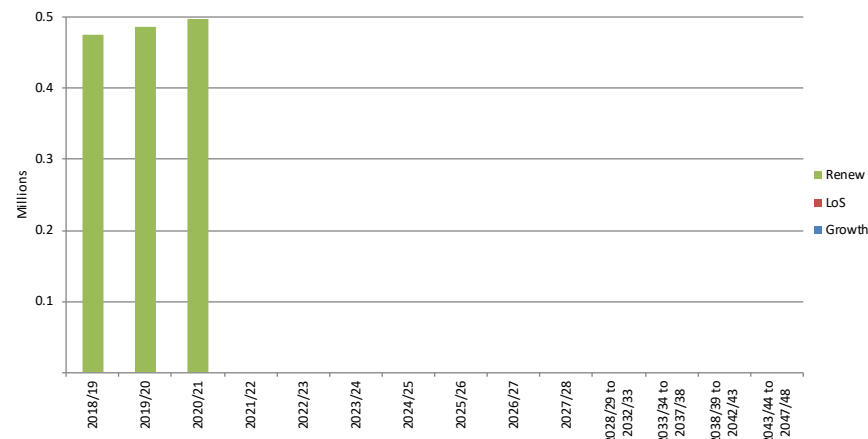
STORMWATER FORECAST (INFLATED)

Figure 7.5: Projected Capital Expenditure – Stormwater



ROADS - SPECIAL PURPOSE ROADS FORECAST (INFLATED)

Figure 7.7: Projected Capital Expenditure – Roads, Special Purpose Roads



ROADS AND FOOTPATHS - LOCAL FORECAST (INFLATED)

Figure 7.6: Projected Capital Expenditure – Roads, Local and Footpaths



POLICIES



INCLUDES THE FOLLOWING FINANCIAL REPORTS:

Significance and Engagement Policy.....	173
Revenue and Financing Policy.....	176

SIGNIFICANCE AND ENGAGEMENT POLICY

INTRODUCTION

The Significance and Engagement Policy is one of the policies that the Local Government Act 2002 requires councils to have (refer section 76AA, LGA 2002). The Buller District Council adopted the last Significance & Engagement policy on 1 December 2015. The policy has been updated as part of the 2018-28 Long Term Plan.

The purpose of the policy is to provide councils with guidance on how important or “significant” things they have to make decisions about are; and how much engagement or consultation they should have with the public about them. This is also to ensure that council decision-making is transparent and fair. The Act is specific about how council conducts consultation processes, to ensure the public have their say about significant issues that may affect them and their communities.

Section 76AA (2) of the LGA 2002 states:

- “(2) The purpose of the policy is -
- (a) to enable the local authority and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions, and activities; and
 - (b) to provide clarity about how and when communities can expect to be engaged in decisions about different issues, assets, or other matters; and
 - (c) to inform the local authority from the beginning of a decision-making process about -
 - (i.) the extent of any public engagement that is expected before a decision is made; and
 - (ii.) the form or type of engagement required.”

The Act defines the key terms (Part 1, section 5, LGA 2002):

“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 term of its likely impact on, and likely consequences for -

- (a) the district or region:

- (b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision or matter:
- (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.”

“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.”

ABOUT SIGNIFICANCE

The Act provides guidance and requirements on how councils determine the significance of proposals and decisions on communities. Those potentially affected in communities include: the public, sectors of the community, iwi, vulnerable groups in the community; organisations; and interest groups. Vulnerable groups include: the very young; the old; those less able or in poor health; and those with limited means.

The council’s general approach is to identify the potential impact, i.e., the consequences of proposals and decisions on the community. Consequences depend on the likelihood and frequency (i.e. how often) of the impacts occurring and the magnitude of those impacts. Significance ranges from low to high in a continuous spectrum, as show on Figure x.1. At one end there may be no consequences, or very few (low significance); at the other there may be major consequences (high significance).

The significance generally mirrors the engagement required (discussed in more depth in the next section). Low significance proposals and decisions generally require less engagement; and high significance requires high engagement, unless they are particularly contentious.

The council will consider the likely impact of the proposals or decisions on:

- The Buller district; and
- The people who are likely to be particularly affected by, or interested in, the matter; and
- The financial impact on the council’s overall resources; and
- The capacity of the council and its ability to perform its role, carry out its activities, ability to achieve its community outcomes and provide for community wellbeing, now and in the future.

Council uses the following thresholds as a guide to assess significance of any issue, proposal or matter and the level of engagement:

- Those that equate to more than 5% of the council’s asset base or 5% of the councils budgeted turnover.
- Those that significantly alter the intended level of service provision for any significant activity.
- Those that reduce council income or increases rates.
- To transfer ownership or control of a strategic asset to or from the council.

Council will consider each criterion independently of the others. If an individual threshold is exceeded, council will deem the matter as significant.

Other criteria the council uses as a guide to assess any issue, proposal or matter and the level of engagement include:

- Those that affect a large portion of the community.
- The likely impact on interests of the community and future generations, and recognising iwi cultural values and their relationship to land and water.
- Those that are likely to generate a high degree of interest or controversy in terms of the number of people, the area potentially affected, and the duration of the impacts.
- Whether the potential impacts are reversible.
- Where the financial implications, now or in the future, on the council's overall resources are substantial.
- Whether the community views are already known, including the preference of the community about the form of engagement.
- Where the form of engagement has been used in the past for similar matters.

Proposals and decisions with high significance are considered on a case-by-case basis. The following section talks about how the council engages with the community and receives their input before council makes decisions that may affect communities.

Where a proposal or decision is considered significant the council must have greater regards for the decision-making provisions of the Local Government Act 2002 (refer s76-82). In particular this includes:

- The extent to which different options are to be identified and assessed.
- The degree to which benefits and costs are to be quantified.
- The extent of the detail of the information to be considered.
- The extent and nature of any written record to be kept of the manner in which council has complied with these considerations.

ENGAGEMENT

Community engagement includes a wide range of things, including consultation. Consultation is a common requirement of many types of legislation, for example under the Resource Management Act.

For the purposes of this policy, consultation is the genuine communication or exchange of information and points of view between decision-makers and the community, before council makes the decision. It is a two-way interactive process that is fair and transparent.

TYPES OF ENGAGEMENT

Types of engagement or communication the council uses include:

- The council website www.bullerdc.govt.nz
- Social media such as Facebook
- Announcements on the local radio stations
- Newsletters
- Letters to ratepayers
- Posters and leaflets on community notices boards and in community buildings
- Public meetings
- Workshops and roadshows
- At Council meetings, during the public sessions
- Clinics or meetings with councilors and the mayor and or key staff.

ABOUT CONSULTATION

Section 82 of the Local Government Act 2002 sets out principles of consultation for significant matters (refer Appendix 1). **These include:**

- **Access** – Council providing reasonable access to relevant information in a manner people want in a form people can understand.
- **Encouragement** – Council to encourage people to present their views.
- **Culturally appropriate** – ensure appropriate processes are in place for consulting with Māori.
- **Clarity** – Council to provide clear information about the purpose of consultation and the scope of decisions the council will take after considering the community views.
- **Opportunity** – Council to provide reasonable opportunity to present their views in a way that suits people's needs and preferences.
- **Open-minded and Fair** – Council to receive community views with an open mind and to take due consideration of those views.
- **Transparency** – Council to provide access to a clear record or description of decisions made, with clear explanations of what they considered.

WHEN COUNCIL MAY NOT CONSULT

Access to information is always necessary for the decision-making process. However there are times when it is not necessary, appropriate, or possible for the council to consult with the community, even if it is considered significant under this policy. The council will always engage with the community on issues, to inform and educate. The Local Government Act, and other government acts related to official information set out very clear requirements for council to follow about when council must consult, and how; or when it may not.

Such circumstances when council may not consult with the public or release official information are numerous and are set out in section 82 of the Local Government Act 2002 (refer Appendix 1). **Some include:**

- Where there has been previous consultation and / or the council is aware of community views.
- There is a need for confidentiality or commercial sensitivity.
- The costs of consultation outweigh the benefits of it.
- Where it may endanger the safety of any person.

COUNCIL'S APPROACH TO ENGAGEMENT

Council's approach to engagement includes the following criteria:

1. The council will apply a consistent and transparent approach to engagement.
2. When engaging with iwi, council acknowledges that face-to-face meetings are preferred. Other tools such as Memoranda of Understanding, Heads of Agreements or other similar high level agreements or understandings may also be considered.
3. Council is required to carry out consultation in accordance with section 82 of the Local Government Act 2002 on certain matters, regardless of whether they are considered significant as part of this policy (refer above).
4. In all other cases council is required to undertake a special consultative process, as set out in section 83 of the Local Government Act. This also includes cases where the council deems a matter as significant that is inconsistent with this policy.

STRATEGIC ASSETS

Section 5 of the Local Government Act 2002 defines a strategic asset:

"strategic asset, in relation to the assets held by a local authority, means an asset or a group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes-

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

Buller District Council's strategic assets include the following things, systems and places. The council needs to retain these assets in order to maintain its capacity to achieve or promote its community outcomes for the current and future well-being of the community. Note a strategic activity or service is one that is associated with owning, operating, servicing or maintaining a strategic asset:

- Council's land holdings portfolio.
- Council's social housing portfolio.
- Council's leasehold portfolio.
- Council buildings.
- Roading system - includes the land corridor, carriageway, footpaths, bridges, street lighting and off-street parking, and equipment.
- Water reticulation, storage and treatment systems – includes the land, pipes, pumps, reservoirs, treatment plants, and equipment.
- Waste collection, recycling, transfer stations, disposal sites - systems and aftercare systems.
- Public toilets and campervan waste receiving facilities.
- Westport Airport (jointly owned with the Ministry of Transport).
- Port of Buller.
- Buller Civil Defence Emergency Operations Centre and

related infrastructure.

- Flood protection works and infrastructure.
- Reserves.
- Cemeteries.
- Libraries – Sue Thomson Casey Memorial Library, Reefton Library.
- Museums.
- Community and recreation facilities - NBS Theatre, Pulse Energy Centre, Reefton pool, community centres.

REVIEW OF THE POLICY

The Significance and Engagement Policy will be reviewed every three years to coincide with each Long Term Plan review process.

REVENUE AND FINANCING POLICY

Background

Section 102(4)(a) of the Local Government Act 2002 states that a local authority must adopt a revenue and financing policy. The revenue and financing policy must state:

- a) The local authority's policies in respect of funding operating expenses from the sources listed.
- b) The local authority's policies in respect of funding capital expenditure from the sources listed.

Alternative funding sources: Local Government Act 2002 - S (103(2))

The Funding Impact Statement from pages 121-130 provides detailed definitions, description and rating sectors for each of the targeted rates.

- General rates: which includes both a general (differential) rate and Uniform Annual General Charge (UAGC).
- The general rate is set and assessed on the land value of all rateable land in the district, on a differential basis based on location, area, land use and the activities that are permitted, controlled or discretionary for the area in which the land is situated as per the District Plan.
- The definition of the differential categories is set out in Section 6 of the Funding Impact Statement.
- Targeted rates
- Fees and charges
- Interest and income from investments
- Borrowings
- Proceeds from asset sales
- Development contributions
- Financial contributions under the Resource Management Act 1991
- Grants and subsidies
- Any other sources

In considering which funding sources are appropriate for each activity, Council has considered (S(101(3)) of the Local Government Act:

- a) The promotion of community outcomes
- b) User/beneficiary pays – the distribution of benefits between the community as a whole, any identifiable part of the community and individuals
- c) Intergenerational equity – the period in or over which those benefits are expected to come
- d) Exacerbator pays – the extent to which the actions or inaction of particular individuals or groups contribute to the need to undertake the activity
- e) The costs and benefits of funding an activity in a different manner to the way other activities are funded, including consequences for transparency and accountability
- f) The overall impact on the current and future social, economic, environmental and cultural well-being of the community

Changes to Funding Mechanisms

The only significant change in the policy was inclusion of a new activity for the Westport Harbour.

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 1 July 2018
						General Benefits	Private Benefits	
Governance	Democracy	<ul style="list-style-type: none"> Elected Representatives 	Statutory requirement Local Government Act 2002 Local Electoral Act 2001 and regulations	<ul style="list-style-type: none"> All 	<ul style="list-style-type: none"> Ongoing 	All can be involved in democratic representation	Inangahua community benefits through separate board of Four members plus two Councillors	Operating: <ul style="list-style-type: none"> 100% general rates Capital: <ul style="list-style-type: none"> No capital spend
		<ul style="list-style-type: none"> Community Planning and Consultation 	The need for the Inangahua Community Board is created by the Inangahua Community			Social cohesion and community focus		
			Governance Structure for effective leadership, advocacy and accountable stewardship of the Council's assets and resources			Liaison with central government		
						Equal access for all		
Community Services	Libraries	<ul style="list-style-type: none"> Library service 	Supports lifelong literacy and learning for different ages and needs. Council's provision of services allows all residents the opportunity for information, knowledge, recreation and leisure at a community facility.	<ul style="list-style-type: none"> Learning Who we are 	<ul style="list-style-type: none"> Ongoing 	Library facilities are provided for the entire community and enhance wellbeing.	Individuals who directly benefit from the service taking out books	Operating: <ul style="list-style-type: none"> 85-95% general rates 5-15% fees Capital: <ul style="list-style-type: none"> Loans Investments Depreciation reserves Grants
		<ul style="list-style-type: none"> Information service 				Better informed and educated community	Researchers	
	Economic Development and Marketing					Equal access to all		
		<ul style="list-style-type: none"> Grants District Marketing Economic Development 	District Promotion and Marketing Agencies and Businesses Economic Development	<ul style="list-style-type: none"> Prosperity Wellbeing 	<ul style="list-style-type: none"> Ongoing 	Improved economic benefit of district	Local business	Operating: <ul style="list-style-type: none"> 100% general rates Capital: <ul style="list-style-type: none"> Loans Depreciation reserves
	Museum Funding	<ul style="list-style-type: none"> Museums 	Funding for Museums and Heritage operations.	<ul style="list-style-type: none"> Wellbeing 	<ul style="list-style-type: none"> Ongoing 	Preserves important cultural history.	Community	Operating: <ul style="list-style-type: none"> 100% general rates Capital: <ul style="list-style-type: none"> Loan Depreciation reserves

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 1 July 2018
						General Benefits	Private Benefits	
Community Services	Recreation Facilities	• Swimming Pool at Reefton	Users of facilities benefit from personal fitness and competition	• Wellbeing • Learning • Who are we	• Ongoing	Community benefits in providing options for people to exercise and relieve the pressure on the health system	Users of pool Users of gym, pool and sports recreational facilities.	Operating: • 100% general rates Capital: • Loans • Investments • Depreciation reserves
		• Community Centre at Reefton which provides an indoor community and sports venue, and gym facilities				Community benefits in providing options for people to exercise and relieve the pressure on the health system.		
		• Pulse Energy Recreation Centre in Westport, which provides gym, pool and sports facilities	The Pulse Energy Recreation Centre can be used to attract regional and national sporting events			Enhanced health and well-being of community.		
						Opportunities for recreation and leisure.		
						Controlled safe environment for younger community.		
	Theatre	• Live performance	Theatre groups who use the theatre for performances	• Who are we	• Ongoing	Facility that can be used by all and enhances cultural well-being of district.	Groups who need a venue for live performances.	Operating: • 30-45% fees - user pays • 55-70% general rates • Land valuation Capital: • Loans • Depreciation reserves • Grants • Investments
	Movies	• Movie goers • School groups who use the theatre for performances			Long Term: • Theatre Venue	Overall public benefit.	Residents who want to watch movies.	
	Reefton Service Centre	• Council Services	Reefton residents who require access to services	• Who are we	• Ongoing Long Term: • Building	Reefton residents and visitors to the area	Individuals and businesses requiring information or transaction processing	Operating: • 100% general rates Capital: • Depreciation reserves

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 1 July 2018
						General Benefits	Private Benefits	
Community Services	Reefton Post Office	<ul style="list-style-type: none"> Postal Services 	Reefton residents who require access to services	<ul style="list-style-type: none"> Who are we 	<ul style="list-style-type: none"> Ongoing Long Term: Building 	Reefton residents and visitors to the area	Individuals and businesses requiring postal agency information or transaction processing	Operating: <ul style="list-style-type: none"> 75-95% fees 5-25% general rates Capital: <ul style="list-style-type: none"> Depreciation reserves
	Community Development and Support	<ul style="list-style-type: none"> Provision of grants 	Volunteer organisations and individuals who want funding due to financial pressures	<ul style="list-style-type: none"> Who we are Learning 	<ul style="list-style-type: none"> Ongoing 	Grants paid to organisations benefit the whole community through improved facilities and cultural opportunities	Users of the services or facilities provided by grant recipients	Operating: <ul style="list-style-type: none"> 90-100% general rates 0-10% grants Capital: <ul style="list-style-type: none"> No capital spend
		<ul style="list-style-type: none"> Vision 2010 rural projects 	Council recognises that our rural communities face particular challenges in continuing to provide community services and facilities to their local populations. The Vision 2010 projects are designed to support local community initiatives to improve community facilities and projects that benefit residents.	<ul style="list-style-type: none"> Prosperity Who we are 	<ul style="list-style-type: none"> Ongoing 	The Vision 2010 projects are designed to support local community initiatives to improve community facilities and projects that benefit residents	Users of the community facilities	Operating: <ul style="list-style-type: none"> 100% general rates
	Regulatory Services	<ul style="list-style-type: none"> District Plan - framework, regulation and control of subdivisions and land use. 	Council administers the responsibilities imposed under the Resource Management Act (RMA) relating to the use of land, air and water. This function requires the administration of the operative District Plan. The RMA Act places specific statutory functions on territorial authorities to promote the sustainable development of natural and physical resources.	<ul style="list-style-type: none"> Sustainable environment 	<ul style="list-style-type: none"> Ongoing Long Term: District Plan 	Entire district - Regulations Monitoring benefits Contributes to the sustainable management and development of the district resources and of benefit to district as a whole	Applicants for Resource Consents	Operating: <ul style="list-style-type: none"> 90-95% general rates 5-10% fees Capital: <ul style="list-style-type: none"> Depreciation reserves Loans

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 1 July 2018
						General Benefits	Private Benefits	
Regulatory Services	Resource Management Consents	<ul style="list-style-type: none"> Resource Consents 	Legislation - RMA	<ul style="list-style-type: none"> Sustainable environment Wellbeing 	Ongoing	Entire district - Regulations Monitoring benefits.	Applicants for Resource Consents	Operating: <ul style="list-style-type: none"> 5-10% general rates 90-95% fees Capital: <ul style="list-style-type: none"> Depreciation reserves Loans
			Resource Consent Applicants			There is also an element of benefit to the whole district by ensuring planning and development is done in a co-ordinated and controlled manner.		
			Monitoring enforcement of land use.			Environment safeguards		
	Building Control	<ul style="list-style-type: none"> Building consents 	The Building Act 2004 places substantial statutory function requirements on territorial authorities. The activity ensures buildings meet the requirements of New Zealand Building Legislation.	<ul style="list-style-type: none"> Prosperity Wellbeing 	Ongoing	Benefit to the entire district of having safe buildings that comply with regulations.	Individuals who are building	Operating: <ul style="list-style-type: none"> 80-90% fees 10-20% general rates Capital: <ul style="list-style-type: none"> Depreciation reserves Loans
			To provide high quality safe solutions to the community for their building needs			Public health and wellbeing		
	Animal Control - Dogs	<ul style="list-style-type: none"> Dog licensing 	Legislation below requires territorial authorities to enforce certain statutory functions regarding dog control:	Wellbeing	Ongoing Long Term: <ul style="list-style-type: none"> Dog pounds 	Entire district: - Complaint service - Public safety	Those with dogs cause the problems.	Operating: <ul style="list-style-type: none"> 25% general rates 75% fees Capital: <ul style="list-style-type: none"> Depreciation reserves Loans
			- Dog Control Act 1996 - Impounding Act 1955 Animal control activities promote public welfare and safety				Individuals will have delegated exercise areas for dogs.	
	Animal Control - Stock	<ul style="list-style-type: none"> Stock control 	Legislation below requires territorial authorities to enforce certain statutory functions regarding stock control.	Wellbeing	Ongoing	Entire district - Complaint service - Public safety	Those with stock cause the problems	Operating: <ul style="list-style-type: none"> 70-80% general rates 20-30% fees Capital: <ul style="list-style-type: none"> No capital spend
			Impounding Act 1955					
			Stock control activities promote public welfare and safety.					

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 1 July 2018
						General Benefits	Private Benefits	
Regulatory Services	Environmental Health - Food Premises	<ul style="list-style-type: none"> Licensing of premises 	<p>Legislation</p> <ul style="list-style-type: none"> - Food Hygiene Regulations 1974 - Health Act 1956 <p>The activity ensures the enforcement of safety legislation to protect members of our community from potential risk</p>	<ul style="list-style-type: none"> Wellbeing Sustainable Environment 	<ul style="list-style-type: none"> Ongoing 	<p>Entire district benefits from health and safety in business meeting standards</p> <p>The community as a whole benefits through control of infectious diseases and monitoring of environmental standards. The community includes local residents and visitors to the district</p>	Individuals who require certification of their businesses	<p>Operating:</p> <ul style="list-style-type: none"> 65-75% fees 25-35% general rates <p>Capital:</p> <ul style="list-style-type: none"> No capital spend
	Environmental Health - Liquor Licensing	<ul style="list-style-type: none"> Licensing of Premises 	<p>Sale and Supply of Alcohol Act 2012.</p> <p>Gambling Act 2003</p> <p>The activity ensures the enforcement of safety legislation to protect members of our community from potential harm</p>	<ul style="list-style-type: none"> Wellbeing 	<ul style="list-style-type: none"> Ongoing 	<p>Entire district - Regulated opening times / venues</p> <p>Public health and safety</p>	Individuals who require certification of their businesses	<p>Operating:</p> <ul style="list-style-type: none"> 75-90% fees 10-25% general rates <p>Capital:</p> <ul style="list-style-type: none"> No capital spend
	Environmental Health - Noise	<ul style="list-style-type: none"> Noise complaints serviced 	<p>This is driven by legislation via the Resource Management Act (RMA). People are not allowed to make 'excessive' noise and must ensure that noise from their property does not reach an 'unreasonable' level. Address nuisance activities</p>	<ul style="list-style-type: none"> Wellbeing 	<ul style="list-style-type: none"> Ongoing 	<p>Health benefits from reduced noise levels</p>	<p>Promotion of a pleasant environment for the community</p> <p>No hazards from excessive noise levels</p>	<p>Operating:</p> <ul style="list-style-type: none"> 90-95% general rates 5-10% fees <p>Capital:</p> <ul style="list-style-type: none"> No capital spend
	Environmental Health - General Inspection	<ul style="list-style-type: none"> Freedom camping and illegal littering monitoring and investigation 	<p>This activity ensures compliance and enforcement of the Council regulations and by-laws that control these activities.</p>	<ul style="list-style-type: none"> Wellbeing 	<ul style="list-style-type: none"> Ongoing 	<p>Provides control over the impact of freedom camping within the district.</p> <p>Ensures public spaces are litter free and pleasant environments for the public to enjoy.</p>	<p>Freedom camping does not clash with other recreational activities</p> <p>No hazards from litter.</p>	<p>Operating:</p> <ul style="list-style-type: none"> 90-95% general rates 5-10% fees <p>Capital:</p> <ul style="list-style-type: none"> Depreciation reserves

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 1 July 2018
						General Benefits	Private Benefits	
Regulatory Services	Environmental Health - General Inspection	<ul style="list-style-type: none"> General compliance 	This activity encompasses all other compliance not detailed elsewhere in this policy.	<ul style="list-style-type: none"> Wellbeing 	<ul style="list-style-type: none"> Ongoing 	It includes development and review of compliance documents.	Promotion of a pleasant environment for the community.	Operating: <ul style="list-style-type: none"> 100% general rates Capital: <ul style="list-style-type: none"> No capital spend
	Emergency Management	<ul style="list-style-type: none"> Training of Civil Defence staff and volunteers Civil Defence preparedness and response 	This activity is fundamental to achieving community preparedness for emergencies. There is a requirement for this activity as per the Civil Defence Emergency Management Act 2002. It ensures public safety and ensures that there are adequate plans to respond to hazards, risks and emergencies. It also ensures that there are sufficient trained personnel and response measures in place during an emergency.	<ul style="list-style-type: none"> Wellbeing 	<ul style="list-style-type: none"> Ongoing 	Provides certainty and assurance to public that Council are prepared to meet impact of natural disaster	Individuals requiring assistance during an emergency	Operating: <ul style="list-style-type: none"> 100% general rates Capital: <ul style="list-style-type: none"> Loans Depreciation reserves Investments
Property	Reserves	<ul style="list-style-type: none"> Parks Sports grounds Reserves Playgrounds Beach areas 	<p>Provides the community with recreation facilities and relaxation areas</p> <p>Create a pleasant environment for the community.</p>	<ul style="list-style-type: none"> Wellbeing 	<ul style="list-style-type: none"> Ongoing Long Term: <ul style="list-style-type: none"> Land Playground equipment 	<p>Use of parks is for public enjoyment</p> <p>Promotion of a pleasant environment for the community.</p> <p>Beauty and image of Buller district is enhanced</p> <p>Enhanced health and wellbeing</p>	Users of parks and reserves facilities	Operating: <ul style="list-style-type: none"> 90-100% general rates 0-10% fees Capital: <ul style="list-style-type: none"> Reserve contributions Loans Depreciation reserves Investments

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 1 July 2018
						General Benefits	Private Benefits	
Property	Public Toilets	<ul style="list-style-type: none"> Toilet facilities 	The provision of toilet facilities promotes the health and wellbeing of the district and environment.	<ul style="list-style-type: none"> Wellbeing 	<ul style="list-style-type: none"> Ongoing Long Term: <ul style="list-style-type: none"> Buildings 	Public - non-exclusivity Health and wellbeing of community	Individuals using facilities	Operating: <ul style="list-style-type: none"> 100% general rates Capital: <ul style="list-style-type: none"> Loans Depreciation reserves Investments
	Cemeteries	<ul style="list-style-type: none"> Interment facilities Cemetery reserve Records enquiry service 	<ul style="list-style-type: none"> Burial and Cremation Act 1964 	<ul style="list-style-type: none"> Wellbeing 	<ul style="list-style-type: none"> Ongoing Long Term: <ul style="list-style-type: none"> Land 	Community as a whole benefits from availability of interment facilities Availability of heritage records	Benefit for family of person interned	Operating: <ul style="list-style-type: none"> 75-85% general rates 15-25% fees Capital: <ul style="list-style-type: none"> Loans Depreciation reserves Investments
	Property - Community	<ul style="list-style-type: none"> Community halls 	<ul style="list-style-type: none"> Community and civic buildings provide for a diverse range of community activities 	<ul style="list-style-type: none"> Wellbeing Who we are 	<ul style="list-style-type: none"> Ongoing Long Term: <ul style="list-style-type: none"> Buildings 	All benefit from public buildings	Groups using halls	Operating: <ul style="list-style-type: none"> 90-100% general rates 0-10% fees Capital: <ul style="list-style-type: none"> Loans Depreciation reserves Investments
	Elderly Persons Housing	<ul style="list-style-type: none"> Housing for the Elderly 	Provision of housing for the elderly assists our senior citizens to maintain their independence and remain in the community	<ul style="list-style-type: none"> Wellbeing Who we are 	<ul style="list-style-type: none"> Ongoing Long Term: <ul style="list-style-type: none"> Buildings 	Retaining the elderly within the community which retains our social character and mix	Tenants renting	Operating: <ul style="list-style-type: none"> 100% fees Capital: <ul style="list-style-type: none"> Loans Depreciation reserves Investments

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 1 July 2018
						General Benefits	Private Benefits	
Property	Harbour	<ul style="list-style-type: none"> Port facilities 	Services fishing fleet vessels and recreation commercial vessels	<ul style="list-style-type: none"> Wellbeing Prosperity 	<ul style="list-style-type: none"> Ongoing 	Provides a facility for the district benefit	Individuals using the facility	Operating: 40-60% general rates 40-60% fees Capital: <ul style="list-style-type: none"> Loans Depreciation reserves
	Property - Private	<ul style="list-style-type: none"> Property Management of leased property 	Management of leased land assists in the effective maintenance of Council's assets and facilities	<ul style="list-style-type: none"> Who we are 	<ul style="list-style-type: none"> Ongoing Long Term: <ul style="list-style-type: none"> Buildings 	All benefit from return on investment	Leasehold tenants	Operating: <ul style="list-style-type: none"> 100% fees Capital: <ul style="list-style-type: none"> Loans Depreciation reserves Investments
	Punakaiki Camping Ground	<ul style="list-style-type: none"> Holiday park accommodation for visitors 	Provision of an area for both passive and active recreation and enjoyment	<ul style="list-style-type: none"> Wellbeing Who we are 	<ul style="list-style-type: none"> Ongoing Long Term: <ul style="list-style-type: none"> Buildings 	All benefit from extra visitors and economic gain	Customers using the facility	Operating: <ul style="list-style-type: none"> 90-100% fees 0-10% general rates Capital: <ul style="list-style-type: none"> Loans Depreciation reserves Investments

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 1 July 2018
						General Benefits	Private Benefits	
Roading and Transport	Roading	<ul style="list-style-type: none"> Roads Street lighting Footpaths Car parking spaces 	<p>Local Government Act 2002</p> <p>Road Controlling Authority</p> <p>This activity ensures property access and freedom of travel and supports the sustainability of the community.</p>	<ul style="list-style-type: none"> Wellbeing Prosperity 	<ul style="list-style-type: none"> Ongoing <p>Long Term:</p> <ul style="list-style-type: none"> Road construction and renewals 	Sustainability of the community	<p>Individuals using the transport network</p> <p>Benefit from access to property and access to facilities</p> <p>Improved safety of roads</p>	<p>Operating:</p> <ul style="list-style-type: none"> 34-36% general rates 64-66% NZTA subsidy 100% NZTA subsidy for special purpose roads (Karamea Highway) <p>Capital:</p> <ul style="list-style-type: none"> General rates NZTA subsidy Investments Loans
	Urban Development	<ul style="list-style-type: none"> Improving street and landscape in towns 	<p>More pleasant environment for our communities by use of planting, street treatment and decorative measures</p>	<ul style="list-style-type: none"> Who we are 	<ul style="list-style-type: none"> Ongoing <p>Long Term:</p> <ul style="list-style-type: none"> Landscaping 	Promotion of a pleasant environment for the community	<p>Improved environment to residents and tourists</p>	<p>Operating:</p> <ul style="list-style-type: none"> 100% general rates <p>Capital:</p> <ul style="list-style-type: none"> General rates Loans Investments
Water Supplies	Community Water Supplies	<ul style="list-style-type: none"> Supply of water 	<ul style="list-style-type: none"> Community health, safety and development. Provision of water supplies is a core function of Local Government 	<ul style="list-style-type: none"> Wellbeing 	<ul style="list-style-type: none"> Ongoing <p>Long Term:</p> <ul style="list-style-type: none"> New schemes / renewals 	<p>Supply of water for public toilets.</p> <p>Fire fighting supply.</p>	<p>Residents able to be connected to supply.</p>	<p>Operating:</p> <ul style="list-style-type: none"> 100% targeted rates Metered water charges for major users <p>Capital:</p> <ul style="list-style-type: none"> Targeted rate Subsidies Loans Investments Depreciation reserves

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 1 July 2018
						General Benefits	Private Benefits	
Solid Waste	Refuse Collection & Recycling, Litter and Landfill Operations	ZONE 1 - Westport • Provide waste management disposal facilities	• Necessary for the health and quality of life in the community. Ensure that refuse is managed and disposed of in an efficient and sustainable manner.	• Wellbeing	• Ongoing	Better environment	Those using collection the service	Operating: <ul style="list-style-type: none"> • 80-95% targeted rates • 5-20% other income (fees and charges) Capital: <ul style="list-style-type: none"> • Loans • Depreciation reserves • Investments
						Public health		
		ZONE 2 - Karamea • Provide waste management disposal facilities	• Necessary for the health and quality of life in the community. Ensure that refuse is managed and disposed of in an efficient and sustainable manner.	• Wellbeing	• Ongoing	Better environment	Those using collection the service	Operating: <ul style="list-style-type: none"> • 80-95% targeted rates • 5-20% fees and charges Capital: <ul style="list-style-type: none"> • Loans • Depreciation reserves • Investments
						Public health		
		ZONE 3 - Maruia • Provide waste management disposal facilities	• Necessary for the health and quality of life in the community. Ensure that refuse is managed and disposed of in an efficient and sustainable manner.	• Wellbeing	• Ongoing	Better environment	Those using collection the service	Operating: <ul style="list-style-type: none"> • 80-95% targeted rates • 5-20% fees and charges Capital: <ul style="list-style-type: none"> • Loans • Depreciation reserves • Investments
						Public health		

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 1 July 2018
						General Benefits	Private Benefits	
Solid Waste	Landfill Operation	• Landfill development and monitoring	Ensure that capacity exists for residual waste and recycling if it cannot be disposed at the Nelson facility.	• Wellbeing	• Ongoing	Community facilities for rubbish disposal.	Residents able to dispose of unwanted rubbish	Operating: <ul style="list-style-type: none"> • 100% general rates Capital: <ul style="list-style-type: none"> • Loans • Depreciation reserves • Investments
		• Close landfills, monitor and rehabilitate	Ensure that refuse is managed and disposed of in an efficient and sustainable manner that maintains the districts natural and aesthetic values	• Wellbeing	Long Term: <ul style="list-style-type: none"> • Buildings • Land 	Better environment.		
	Litter	• Litter collection	Necessary for health and quality of life in communities, and disposed of in an efficient manner	• Wellbeing	• Ongoing	Public health		
Wastewater/Stormwater	Sewerage	• Disposal of sewerage	Necessary for health and quality of life in the community	• Wellbeing	• Ongoing	Community health and wellbeing	Residents able to be connected to sewer	Operating: <ul style="list-style-type: none"> • 100% targeted rates • Trade waste fees Capital: <ul style="list-style-type: none"> • Depreciation reserves • Investments • Loans
		• Disposal of trade waste			Long Term <ul style="list-style-type: none"> • New schemes / renewals 	Maintains sanitation	Those disposing of trade water	
Wastewater/Stormwater	Stormwater	• Collect and transport land drainage from property	Protection of property Health and safety as it reduces danger from flooding	• Wellbeing	• Ongoing Long Term <ul style="list-style-type: none"> • New schemes / renewals 	Public health benefit Continuity of access to property	Urban properties benefit due to density of roading and footpaths Drainage protection Open drains in rural area	Operating: <ul style="list-style-type: none"> • 100% general rates Capital: <ul style="list-style-type: none"> • Loans

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 1 July 2018
						General Benefits	Private Benefits	
Support Services	Corporate Services	<ul style="list-style-type: none"> General staff and administration services 	<ul style="list-style-type: none"> Implement and support of all Council activities 	<ul style="list-style-type: none"> All 	<ul style="list-style-type: none"> Ongoing Long Term <ul style="list-style-type: none"> Office Equipment 	Benefits community at large		Overheads reallocated to other activities Capital: <ul style="list-style-type: none"> Depreciation reserves Loans Investments
	Information Systems	<ul style="list-style-type: none"> Computer systems Telecommunication networks 	<ul style="list-style-type: none"> Availability of information and systems to support all Council activities and enable sound decision making. 	<ul style="list-style-type: none"> All 	<ul style="list-style-type: none"> Ongoing Long Term <ul style="list-style-type: none"> Computer systems 	Benefits community at large	Individuals accessing databases and information	Overheads reallocated to other activities Capital: <ul style="list-style-type: none"> Depreciation reserves Loans Investments
In-House Professional Services		<ul style="list-style-type: none"> Engineering Services 	<ul style="list-style-type: none"> Council access to engineering services on a cost effective basis. 	<ul style="list-style-type: none"> All 	<ul style="list-style-type: none"> Ongoing 	Benefits community at large		Overheads and internal charges reallocated to other activities Capital: <ul style="list-style-type: none"> Depreciation reserves Loans Investments
Airport	Westport Airport	<ul style="list-style-type: none"> Airport Services 	<ul style="list-style-type: none"> Public Transportation 	<ul style="list-style-type: none"> Prosperity 	<ul style="list-style-type: none"> Ongoing Long Term <ul style="list-style-type: none"> Buildings Land 	Economic benefit to all Social and heritage value	<ul style="list-style-type: none"> Commercial / individual users benefit 	Operating: <ul style="list-style-type: none"> 75-80% fees The balance is funded: <ul style="list-style-type: none"> 50% general rates 50% by the Crown Capital: <ul style="list-style-type: none"> Depreciation reserves 50% funded by the Crown

Ratepayers are currently rated on a system that uses Land Values as the basis for General Rates

User charges are used for those services where there is a benefit to an individual. If it is possible to efficiently impose a charge the Council does so, on the basis of either recovering the full cost of the service or a rate that the market will pay. The market rate can limit the potential for charging in circumstances where the Council believes that a charge set too high will adversely reduce use.

General rates are used to fund those services where the council believes there is a public benefit even though it may not be to the whole community. It typically funds “public goods” for which there is no practical method for charging individual users as the benefit is wider than just specific users. General rates fund a range of services which are used by individual ratepayers to varying extents. The council uses the general rate rather than a number of targeted rates in order to achieve a simpler rating structure. That simpler structure makes it easier for ratepayers to understand how they are being rated and it is also simpler and cheaper to administer. Rates are regarded as a tax which funds the collective community benefit rather than be any form of proxy for use of a service. Differentials are only used to ensure that other rates mechanisms do not alter the incidence in rates between the major rate payer groups

Targeted rates are also used to fund community benefits and wider public goods. A targeted rate means a rate to be used exclusively to pay for that operating expense. It is used in circumstances where the council believes that the benefits from the services are such that the principles of a general rate approach (noted above) are not sufficient and that they should be targeted to a particular beneficiaries group. It is also used where the council considers that the level of charge is outside council’s control and the extent of the rate should be clear to the community.

Grants and subsidies are used where they are available.

Borrowing is not generally used to fund operating expenses, but is used as a tool to smooth out major lumps in the capital replacement and acquisitions programme. The council may choose to borrow for an operating expense to give a grant to a community organisation that is building a community facility.

Income from dividends, interest and net rental income is used to offset the cost of provision of other services. Income from interest and dividends is included as revenue in the investments and governance activity. This revenue is utilised to reduce Council’s general rates income stream.. Income from rental of property is applied to the activity which is the primary user of a facility, if the property does not have a primary use but is held for commercial or strategic purposes the rental is included investments and governance activity, and is applied to general purposes.

Licence fees are charged where they are available as a mechanism. They are set as for user charges but may have constraints on the level of the fee. These constraints are established under various legislation.

Enforcement fees are charged when possible. The purpose of the fee is to promote compliance rather than to raise revenue, at times enforcement fees will recover the full cost and at other times it will not depending on the level of compliance and also the extent to which the charges are limited by statute or the courts.

Funding of Capital

Rates in all forms will be used to fund an ongoing replacement programme and may be used to fund a portion of capital acquisition work. This will be balanced against the affordability for the current ratepayers and the extent to which a capital replacement or acquisitions programme is even over the period of the plan. Over the period of the plan the council will get to the point where asset renewals are being met from operating revenue, and also a contribution is being made to levels of service and growth capital.

Borrowing will be applied to capital works subject to the preceding statement on the use of rates. The council views debt as a smoothing mechanism and a means of achieving equity between time periods, however the council does not have an unlimited capacity to borrow and the community does not have unlimited capacity to service those loans into the future. Therefore, the council adopts a prudent approach to debt and its capital programme to ensure that the burden of debt and the interest cost does not place an impossible burden on the community. In doing so the council is conscious of its peak debt and its ongoing funding stream for debt servicing and work programme.

In the early years of the plan the council is borrowing to fund asset renewals. This is being done to achieve a balance between the level of rates rises and the sustainability of service levels. In the later years of the plan the council achieves sustainable funding and borrows for part of the level of service and growth capital works. This is outlined in the Funding Impact Statement (pages 121-130).

Proceeds from asset sales may be used to fund capital works or repay debt. The preferred option will be for debt repayment with any new works funded from new debt draw down. This method is favoured due to its transparency and the neutral effect it has on rating. There is no major planned asset sales programme over the period of this plan, but assets which are no longer required for strategic or operational purposes may be sold.

AUDIT REPORT



Independent auditor's report

To the readers of Buller District Council's 2018-28 Long-Term Plan

I am the Auditor-General's appointed auditor for Buller District Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's Long-Term Plan (the plan). Section 259C of the Act requires a report on disclosures made under certain regulations. We have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 27 June 2018.

Opinion

In my opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and co-ordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 37 to 40 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

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

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

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

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

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

Responsibilities of the Council and auditor

The Council is responsible for:

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

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

Independence

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

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

Other than our work in carrying out all legally required external audits, and an engagement in the area of assurance review of the District Council's Debenture Trust Deed, which is compatible with those requirements, we have no relationship with or interests in the Council or any of its subsidiaries.

Jacques Coetzee
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

**Westport Office**

6-8 Brougham Street
PO Box 21
Westport 7866
New Zealand
Freephone 0800 807 239
Ph: 64 3 788-9111
Fax: 64 3 788-8041

Reefton Office & Library

66 Broadway
PO Box 75
Reefton 7851
New Zealand
Freephone 0800-808-821
Ph: 64 3 732-8821
Fax: 64 3 732-8822

Sue Thomson-Casey

Memorial Library
87-89 Palmerston Street
Westport 7825
New Zealand
Ph: 64 3 788-8030
Fax: 64 3 788-8147

Email: LTP@bdc.govt.nz

www.bullerdc.govt.nz/long-term-plan