



# Clutha District Council



Annual Plan  
2014/15

# Council's Planning Documents

*To realise its vision for the district Council uses a number of planning processes. These are described below.*

## Long Term Plan

Under the Local Government Act 2002, Council is required to put together a Long Term Plan every three years. This plan sets out Council's overall goals (community outcomes), the projects it intends to deliver over a 10-year period and how these will be funded. It also explains how Council intends to contribute to the wellbeing of the community over the life of the plan, with the overlying purpose of articulating and aligning Council's activities with what the community needs and desires and what it can afford. The current plan is the 2012/22 Long Term Plan, which took effect from 1 July 2012.

## Annual Plan

Council produces an Annual Plan for the two years between each Long Term Plan. Annual Plans are less detailed than Long Term Plans, confirming arrangements for the coming year. An Annual Plan also contains any variations to the Long Term Plan, should any changes take place in the short term. This Annual Plan for 2014/15 provides an update to year 3 of the 2012/22 Long Term Plan.

## Annual Report

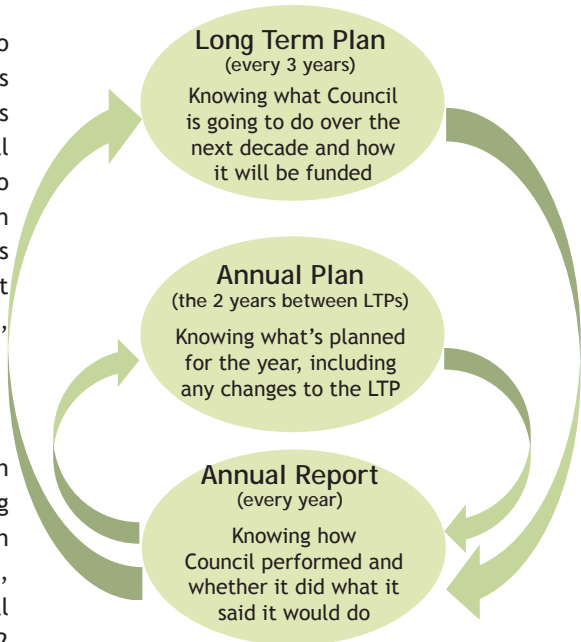
Each year Council produces an Annual Report, to report to the community on Council's actual performance against the relevant plan (Annual Plan or Long Term Plan). The next Annual Report will report on the 2013/14 financial year and will be finalised in October 2014.

## Activity Management Plans

Activity Management Plans set out in detail how Council will manage assets and activities in the long term. They are key documents Council uses to assess and plan for core activities. They include details about cost, maintenance, levels of service, demand for and capacity of particular assets and activities. A brief overview of the information contained in the Activity Management Plans is contained in this Annual Plan. For more information about particular activities please contact Council to obtain a copy or the information you require from any of these plans.

## Clutha District Plan

The District Plan provides a regulatory process for implementing policies prepared under the Long Term Plan, Activity Management Plans, and the Resource Management Act. Unlike the other plans mentioned above, which only cover what Council itself does, the District Plan sets out objectives, policies, and rules that apply to all people and activities within the District. These are intended to ensure the sustainable management of the natural and cultural environment, and appropriate use of Council infrastructure.



# Changes since the draft plan

Thank you to the residents, ratepayers, and other interested parties who made submissions to the Council's Draft Annual Plan 2014/15. These submissions were taken into consideration when Council finalised the plan. Changes of note that Council made to the initial draft plan are outlined below.

## Cross Recreation Centre sealing

After consulting through the draft annual plan and considering submissions, Council agreed that the road and carpark at the Cross Recreation Centre will be sealed, provided the surface would be suitable for doing so. Sealing will help to tidy up the area, and help increase the life of the centre's playing surface by reducing the amount of dirt and grit that was currently dragged across it on a daily basis. Council included a budget of \$140,000+GST in 2014/15 for the sealing project, and a further \$60,000 for the 2017/18 year when it is anticipated that a second coat seal will be required. The sealing will be funded by an increase in the existing Cross Recreation Centre rate of between 24 cents and \$2.36 a year from 2015/16 onwards, depending on which ward people live in.

## Tuapeka Aquatic Centre

Council has carried forward the funding grant for the Tuapeka Aquatic Centre facility from 2013/14 to 2014/15 after delays in the timing for the project meant construction has not yet begun in the 2013/14 year. The loan-funded grant commitment to this community-run project from Council is for 57% of the construction costs, to a maximum of \$1.35 million. Payment of the grant will be made after confirmation of construction cost and project risks.

## Taylor Park camping ground

Early in 2014 Council adopted Milton's Greater Taylor Park Reserve Management Plan. The Plan included a proposal to advertise the camping ground for lease, and include provisions for the construction of a manager's residence as part of the lease negotiations. Council has included \$140,000 for this in the 2014/15 year. The intention is that this be loan funded, and loan repayments would be offset by reduced operating costs from leasing out the camping ground.

## Removal of Lawrence's poplars

A budget of \$60,000 has been included in 2014/15 for the removal and replanting of just under 30 of Lawrence's poplar trees and a few other large trees. The future of the trees was extensively considered in conjunction with the Lawrence/Tuapeka Community Board during 2008, and then again in late 2013. Updated information about the trees, located along State Highway 8 and Whitehaven Street, has confirmed they have reached the end of their useful lives and now need to be removed for safety reasons. The budget also allows for the replanting of trees, which will be carried out after consultation with local interested people and groups.

## Kaitangata Skate/Jump Park

In response to a submission on behalf of several Kaitangata groups, Council approved a grant of \$40,000 for the Kaitangata Skate Park Development Project. The Kaitangata Skate Park Development Committee has proposed that the skate park will be an extension of the BMX track complex which is already widely used by youth of the wider South Otago District. The grant would be payable once the balance of the funds for the estimated \$80,000 project have been secured. Half of the grant would be funded from a carry-forward balance from the 2013/14 year, and the remaining 50% by a 3 year loan to be repaid by rates from 2015/16 to 2017/18 that would cost approximately \$9-\$12 per property in Kaitangata per annum.

## **Refurbishment of the district's war memorials ahead of WW100**

Council confirmed its commitment to supporting the centenary commemorations of World War I in 2015. The project is known as WW100. Part of the preparations will include cleaning and maintenance of the 30 memorials located throughout the district. A budget of \$50,000 has been included in the 2014/15 year, with the expectation that \$10,000 will be funded by rates, and the remainder sourced through WW100 external grants funding.

## **Waitahuna rising main renewal**

The Waitahuna Treatment Plant treats water for the Balmoral 1, Balmoral 2 and Tuapeka East Rural Water Schemes. The rural water scheme committees have confirmed that renewal of the two high pressure rising mains need to be programmed for 2014/15. This has followed frequent breakages of these critical mains, and confirmation that sections are in poor condition. Consequently Council has added a budget to renew approximately 5.8km of rising main replacement on the Balmoral 2 side, and approximately 5.9km on the Balmoral 1 and Tuapeka East side. The \$2,144,000 budget for this is expected to be funded from a combination of reserves, and an internal loan which will be repaid over 25 years through the water unit rates paid by consumers on the schemes.

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# introduction



# From the Mayor

The old saying “nothing changes but nothing stays the same” is very apt when I look at the trends of annual plans over my four years as Mayor. That’s especially true this year as we once again present to you our Council’s direction for the 2014/15 financial year.

The overall rates increase of 4.33% forecast in the Long Term Plan has been reduced to 3.02% in this Annual Plan.

Once again, however, this requires closer scrutiny when you consider the variations across our 11 different rating areas. Rural ratepayers, for example, can again expect a negligible rates change, while some townships face higher increases from 5% to 8%. These include:

- Kaitangata, Tapanui and Waihola, due to increased water and sewerage costs.
- Kaka Point and Stirling, where in 2012, Council decided to phase in an increased community services rate for these townships in recognition that people from these areas use community facilities in Balclutha such as the swimming pool.

A word of caution looking forward also, as the timing of projects such as that to transfer the grant to the Tuapeka Aquatic Centre from 2013/14 to 2014/15 creates a ‘bow wave’ effect, with a higher overall rates increase now predicted for 2015/16.

As always, roading dominates our Council’s attention and it is here that we propose to make the most significant change to this year’s Annual Plan. We have in the last four years accumulated a deferred roading maintenance fund of \$904,000, which represents Council’s share of what the level of funding would have been if the New Zealand Transport Agency had not frozen roading budgets for these years. The initial intention was to use these funds as further assistance became available without impacting on rates and more recently on unsubsidised roading work. However, this has not transpired and in light of Central Government’s continued scrutiny and review of how roading is funded nationwide, we believe it is no longer appropriate that this fund is added to.

As a result of the public submission process, some changes were made to this Annual Plan. Some of these included:

- Following overwhelming public support, Council included a budget of \$140,000+GST in this year’s Annual Plan for sealing the Cross Recreation Centre access road and car park, and a further \$60,000 for the 2017/18 year when it is anticipated that a second coat seal will be required.
- A carry forward of the \$1.35 million grant for the Tuapeka Aquatic Centre to the 2014/15 year, which means the rating impact for this project now won’t begin until 2015/16.
- A grant of \$40,000+GST for the Kaitangata Skate Park Development Committee to be paid once the balance of the funds required to complete the project have been raised or secured. This grant will be partly funded by a rates increase of \$9-\$12 over the next three years for Kaitangata, depending on the land value of the property.

Virtually all other changes are comparatively minor and highlight the restraints and pressure all councils face in an increasingly challenging environment.



A handwritten signature in blue ink, appearing to read 'Bryan Cadogan'.

Bryan Cadogan  
Mayor

# From the Chief Executive

## Introduction

Thank you for taking the time to look at our Annual Plan covering the period 1 July 2014 to 30 June 2015. It represents year three of our 2012-2022 Long Term Plan (LTP).

In each of the two years between LTPs, we produce an Annual Plan. The Annual Plan takes a fresh look at the budgets and work programmes that we had planned for the year, according to the LTP, and considers whether adjustments are needed.

## Core services

We are aiming to maintain existing service levels in 2014/15, and have a full programme of capital renewals for roading, water, sewerage and stormwater.

Roading is by far our biggest ticket item, accounting for half of Council's total expenditure. Of this cost, approximately 61% on average is funded by the New Zealand Transport Agency. This level of funding assistance is currently being reviewed and is likely to drop significantly from 1 July 2015.

We understand there will be a transition period to a new lower assistance rate, to enable Council to engage with ratepayers and the various communities to establish affordable service levels. This will be a challenge given that we have one of the longest roading networks within New Zealand.

Work will continue towards renewing sewage discharge consents for Clinton, Kaitangata and Waihola. Securing these consents is important for the future of these small townships, and they will come at a cost.

After recent major upgrades to several of our urban water supplies, the focus will now come on the rural treatment plants that treat the water for the district's 11 rural water schemes.

## Tuapeka Aquatic Centre grant

A key change between the draft and final annual plan has been Council's decision to carry-forward agreed funding for the Tuapeka Aquatic Centre project of \$1.35 million from 2013/14 to 2014/15. This was due to changes in project timing, and that the building consent and actual build costs be confirmed before the funding be released.

## Balclutha streetscape improvements

Balclutha's streetscape upgrade is progressing, but has not yet been let for tender. Council wants to be sure it is making the best decision and choices for this upgrade, and is now considering whether Elizabeth Street, John Street, or a combination of both is the best option for the town's heart. We believe that most of the upgrade will now take place during 2014/15, once this aspect has been finalised. Budgets have been carried forwarded accordingly.

## Balclutha War Memorial Hall

The change in timing for Balclutha's streetscape upgrade does have a flow on effect for another project, the proposed \$500,000 upgrade of Balclutha's memorial hall. It makes sense to take a staged approach to major projects, so most of the budget for the hall upgrade has been deferred to 2015/16. But, an amount for the flytower remains in 2014/15, with the expectation for funding this will be a joint effort between Council and the interest groups involved.

## Cross Recreation Centre sealing

Something that Council consulted on as part of the draft annual plan was the possible sealing of the access road and car park at the Cross Recreation Centre. Since opening in 2011 the Centre has been a popular community asset, hosting a multitude of sporting and community events. While the facility itself has been well-received, the unsealed access road and carpark has been the subject of complaints, with pot holes appearing on a regular basis. After receiving a significant amount of support for the project through the submission process, Council has incorporated \$140,000 for sealing into the 2014/15 budget.





## Financial position

As Council contemplates another year, it is pleasing to report that we are in a solid financial position. We continue to finance projects from internal reserve funds, and have external investments of approximately \$15 million.

Council is in the sound position where we can fund projects internally - all our debt is internal. This means we borrow from funds reserved from one activity, to fund borrowing for another. Council's financial strategy had set a self-imposed level of internal debt per capita of \$1,500. If all the projects budgeted for in 2014/15 occur, this level is likely to reach \$1,691 per capita. This is due to changes in timing for some capital projects, and due to funding commitments made to communities, e.g. Tuapeka Aquatic Centre. Based on our current financial projections this would be a peak in debt levels, that would start dropping and come back under the threshold in successive years.

Whilst it is not ideal to exceed this self-imposed threshold, the intended internal debt level per capita is assessed as still moderate, and will not affect the financial viability of Council. Still, this will be an aspect carefully considered when Council reviews its financial strategy for the 2015-25 Long Term Plan.

## Looking forward

The challenge for us continues to be around keeping rates as affordable as we can make them, set against a population that, like other parts of rural New Zealand, is static and slightly declining.

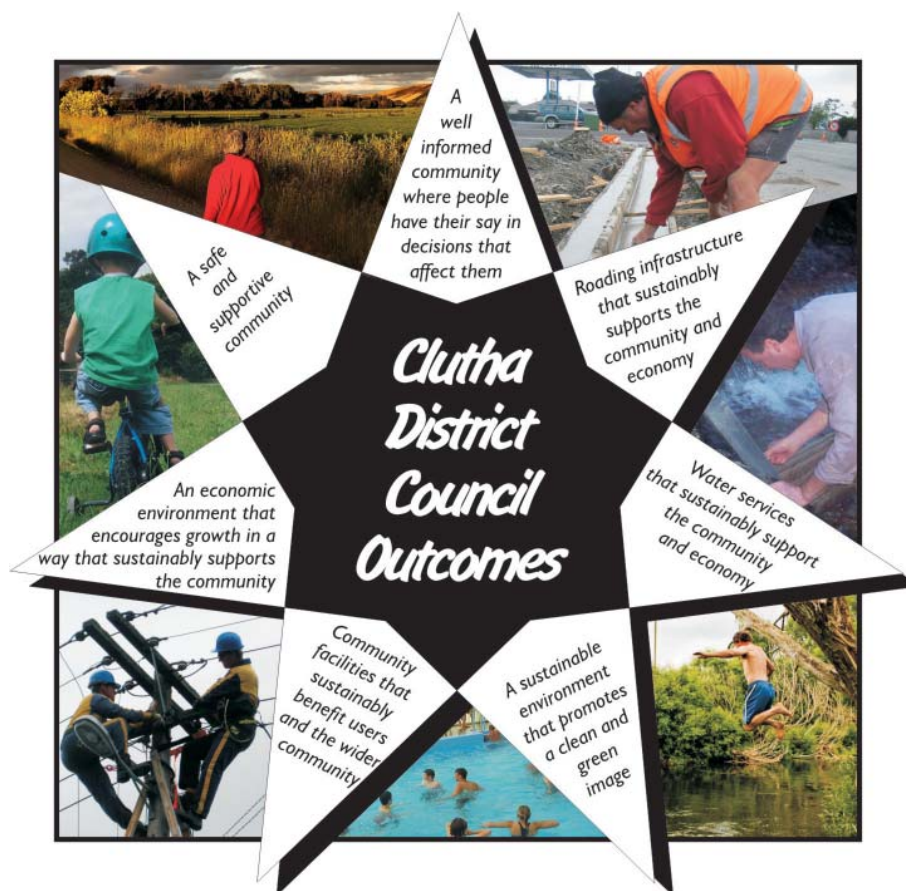
Whilst there are challenges, we do have a robust and effective rural sector that promises solid economic gains based on innovation and new technology.



Steven Hill  
Chief Executive

# Council's Strategic Direction

This plan follows the overall strategic direction provided in the 2012/22 Long Term Plan. The key components of this, referred to as Council's outcomes are summarised below.



The achievement of Community Outcomes is closely linked to the new purpose of local government. Community Outcomes now mean the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good quality infrastructure, local public services and performance of regulatory services.

The Community Outcomes are central to Council's strategic direction as they set out what we are aiming to achieve through the services and activities we provide. All of our plans, policies, activities and services are orientated towards the achievement of our community outcomes. As you will see in Section 2 all Council's activities are linked to the Community Outcomes that they contribute to.

## Council's Financial Strategy

The current Council maintains its overall strategic objectives, as set out in Council's Financial Strategy in the 2012/22 Long Term Plan to:

- Meet mandatory requirements for the services we provide, for example drinking water standards and environmental standards for sewage discharges.
- Support new projects that deliver infrastructure and services requested by the community that will improve the wellbeing of the district's communities.
- Utilise debt to spread capital costs over future generations who will benefit from investment in infrastructure, whilst not burdening them.
- Develop and maintain a rating system that is equitable (reasonable and fair) at levels that are affordable.

Council's existing outcomes and strategic objectives outlined above remain the guide by which the Council establishes priorities and undertakes work on behalf of our communities.

# council activities

# 2



# Guide to Activities

*The services Council provides have been categorised into eight groups of activities, as set out in the table over the page.*

In each of the pages that follow these eight activity groups have been set out using the headings as follows;

## **What we do**

Under this heading you will find a description about what Council does within this group of activities. It includes information about the levels of service Council provides.

## **What we're aiming for in 2014/15**

This section outlines the level of service provided for each activity in that group and the key measurements that Council will use to evaluate how well these service levels are being met. Performance targets for the coming year are included, and these will be reported against in future Annual Reports.

## **What's planned in 2014/15**

This section highlights issues or projects of note.

## **Changes from the 2012/22 Long Term Plan**

This section includes information where there are changes of note in this Annual Plan 2014/15 budget update, compared with what was projected in the 2014/15 year of the 2012/22 Long Term Plan.

## **What it costs**



Funding Impact Statements provide financial information about each group of activities and how they will be funded.

## **Capital expenditure 2014/15**

This table lists the capital expenditure budgeted, and what the reason for it is - either to meet additional demand, to improve levels of service or to replace existing assets.

Table: Linking Council Activities with Council's Community Outcomes

Outcome	1	2	3	4	5	6	7
	A well informed community where people have their say in decisions that affect them	Roading infrastructure that sustainably supports the community and economy	Water services that sustainably support the community and economy	Community facilities that sustainably benefit users and the wider community	A sustainable environment that promotes a clean, green image	An economic environment that encourages growth in a way which sustainably supports the community	A safe and supportive community
<i>Community Leadership</i>							
Governance	Secondary	Secondary	Secondary	Secondary	Secondary	Secondary	Secondary
Economic Development						Primary	
Community Development				Secondary			Primary
<i>Roading</i>							
Roads & Footpaths		Primary					
<i>Water Supply</i>							
Urban Water Supply			Primary				
Rural Water Schemes	Secondary		Primary				
<i>Sewerage</i>							
Sewerage			Primary		Primary		
<i>Stormwater</i>							
Stormwater			Primary		Secondary		
<i>Solid Waste Management</i>							
Solid Waste Management					Primary		
<i>Community Services</i>							
Libraries, Service & Info Centres				Primary		Secondary	
Swimming Pools				Primary			
Parks, Reserves & Sportsgrounds				Primary	Secondary		
Halls & Community Centres				Primary			
Public Conveniences				Primary	Secondary		
Cemeteries				Primary	Secondary		
Community Housing & Property				Primary			Secondary
Cross Recreation Centre				Primary			
<i>Regulatory and Emergency Services</i>							
Resource Management	Secondary				Primary	Secondary	
Building Control						Secondary	Primary
Environmental Health						Secondary	Primary
Animal Control					Secondary		Primary
Liquor Licensing	Secondary					Secondary	Primary
Civil Defence							Primary
Rural Fire							Primary

Key  
 Council Outcome the activity primarily contributes to  
 Council Outcome the activity makes a secondary contribution to

# Community Leadership

## What we do for Community Leadership

Council provides leadership for the district, including governing Council's operations and budgets and supporting our economy and communities. The activities in this group include Governance, Economic Development and Community Development.

### Governance, which involves:

- Providing representation to residents and ratepayers through an elected Mayor, and 14 councillors from the district's eight wards - Balclutha, Bruce, Catlins, Clinton, Clutha Valley, Kaitangata-Matau, Lawrence-Tuapeka and West Otago. There are also community boards for Lawrence-Tuapeka and West Otago, each consisting of six elected members.
- Providing leadership by setting priorities and making decisions on the scope and levels of service for Council services and activities.
- Overseeing the performance of Council activities and assets to ensure the best operation, maintenance and use of community resources.
- Representing the views and needs of the district by way of submissions and lobbying to Central Government and other agencies on issues affecting residents of the Clutha District.

### Economic Development, which involves services orientated towards:

- Enabling and strengthening our business and primary production sectors (through a contract with the Clutha Development Trust).
- Attracting and supporting new businesses and enterprise developments (through a contract with the Clutha Development Trust).
- Destination marketing and tourism development (through a contract with the Clutha Development Trust), and also Council funding for information centres in Lawrence, Milton and Owaka.

### Community Development, which involves:

- Providing financial and non-financial assistance to a range of community groups and organisations.
- Promoting development of the District's youth.
- Recreation promotion and coordination.
- Arts and Cultural Development, including providing funding to the six museums in the district.

## What we're aiming for in 2014/15 for Community Leadership

### ECONOMIC DEVELOPMENT

Level of Service	Performance Measures	Actual (2012/13)	Target (2014/15)
<i>Provide one on one support to existing local businesses</i>	Number of businesses supported annually	84	≥150
<i>Provide one on one advice and assistance to new business ventures</i>	Number of potential new businesses assisted annually	22	≥15
<i>Facilitate, support and promote apprenticeship programmes in the District</i>	Number of new apprenticeships	New measure	10
	Number of apprentices supported in the district annually	New measure	20
<i>Undertake research and best practice projects that aim to enhance and strengthen productivity, diversity and sustainability of Clutha's primary production sector</i>	Number of projects undertaken	3	3

## GOVERNANCE

Level of Service	Performance Measures	Actual (2012/13)	Target (2014/15)
<i>For elected members to provide a high level of participation in the decision-making process</i>	Residents satisfied with decision-making, leadership and planning of elected members	45%	≥50%
	Residents satisfied with overall performance of the Clutha District Council	62%	≥60%
	Residents who see or read the 'Council News' newsletter	93%	≥90%

## What's planned for Community Leadership in 2014/15

### Working together for better local government

Council continues to work with the local authorities from the Clutha District south, as part of what is known as 'Shared Services - Southland and Beyond'. The forum is governed by an independently chaired committee and consists of members from Clutha District Council, Environment Southland, Gore District Council, Invercargill City Council and Southland District Council.

The main aspects Clutha is directly involved in include:

- Being part of the shared services agreement with Ngai Tahu based on a charter of understanding.  
The purpose of the charter is to develop a relationship of mutual benefit between the councils and the Mana Whenua of Murihiku and Te Runanga O Ngai Tahu. The charter establishes and provides for a clear understanding of the basis and ongoing conduct of the relationship between the councils and the Tangata Whenua in the context of both the Resource Management Act 2001 and the Local Government Act 2002.
- Shared resources and knowledge for information technology (IT) services with Environment Southland, Invercargill City Council and Southland District Council  
So far a common communications backbone across Clutha, Environment Southland, Invercargill City and Southland District sites allows the councils to "talk" to each other and share resources. A fibre optic link has been established and this means future shared services can occur more easily. Also being investigated is a shared service desk between the four councils, and where practicable common software programmes for the likes of Geographic Information Systems (GIS), document storage, rating, and accounting functions.
- Building consent authorities working collaboratively  
The four Building Control Authorities of Clutha, Gore, Southland and Invercargill City are collaborating on development of shared forms, quality assurance, process manuals, inspection processes and a shared fee structure.

### Otago Mayoral Forum

Clutha District Council is also involved with the Otago Mayoral Forum, that is looking at ways to improve efficiencies to deliver better results from an Otago point of view. This includes work on various aspects such as the Otago enlarged rural fire authority, earthquake prone buildings, digital strategy and civil defence.

### Economic Development

Council has confirmed its commitment to contributing to economic development services, via its contract with the Clutha Development Trust. The Trust intends to focus on promoting economic development in the district, and a budget of \$367,850 has been included for this contract. A further \$52,550 has been set aside for agreed one-off projects with the Trust that support business development in the district.

### Cycle Trail Maintenance

Both the Clutha District Council and the Central Otago District Council have supported the development of the Clutha Gold Trail, alongside the Clutha River. Just under a third of the trail, between Beaumont and Lawrence is within the Clutha District. The trail officially opened in October 2013 and has been receiving positive feedback and usage from visitors and residents alike.

To ensure funding support from the Government and others, Council was required to underwrite the future operation and maintenance of the trails. Council has confirmed that \$25,014 will be set aside into the Clutha Gold Trail Maintenance Fund in 2014/15. Council also resolved that Central Otago Clutha Trails Ltd, which has primary responsibility for the Trail's maintenance, continues to explore maintenance funding options and provides

information about any funding shortfalls relating to the Clutha District part of the trail in the 2014/15. Council also agreed to develop an agreement with Central Otago Clutha Trails Ltd about levels of maintenance funding required on an annual basis from 2015/16 onwards.

## Community Grants

Council provides non-financial and financial assistance to a range of community groups and organisations throughout the district. The proposed budget for 2014/15 is set out below.

**Table: Summary of Budgeted Community Development Funding 2014/15**

Group/Recipient	Description	Amount (\$) 2014/15
Otago Museum	Compulsory levy for Otago Museum	178,010*
District Museums	Funding towards operating costs for museums throughout the district	88,825
Fees Reimbursement Scheme	Council scheme which reimburses Council-related fees and charges to community groups and volunteers	16,711
Property Rent Assistance	Council scheme which reimburses community groups who lease Council land and buildings	8,184
Womens Refuge	Funding to Gore Womens Refuge which provides support services in the Clutha District	8,513
Community Committees	Funding available to help with administrative costs for established community committees and groups throughout the district	526
Event Support	Fund established to support local community-run events in the Clutha District	10,510
Clean Air Warm Homes	CDC contribution towards insulation programme that assists Clutha District residents	10,510
Swimming Pool Support	Grants towards various community pools throughout the district	33,632
Clutha District Youth Council	Budget for annual activities of the Youth Council including the Youth Development Fund	11,666
Youth Coordinator Services	Budget for contracting youth-related services for Clutha District youth	26,275
Mayors Taskforce for Jobs	CDC cost for involvement in this youth employment programme	12,612
Heartland Life Education Trust	Sponsorship towards charitable trust providing life education services to Clutha District youth	4,887
Kaitangata Black Gold Kai Club	Support for community group based in the former Council Offices at Eddystone Street in Kaitangata	1,787
Attracting Overseas Students	Contribution to programme of attracting overseas students to our schools	3,679
Sport Clutha	Council portion of funding Sport Clutha Coordinator services	44,436
Kaka Point Lifesaving	Funding for retaining lifeguard patrol services at Kaka Point	18,708
Clutha District Emergency Services Trust (CDEST)	Funding assistance towards the operational costs of the Clutha District Emergency Services Trust caravan	1,209
Clutha Sport Masters Games	Funding assistance towards annual event held for senior residents of the district	526
Tuapeka Aquatic Centre Inc	Portion of the \$1.35 million loan-funded grant towards the Tuapeka Aquatic Centre funded from the community support grants budget**	213,000

\* Awaiting confirmation

\*\* There are also budgets within the Lawrence-Tuapeka Community Board and Community Services budgets.

**Table: Summary of Budgeted Economic Development Funding 2014/15**

Group/Recipient	Description	Amount (\$) 2014/15
Clutha Development Trust	Contracted economic development services to support business and primary production in the district	367,850
Clutha Development Trust	Agreed projects to help support business development in the district	52,550
Otago Digital Strategy	Council's contribution towards the Otago-wide digital strategy	15,765
Catlins Historical Society	For contracted information centre services in Owaka	21,546
Milton Information Centre	For contracted information centre services in Milton	13,032
Tuapeka Community Company	For contracted information centre services in Lawrence	32,581
Clutha Gold Trail Maintenance Fund	Funding set aside for future maintenance of the Clutha Gold Trail	25,014



## What it is expected to cost for Community Leadership in 2014/15

(All in \$000's)	ANNUAL PLAN 2013/14	LONG TERM PLAN 2014/15	ANNUAL PLAN 2014/15	DIFFERENCE
<b>Sources of Operating Funding</b>				
General rates, UAGC's, rates penalties	2,005	2,126	2,135	9
Targeted rates (other than a targeted rate for water supply)	91	108	91	(17)
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	0	28	0	(28)
Internal charges and overheads recovered	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>2,096</b>	<b>2,262</b>	<b>2,226</b>	<b>(36)</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	(2,579)	(1,716)	(2,678)	(962)
Finance costs	(55)	(98)	(55)	43
Internal charges and overheads applied	(372)	(368)	(372)	(4)
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>(3,007)</b>	<b>(2,182)</b>	<b>(3,105)</b>	<b>(923)</b>
<b>Surplus (deficit) of operating funding</b>	<b>(911)</b>	<b>80</b>	<b>(879)</b>	<b>(959)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt <small>(internal debt)</small>	880	(53)	904	957
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>880</b>	<b>(53)</b>	<b>904</b>	<b>957</b>
<b>Applications of capital funding</b>				
Capital expenditure to meet additional demand	0	0	0	0
Capital expenditure to improve the level of service	0	0	0	0
Capital expenditure to replace existing assets	0	0	0	0
(Increase) decrease in reserves	(4)	(9)	(8)	1
(Increase) decrease of investments	34	(18)	(17)	1
<b>Total applications of capital funding</b>	<b>31</b>	<b>(27)</b>	<b>(25)</b>	<b>2</b>
<b>Surplus (deficit) of capital funding</b>	<b>911</b>	<b>(80)</b>	<b>879</b>	<b>959</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Changes from the 2012/22 Long Term Plan

The carry forward of loan-funded grant for the Tuapeka Aquatic Centre into the 2014/15 year is a change that should be noted.

## What it is expected to cost for Central Administration in 2014/15

(All in \$000's)	ANNUAL PLAN 2013/14	LONG TERM PLAN 2014/15	ANNUAL PLAN 2014/15	DIFFERENCE
<b>Sources of Operating Funding</b>				
General rates, UAGC's, rates penalties	410	430	409	(21)
Targeted rates (other than a targeted rate for water supply)	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	360	374	369	(5)
Internal charges and overheads recovered	3,845	3,820	3,845	25
Fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>4,614</b>	<b>4,624</b>	<b>4,623</b>	<b>(1)</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	(4,249)	(4,244)	(4,374)	(130)
Finance costs	(50)	(50)	(50)	0
Internal charges and overheads applied	0	0	0	0
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>(4,299)</b>	<b>(4,294)</b>	<b>(4,424)</b>	<b>(130)</b>
<b>Surplus (deficit) of operating funding</b>	<b>315</b>	<b>330</b>	<b>199</b>	<b>(131)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt <small>(internal debt)</small>	(35)	(34)	(19)	15
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>(35)</b>	<b>(34)</b>	<b>(19)</b>	<b>15</b>
<b>Applications of capital funding</b>				
Capital expenditure to meet additional demand	0	0	0	0
Capital expenditure to improve the level of service	0	0	(104)	(104)
Capital expenditure to replace existing assets	(71)	(175)	(183)	(8)
(Increase) decrease in reserves	(99)	(148)	(29)	119
(Increase) decrease of investments	(110)	27	136	109
<b>Total applications of capital funding</b>	<b>(280)</b>	<b>(296)</b>	<b>(180)</b>	<b>116</b>
<b>Surplus (deficit) of capital funding</b>	<b>(315)</b>	<b>(330)</b>	<b>(199)</b>	<b>131</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Capital expenditure for Central Administration in 2014/15

Description	Reason	Amount (\$000)
Information technology renewals	Replace existing assets	59
Rosebank Offices building renewal work	Replace existing assets	114
Backscanning of property records	Improve levels of service	52
Emergency Operations Centre generator	Improve levels of service	52
Rewiring of the Emergency Operations Centre	Replace existing assets	10

## What we do for Roading

Within the Clutha District, roads are managed by two separate roading authorities. The New Zealand Transport Agency's Highway Network Operations (HNO) takes care of the State Highways, while Clutha District Council maintains all other roads, known as local roads.

With a total roading network of 2,911 km, the Clutha District has the third largest local roading network in New Zealand. Of that 2,911 km, 28% (817 km) is sealed and 72% (2,094 km) is unsealed. Rural roads make up 95% of the total network.

The roading assets administered by the Council include more than just roads. There are also footpaths, bridges, streetlights and other assets that are associated with roads.

Main roading activities include roads, bridge and culvert maintenance and replacement, resealing and reconstruction of sealed roads, grading and metalling of unsealed roads, footpath maintenance and construction, car park maintenance, street lighting and road safety improvement projects.

## What we're aiming for in 2014/15 for Roading

Level of Service	Performance Measures	Actual (2012/13)	Target (2014/15)
<i>To provide an effective and sustainable local roading network</i>	Residents satisfied local roads are an effective means of transport	56%	≥50%
	Average number of times (unsealed) roads are graded	3.8	3.2
	% of kilometres travelled on urban sealed roads that are considered to be smooth	90%	90%
	% of kilometres travelled on rural sealed roads that are considered to be smooth	99%	98%
	Residents satisfied with footpaths	63%	≥40%
<i>To monitor safety and invest in improving the roading network</i>	Average speed residents feel they can safely travel at on local sealed roads (km/hr)	87.0	80-90
	Average speed residents feel they can safely travel at on local unsealed roads (km/hr)	68.0	60-70
	Number of reported injury crashes (fatal, serious, minor) on local roads	45	≤38

## What's planned for Roading in 2014/15

### Balclutha streetscape update

Planning and design work has continued for the upgrade of Balclutha's streetscape. Last year feedback from the community guided Council on priorities for the upgrade, and Council has since also followed up on other suggestions that were made, and opportunities that have arisen.

Initially a focus point of the improvements was John Street. Council has had the opportunity to make a strategic land purchase on Elizabeth Street that might influence what the final designs will look like, and where the focus of the upgrade in terms of the 'heart' of the town might be. Further consultation currently underway will help inform Council's final decisions about the project.

Due to the opportunities mentioned above and changes in timing, Council is carrying forward a majority of the budget from 2013/14 to 2014/15. This means \$2,071,000 is included in 2014/15 for the upgrades, and an additional \$578,000 for the footpath component of the project.

## Changes from the 2012/22 Long Term Plan

The most significant change encountered in the Land Transport Programme 2012/15 that affects this Annual Plan 2014/15, is a reduction in funding for roading. Essentially this is brought about by Council receiving less funding from the NZTA than what was requested. NZTA provides a base financial assistance rate (FAR) in the Clutha District of 59%, and other higher rates for aspects like bridges, and parts of the Chaslands and Papatowai highway in the Catlins. The overall FAR is expected to be approximately 61% on average in 2014/15. However, the funding from NZTA has been fixed through to 2014/15 and provisions we had originally made for inflation in the LTP were not matched by NZTA. Council has therefore removed its share from the allowance for inflation, thus reducing the rating requirement.

The reduction in NZTA funding has been partially offset by lower contract rates, so the reduction in levels of service is not as serious as originally anticipated. However, the reduction will have an impact on levels of service for roading, particularly for lower volume rural roads. It is likely to affect the amount of maintenance metalling applied to unsealed roads.

In the lead up to the 2015/25 LTP, Council will undertake more detailed work to assess key routes and roads within the district. This will help make important decisions about levels of service for different roads within the district's network, as Council begins to make its roading dollar stretch further and further. In the shorter term we expect there will be less maintenance metalling to unsealed roads. In the longer term it may result in very low volume gravel roads no longer being maintained. In the future there is the possibility that low volume sealed roads will become uneconomic to maintain, and may have to revert to metal.

The future road maintenance programme and funding assistance from the NZTA will be affected by current proposed changes to the FAR and the implementation of the One Network Road Classification (ONRC) across the country.

Changes to the Balclutha streetscape upgrade programme are outlined on the previous page. Construction was initially programmed for completion in 2012/13, but exploration of further options and consultation on these has meant changes in the timing.

## Capital expenditure for Roading in 2014/15

Description	Reason	Amount (\$000)
Unsealed road metalling	Replace existing assets	1,655
Sealed road resurfacing	Replace existing assets	2,699
Drainage renewals	Replace existing assets	355
Pavement rehabilitation	Replace existing assets	2,213
Structures component replacement	Replace existing assets	659
Traffic service renewals	Replace existing assets	264
Balclutha main street footpath upgrades	Replace existing assets	578
Balclutha streetscape upgrade	Improve level of service	2,071
Minor improvement projects	Improve level of service	668

## What it is expected to cost for Rooding in 2014/15

(All in \$000's)	ANNUAL PLAN 2013/14	LONG TERM PLAN 2014/15	ANNUAL PLAN 2014/15	DIFFERENCE
<b>Sources of Operating Funding</b>				
General rates, UAGC's, rates penalties	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	7,421	8,029	7,435	(594)
Subsidies and grants for operating purposes	2,597	2,747	2,713	(34)
Fees, charges and targeted rates for water supply	92	4	(37)	(41)
Internal charges and overheads recovered	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>10,110</b>	<b>10,780</b>	<b>10,111</b>	<b>(669)</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	(5,159)	(5,386)	(5,205)	181
Finance costs	(266)	(306)	(266)	40
Internal charges and overheads applied	(1,510)	(1,462)	(1,510)	(48)
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>(6,935)</b>	<b>(7,154)</b>	<b>(6,981)</b>	<b>173</b>
<b>Surplus (deficit) of operating funding</b>	<b>3,175</b>	<b>3,626</b>	<b>3,130</b>	<b>(496)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	5,591	5,691	5,475	(216)
Development and financial contributions	0	0	0	0
Increase (decrease) in debt <small>(internal debt)</small>	2,217	(147)	1,759	1,906
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>7,808</b>	<b>5,544</b>	<b>7,234</b>	<b>1,690</b>
<b>Applications of capital funding</b>				
Capital expenditure to meet additional demand	0	0	0	0
Capital expenditure to improve the level of service	(2,481)	(1,066)	(2,738)	(1,672)
Capital expenditure to replace existing assets	(8,329)	(8,007)	(8,424)	(417)
(Increase) decrease in reserves	(89)	(63)	641	704
(Increase) decrease of investments	(84)	(34)	157	191
<b>Total applications of capital funding</b>	<b>(10,983)</b>	<b>(9,170)</b>	<b>(10,364)</b>	<b>(1,194)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(3,175)</b>	<b>(3,626)</b>	<b>(3,130)</b>	<b>496</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>

**Table: Proposed Sealed Road Resurfacing for 2014/15**

Road	Length (m)	Road	Length (m)	Road	Length (m)
ALLANGRANGE ROAD	1347	ESTATE ROAD	50	OLD SCHOOL ROAD	50
ANDERSON ROAD (BALCLUTHA)	263	FINLAYSON ROAD	2073	OSSIAN STREET	120
ARDMORE ROAD	1125	FLEMING ROAD	50	OWAKA HIGHWAY	1035
BARNEGO ROAD	675	FOREST STREET (WEST)	195	OWAKA VALLEY ROAD	1120
BENHAR ROAD	440	FRANKLIN ROAD	266	PARADISE FLAT ROAD	3452
BLACK GULLY ROAD (WEST)	1145	GABRIELS GULLY ROAD	1005	PLANTATION ROAD	50
BLAIKIE ROAD	1120	GLENKENICH ROAD	1670	POMAHAKA ROAD	360
BOYD STREET	80	GRAY STREET	298	PURAKAUNUI FALLS ROAD	260
BREAKNECK ROAD	607	GREENFIELD ROAD	2579	RANKLEBURN ROAD	1910
BURNS STREET (OWAKA)	214	GREENVALE ROAD	100	RIVERBANK ROAD	90
BURNS STREET (MILTON)	370	HILLFOOT ROAD	500	RONGAHERE ROAD	502
BUSHSIDE ROAD	50	HUGH STREET (OWAKA)	231	SALCOMBE STREET	141
CENTENNIAL AVENUE (NORTH)	124	JOHN O'GROATS ROAD	46	SHANKS ROAD	1313
CHERRY LANE (BALCLUTHA)	170	JOHNSTON ROAD	38	SMITH STREET (BALCLUTHA)	203
CHEVIOT ROAD (KELSO)	134	JURA STREET	116	SOLWAY STREET (LAWRENCE)	70
CLARKE ROAD (CLYDEVALE)	90	KAITANGATA HIGHWAY	928	SOMERSET CRESCENT	115
CLUTHA RIVER ROAD	10077	KAKA POINT ROAD	3791	SUSSEX STREET (EAST)	361
CLYDEVALE ROAD	1587	KELSO ROAD	330	TABLE HILL ROAD	260
COAL GULLY ROAD	106	KEMPTHORNE ROAD	1430	TAUMATA ROAD	1108
CORONATION COURT	37	LAKESIDE ROAD	552	THURSO STREET (EAST)	44
DALVEY ROAD	1845	LOVELOCK ROAD	50	TOKO MOUTH ROAD	169
DALVEY SCHOOL ROAD EAST	50	LOW STREET	110	TUAPEKA MOUTH ROAD	90
DALVEY SCHOOL ROAD WEST	50	MALCOLM TERRACE	404	TUAPEKA WEST ROAD	1076
DERBY STREET	178	MANSE STREET (KELSO)	115	WAIKAWA ROAD	160
DRYDEN STREET	409	MARINE TERRACE	129	WAIPORI ROAD	326
DUNROBIN ROAD	1050	MCHUTCHEN ROAD	2860	WATER STREET	50
EDDYSTONE STREET	249	MILL STREET (MILTON)	151	WEST OTAGO ROAD	803
EDGARS ROAD	50	MILLER ROAD	2058	WILDEN SCHOOL ROAD	1503
EDIEVALE ROAD	1497	MOORE STREET	120	WOODED HILL ROAD	1889
ESSEX STREET SOUTH	114	MURNEY ROAD	50	YARMOUTH STREET	39
ESTATE ROAD	150	OCEAN GROVE	162		

**Table: Proposed Pavement Rehabilitations for 2014/15**

Road	Length (m)	Road	Length (m)	Road	Length (m)
EDIEVALE ROAD	1,214	KAKA POINT ROAD	700	RANKLEBURN ROAD	880
HILLEND ROAD	1,300	LAKESIDE ROAD	1570	WOODED HILL ROAD	490
JAMES STREET	140	MOUNT WALLACE ROAD	190		

## What we do for Water Supply

Council supplies water via a number of urban and rural water supply schemes, with approximately a third of the water produced being for domestic consumption and the balance being largely used for stock water. Council's water supplies include:

- Six urban water supplies servicing Balclutha, Kaitangata, Lawrence, Milton, Owaka and Tapanui. With the exception of Owaka which is a restricted supply, they provide an unrestricted supply of potable water for domestic, commercial and industrial use within each scheme area.
- 11 rural water schemes which primarily provide drinking water for stock. These are Balmoral 1, Balmoral 2, Clydevale-Pomahaka, Glenkenich, Moa Flat, North Bruce, Richardson, South Bruce, Tuapeka, Waipahi and Wangaloa. All schemes other than Waipahi also provide water for domestic consumption.
- Nine smaller communities and townships are provided water from rural water schemes. These townships are Clinton (Clydevale-Pomahaka), Kaka Point (Richardson), Waiholā (North Bruce), Benhar (South Bruce/Stirling Treatment Plant), Stirling (South Bruce/Stirling Treatment Plant), Cherry Lane (South Bruce), Heriot (Moa Flat), Waikaka and Pukerau (Glenkenich). Most of these communities have restricted supplies to consumers, except Stirling which is metered and Cherry Lane which is unrestricted.

## What we're aiming for in 2014/15 for Water Supply

### URBAN WATER SUPPLY

Level of Service	Performance Measures	Actual (2012/13)	Target (2014/15)
<i>Urban supplies provide a continuous and reliable source of water to consumers</i>	Satisfaction with pressure and flow	74%	73%
<i>Provide a water supply adequate for fire fighting</i>	Average number of properties per fire hydrant	5.8	5.8*
<i>Urban water schemes are managed efficiently and effectively</i>	% of customer requests for service resolved within specified timeframes**	84%	90%
<i>Water from Council-provided schemes is safe to drink</i>	Urban consumers who receive water that meets <sup>#</sup> the NZ Drinking Water Standards 2005	100%	100%
	Customer satisfaction with taste and cleanliness	56%	54%

### RURAL WATER SUPPLY

Level of Service	Performance Measures	Actual (2012/13)	Target (2014/15)
<i>Rural water schemes provide a continuous and reliable source of water to consumers</i>	Satisfaction with pressure and flow	65%	62%
<i>Water from Council-provided schemes is safe to drink</i>	Customer satisfaction with taste and cleanliness	52%	52%
	Rural scheme consumers who receive water that meets <sup>#</sup> the NZ Drinking Water Standards 2005	100%	100%
	% of new water demand met units applied	100%	≥80%
<i>Rural water schemes are managed efficiently and effectively</i>	% of customer requests for service resolved within specified timeframes**	91%	≥80%

\* This target has been revised from 6.2 in the 2012/22 LTP. This reflects the level of service Council currently provides. There are no plans to increase/decrease this.

\*\* Specified timeframes vary according to the nature of the request for service. For example the specified time for emergency call-outs is 2 hours, compared with 5 working days for minor leaks that are not likely to affect supply or cause property damage.

<sup>#</sup> "Meets" means either full compliance with the standards, or that 'all practicable steps' have been taken (i.e. that an approved Public Health Management Plan is in place). Refer to Section 69V of the Health (Drinking Water) Amendment Act 2007.

## What's planned for Water Supply in 2014/15

### Continuing to improve water quality and compliance with Drinking Water Standards

Clean and safe drinking water is one of the most important things a Council can provide, and is something that the community can not do without. As well as community expectation for clean and safe water, legislation requires all water suppliers to "take all practicable steps" to comply with the New Zealand Drinking Water Standards. The Standards set the levels for which water's suitability for drinking is assessed. They include maximum acceptable values for a wide range of contaminants and monitoring requirements.

### Capital Assistance Programme-related work

Council's four urban water treatment plants in Balclutha, Lawrence, Kaitangata and Tapanui were recently upgraded with Capital Assistance Programme (CAP) funding assistance from Ministry of Health. But this funding was strictly limited to critical process improvement only to deliver water to meet the drinking water standards. A budget of \$332,000 has been included in 2014/15 for secondary components, such as renewal of plant buildings, repainting, upgrades to meet Occupational Health and Safety requirements, and to update the operations and maintenance manual.

### Improving water treatment at the rural water treatment plants

Council is also extending the focus to improve treatment at the nine rural water treatment plants that treat water for the district's 11 rural water schemes. Currently Stage 1 is taking place and has involved the installation of raw water monitoring equipment. There are also changes to a more effective and reliable coagulant to enhance the treatment process. The budgets included for 2014/15 are provisional and subject to the results of the robust assessment of water quality, and subject to the upgrade options approved by the relevant Rural Water Scheme Committees that govern these schemes.

### Milton water treatment plant

Since opening in 2008, the new Milton treatment plant has had some difficulty in producing enough treated water when the river is in flood. River conditions during flood events have been worse than was expected when the plant was designed, meaning that additional treatment may be required to enable the plant to produce sufficient volumes of water during these events. A budget of \$259,000 has been carried forward from 2013/14 into 2014/15 for potential pre-treatment. However the extent and scope has not been finalised and this has been carried forward to 2014/15.

### Clydevale-Pomahaka capacity upgrades

A major upgrade of capacity on the Clydevale-Pomahaka rural water scheme was budgeted for in 2013/14. This has not proceeded, but is still being investigated and discussed with the Rural Water Scheme Committee. The upgrade will enable additional supply of approximately 825 units of water to support further land use intensification and dairy expansion on the Pomahaka side of the scheme, which is currently running near capacity. The \$622,000 budget has been carried forward into the 2014/15 year.

### Waitahuna rising main renewal

The Waitahuna Treatment Plant treats water for the Balmoral 1, Balmoral 2 and Tuapeka East Rural Water Schemes. The rural water scheme committees have confirmed that renewal of the two high pressure rising mains need to be programmed for 2014/15. This has followed frequent breakages of these critical mains, and confirmation that sections are in poor condition. Consequently Council has included a budget to renew approximately 5.8km of rising main replacement on the Balmoral 2 side, and approximately 5.9km on the Balmoral 1 and Tuapeka East side. The \$2,144,000 budget for this is expected to be funded from a combination of reserves and internal loan funding.

### Backwash and discharge consent renewals

Budgets have been included in 2014/15 for work to:

- Renew North Bruce and Moa Flat treatment plants backwash consents,
- Lodge new backwash consents for Glenkenich, Kaitangata and Puerua treatment plants, and
- Renew the water take consent from Green's Creek for the Glenkenich treatment plant.



## Capital Expenditure for Water Supply in 2014/15

Description	Reason	Amount (\$000)
Increase capacity on the Clydevale-Pomahaka scheme	To meet additional demand	622
Clydevale-Pomahaka - water treatment upgrade	Improve level of service - mandatory	155
Milton pre-treatment improvements	Improve level of service - mandatory	259
Glenkenich Rural Water Scheme - water treatment upgrade	Improve level of service - mandatory	240
Moa Flat Rural Water Scheme - water treatment upgrade	Improve level of service - mandatory	332
North Bruce Rural Water Scheme - water treatment upgrade	Improve level of service - mandatory	539
Richardson Rural Water Scheme - water treatment upgrade	Improve level of service - mandatory	534
Tuapeka Rural Water Scheme - Evans Flat water treatment upgrade	Improve level of service - mandatory	153
Waitahuna Water Treatment Plant upgrade	Improve level of service - mandatory	249
Stirling Water Treatment Plan upgrade	Improve level of service - mandatory	249
Capital assistance programme completion of works	Improve level of service - mandatory	332
Owaka - reservoir telemetry & well head upgrade	Improve level of service - mandatory	42
Telemetry improvements	Improve level of service	10
Renewal of cast iron mains in Balclutha	Replace existing assets	570
Various renewals on the 22 urban supplies and rural schemes throughout the district	Replace existing assets	533
Waitahuna rising main renewal	Replace existing assets	2,144
Resource consent backwash and discharge renewals	Replace existing assets	150

## Changes from the 2012/22 Long Term Plan

There are variations due to the carry over of the rural water treatment upgrades and Clydevale-Pomahaka capacity upgrade works. Work to renew several cast iron mains in Balclutha has also been identified, which were not included in initial Long Term Plan budgets. Waitahuna Treatment Plant rising mains renewals were programmed for later in the 2012/22 Long Term Plan period and have been bought forward.

## What it is expected to cost for Water Supply in 2014/15

(All in \$000's)	ANNUAL PLAN 2013/14	LONG TERM PLAN 2014/15	ANNUAL PLAN 2014/15	DIFFERENCE
<b>Sources of Operating Funding</b>				
General rates, UAGC's, rates penalties	0	0	108	108
Targeted rates (other than a targeted rate for water supply)	0	6,358	6,313	(45)
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	6,063	0	0	0
Internal charges and overheads recovered	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>6,063</b>	<b>6,358</b>	<b>6,421</b>	<b>63</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	(3,550)	(3,683)	(3,812)	(129)
Finance costs	(233)	(316)	(233)	83
Internal charges and overheads applied	(622)	(607)	(622)	(15)
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>(4,405)</b>	<b>(4,606)</b>	<b>(4,667)</b>	<b>(61)</b>
<b>Surplus (deficit) of operating funding</b>	<b>1,658</b>	<b>1,752</b>	<b>1,754</b>	<b>2</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt <small>(internal debt)</small>	1,124	(208)	2,019	2,227
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>1,124</b>	<b>(208)</b>	<b>2,019</b>	<b>2,227</b>
<b>Applications of capital funding</b>				
Capital expenditure to meet additional demand	(600)	0	(622)	(622)
Capital expenditure to improve the level of service	(1,892)	(717)	(3,119)	(2,402)
Capital expenditure to replace existing assets	(1,005)	(654)	(3,397)	(2,743)
(Increase) decrease in reserves	(77)	20	(74)	(94)
(Increase) decrease of investments	792	(193)	3,438	3,631
<b>Total applications of capital funding</b>	<b>(2,782)</b>	<b>(1,544)</b>	<b>(3,773)</b>	<b>(2,229)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(1,658)</b>	<b>(1,752)</b>	<b>(1,754)</b>	<b>(2)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## What we do for Sewerage

Council collects, treats and disposes of domestic sewage and tradewaste discharges via 11 public sewerage schemes. These schemes service the townships of Balclutha, Clinton, Heriot, Kaitangata, Kaka Point, Lawrence, Milton, Owaka, Stirling, Tapanui and Waihola. Extensions to the Balclutha and Milton schemes have been completed to serve the townships of Benhar and Tokoiti respectively. There is also a scheme for Pounawea, connected to the Owaka treatment plant that services residents, if they wish to connect.

## What we're aiming in 2014/15 for Sewerage

Level of Service	Performance Measures	Actual (2012/13)	Target (2014/15)
<i>Meet sustainability/resource consent requirements</i>	% resource consent conditions met	100%	100%
<i>Sewerage schemes are managed efficient and effectively</i>	Customer requests for service resolved within specified timeframes <sup>#</sup>	85%	≥85%
<i>Provide sewerage services that effectively collect and dispose of sewage</i>	Reported blockages/year/100km of sewer*	10.3	≤14.0
	Customer satisfaction	90%	≥85%

<sup>#</sup> Specified timeframes vary according to the nature of the request for service. For example the specified time for emergency call-outs is 2 hours, compared with 5 working days for minor leaks that are not likely to affect supply or cause property damage.

\* There can be variation in this result from year to year, depending on the number of blockages. However, Council intends to perform at least or better than the national average of 14.0 blockages per 100km of sewer.

## What's planned for Sewerage in 2014/15

Both Kaitangata and Clinton are in similar positions in terms of their sewage. Both their treatment plants will need to be upgraded to meet higher standards for the disposal of effluent, with the overall aim of gaining 35-year consents. Budgets of \$52,000 for Clinton and \$58,000 for Kaitangata feature in 2014/15 for investigation work for the consent renewals, with the upgrades themselves programmed for 2015/16.

Waihola is also a scheme where substantial work is programmed. Waihola's resource consent expires in 2017, which is only three years away. The focus for this scheme will be to look at what additional upgrades will be needed to gain a new 35-year resource consent. To this effect the amount of \$363,000 has been budgeted in 2014/15, and \$400,000 in 2015/16.

Budgets have also been included to replace the flow meters at both the Balclutha and Kaitangata oxidation ponds. The proposed magflow meters will provide a more reliable measure of the volume of discharge from the oxidation ponds than the existing meters. The accuracy of this information will be important ahead of the design of upgrades that are coming up for both these schemes.

## Capital expenditure for Sewerage in 2014/15

Description	Reason	Amount (\$000)
Clinton - consent renewal and upgrade (Stage 1)	Increase level of service - mandatory	52
Kaitangata - consent renewal and upgrade (Stage 1)	Increase level of service - mandatory	58
Waihola - consent renewal and upgrade	Increase level of service - mandatory	363
Renewal work to various schemes	Replace existing assets	54
Kaitangata - magflow meter at oxidation pond	Increase level of service	42
Balclutha - magflow meter at oxidation pond	Increase level of service	16

## Changes from the 2012/22 Long Term Plan

There are no changes of note for this activity group.

## What it is expected to cost for Sewerage in 2014/15

(All in \$000's)	ANNUAL PLAN 2013/14	LONG TERM PLAN 2014/15	ANNUAL PLAN 2014/15	DIFFERENCE
<b>Sources of Operating Funding</b>				
General rates, UAGC's, rates penalties	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	1,748	1,844	1,848	4
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	120	120	135	15
Internal charges and overheads recovered	114	162	138	(24)
Fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>1,982</b>	<b>2,126</b>	<b>2,121</b>	<b>(5)</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	(750)	(819)	(896)	(77)
Finance costs	(155)	(189)	(155)	34
Internal charges and overheads applied	(283)	(314)	(283)	31
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>(1,188)</b>	<b>(1,322)</b>	<b>(1,334)</b>	<b>(12)</b>
<b>Surplus (deficit) of operating funding</b>	<b>794</b>	<b>804</b>	<b>787</b>	<b>(17)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt <small>(internal debt)</small>	15	172	(2)	(174)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>15</b>	<b>172</b>	<b>(2)</b>	<b>(174)</b>
<b>Applications of capital funding</b>				
Capital expenditure to meet additional demand	0	0	0	0
Capital expenditure to improve the level of service	(242)	(753)	(472)	281
Capital expenditure to replace existing assets	(143)	(101)	(112)	(11)
(Increase) decrease in reserves	75	112	24	(88)
(Increase) decrease of investments	(499)	(234)	(225)	9
<b>Total applications of capital funding</b>	<b>(809)</b>	<b>(976)</b>	<b>(785)</b>	<b>191</b>
<b>Surplus (deficit) of capital funding</b>	<b>(794)</b>	<b>(804)</b>	<b>(787)</b>	<b>17</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## What we do for Stormwater

Council provides for the drainage of stormwater via eight community stormwater drainage reticulation schemes. These drainage schemes are located in Balclutha, Clinton, Kaitangata, Kaka Point, Lawrence, Milton, Owaka and Tapanui. Council also provides minor stormwater infrastructure in Stirling, Waiholo, Palmer Place (Taieri Mouth), Pounaweia and Papatowai.

## What we're aiming for in 2013/14 for Stormwater

Level of Service	Performance Measures	Actual (2012/13)	Target (2014/15)
<i>By providing a level of protection against the effects of flooding in reticulated areas</i>	Customer satisfaction	72%	≥67%
<i>Customer requests for service resolved within specified timeframes<sup>#</sup></i>	Customer requests for service resolved within specified timeframes <sup>#</sup>	40%	≥80%

<sup>#</sup> Specified timeframes vary according to the nature of the request for service. For example the specified time for emergency call-outs is 2 hours, compared with 5 working days for minor leaks that are not likely to affect supply or cause property damage.

## What's planned for Stormwater in 2014/15

Milton Rural Stormwater diversion works aim to substantially reduce the amount of rural run-off entering Milton during a large flood event. A budget of \$50,000 was included in the 2013/14 Annual Plan budgets to allow Stage 2 of the works to be constructed. This budget was not spent due to changes in staff and the on-going development of a workable design that will suit the needs of adjacent landowners. The estimated cost of these works with the revised design has been budgeted as \$82,000+GST and is expected to be undertaken in the 2014/15 year following further discussions with landowners.

Ongoing renewal work to the majority of the district's stormwater systems is programmed. This is budgeted for \$77,000.

## Capital expenditure for Stormwater in 2014/15

Description	Reason	Amount (\$000)
Milton rural stormwater diversion - stage 2	Increase level of service	82
Renewal work to various schemes	Replace existing assets	77

## Changes from the 2012/22 Long Term Plan

The carry forward of the Milton Stormwater diversion works from 2013/14 to 2014/15 is the main change in this area.

## What it is expected to cost for Stormwater in 2014/15

(All in \$000's)	ANNUAL PLAN 2013/14	LONG TERM PLAN 2014/15	ANNUAL PLAN 2014/15	DIFFERENCE
<b>Sources of Operating Funding</b>				
General rates, UAGC's, rates penalties	0	0	0	0
Targeted rates (other than a targeted rate for water supply)	534	617	576	(41)
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	0	0	0	0
Internal charges and overheads recovered	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>534</b>	<b>617</b>	<b>576</b>	<b>(41)</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	(88)	(99)	(89)	10
Finance costs	(29)	(33)	(29)	4
Internal charges and overheads applied	(180)	(199)	(180)	19
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>(297)</b>	<b>(331)</b>	<b>(298)</b>	<b>33</b>
<b>Surplus (deficit) of operating funding</b>	<b>237</b>	<b>286</b>	<b>278</b>	<b>(8)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt <sup>(internal debt)</sup>	(43)	(50)	(44)	6
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>(43)</b>	<b>(50)</b>	<b>(44)</b>	<b>6</b>
<b>Applications of capital funding</b>				
Capital expenditure to meet additional demand	0	0	0	0
Capital expenditure to improve the level of service	(57)	0	(82)	(82)
Capital expenditure to replace existing assets	(74)	(79)	(77)	2
(Increase) decrease in reserves	27	(1)	(3)	(2)
(Increase) decrease of investments	(91)	(156)	(72)	84
<b>Total applications of capital funding</b>	<b>(194)</b>	<b>(236)</b>	<b>(234)</b>	<b>2</b>
<b>Surplus (deficit) of capital funding</b>	<b>(237)</b>	<b>(286)</b>	<b>(278)</b>	<b>8</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Solid Waste Management

## What we do for Solid Waste Management

Council oversees the minimisation and management of solid waste within the district. These activities include:

- Operating a sanitary landfill and recycling drop-off depot for the district at Mt Cooee on the outskirts of Balclutha.
- Providing a fortnightly collection of recyclables and residual household waste via kerbside wheelie bins in urban areas. The service is also available to individual rural households along service routes. Collection alternates weekly between collection of recyclables and collection of residual waste.
- Providing transfer stations/skip services in Beaumont, Clinton, Clydevale, Lawrence, McLennan, Milton, Owaka, Tapanui and Taieri Mouth.
- Providing a coin-operated “Jack Trash” bin at Papatowai.
- Monitoring and maintaining 19 closed tip sites throughout the district.
- Providing Enviroschools (waste minimisation education) to schools throughout the district.

## What we’re aiming for in 2014/15 for Solid Waste Management

Level of Service	Performance Measures	Actual (2012/13)	Target (2014/15)
<i>Provide a kerbside refuse and recycling collection service to townships and along service routes</i>	Resident satisfaction with the wheelie bin service	79%	≥85%
	Tonnes of recyclables collected	700	550
<i>Provide waste minimisation education</i>	% of schools who take part in the Enviroschools programme	28%	40%
	% of residents aware of at least two things people can do to reduce the waste they produce	61%	80%
<i>Provide a facility in the district for the disposal of solid waste</i>	Resident satisfaction with Mt Cooee landfill	74%	≥50%
	Tonne of waste to Mt Cooee landfill	8,807	10,800
	Tonne of waste diverted from Mt Cooee landfill	805	≥700

## What’s planned for Solid Waste Management in 2014/15

The two-bin residual waste and recycling wheelie bin collection will enter its third year, and Council is aiming to continue to increase the amount of recyclables it collects. It is already ahead of initial projections set for 2014/15 as part of the 2012/22 Long Term Plan, and revised goals will be set as Council looks ahead from 2015 to 2025. As part of this process Council will also be looking at overall levels of service for solid waste management and waste minimisation. Some residents have been continuing to highlight that the two-weekly cycle does not match their waste production/minimisation patterns, and that they want their green general waste bin emptied more often than every second week. Council will be exploring this, with likely options to be consulted on in 2015.

## Variations to the 2012/22 Long Term Plan

Council is part of the government’s Emissions Trading Scheme (ETS), which means Council has to purchase carbon credits for each tonne of waste that goes into Mt Cooee Landfill. When budgets were prepared for the 2012/22 Long Term Plan, a budget of \$297,330 was included for the cost of credits in 2014/15, based on a cost per tonne of \$25 and approximately 11,000 tonnes of refuse per annum. Based on current prices the cost per tonne will be substantially less than this, and the updated budget is based on a \$4 per tonne cost and a reduction in overall waste to approximately 8,000 tonnes. This has resulted in a reduction to \$42,444 for the cost of buying credits included in the 2014/15 Annual Plan budget. This \$254,886 reduction will benefit residents with wheelie bins and those who use Mt Cooee Landfill. For example the cost for the wheelie bin collection is expected to reduce from \$145 (GST excl) in 2013/14 to \$142 (GST excl) in 2014/15. This is well down on the projected \$167 (GST excl).

## What it is expected to cost for Solid Waste Management in 2014/15

(All in \$000's)	ANNUAL PLAN 2013/14	LONG TERM PLAN 2014/15	ANNUAL PLAN 2014/15	DIFFERENCE
<b>Sources of Operating Funding</b>				
General rates, UAGC's, rates penalties	62	64	62	(2)
Targeted rates (other than a targeted rate for water supply)	865	952	847	(105)
Subsidies and grants for operating purposes	60	64	62	(2)
Fees, charges and targeted rates for water supply	499	648	490	(158)
Internal charges and overheads recovered	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>1,487</b>	<b>1,728</b>	<b>1,461</b>	<b>(267)</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	(1,118)	(1,292)	(1,082)	210
Finance costs	(36)	(17)	(36)	(19)
Internal charges and overheads applied	(268)	(266)	(268)	(2)
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>(1,421)</b>	<b>(1,575)</b>	<b>(1,386)</b>	<b>189</b>
<b>Surplus (deficit) of operating funding</b>	<b>66</b>	<b>153</b>	<b>75</b>	<b>(78)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt <small>(internal debt)</small>	(13)	(7)	(19)	(12)
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>(13)</b>	<b>(7)</b>	<b>(19)</b>	<b>(12)</b>
<b>Applications of capital funding</b>				
Capital expenditure to meet additional demand	0	0	0	0
Capital expenditure to improve the level of service	(358)	0	0	0
Capital expenditure to replace existing assets	(22)	(23)	(23)	0
(Increase) decrease in reserves	367	(82)	7	89
(Increase) decrease of investments	(39)	(41)	(40)	1
<b>Total applications of capital funding</b>	<b>(53)</b>	<b>(146)</b>	<b>(56)</b>	<b>90</b>
<b>Surplus (deficit) of capital funding</b>	<b>(66)</b>	<b>(153)</b>	<b>(75)</b>	<b>78</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Capital expenditure for Solid Waste Management in 2014/15

Description	Reason	Amount (\$000)
Aftercare/renewal work to the district's closed landfills	Replace existing assets	23



# Community Services

## What we do for Community Services

Council provides various community facilities and services throughout the district. Financial and non-financial assistance is also provided to external organisations that provide community services. Activities include:

### Libraries, Service and Information Centres which involves:

- A district library network consisting of a central library in Balclutha, four branch libraries in Lawrence, Milton, Owaka and Tapanui and voluntary community libraries in Waiholā and Waitahuna.
- Service centres, which provide a local link to Council departments are located in Balclutha, Lawrence, Milton and Tapanui (Lawrence, Milton, Owaka and Tapanui also incorporate a branch of the Clutha District Library network).
- An “i-Site” service at the Balclutha Service Centre, which handles nationwide bookings for tourists and locals.
- Provision of financial assistance to the Lawrence and Milton information centres, which are community owned and operated.

### Swimming Pools which involves:

- Owning and operating year round, a pool in Balclutha and seasonal (summer) pools in Kaitangata, Milton and Lawrence.
- Making grants available to various school and community-based pools located throughout the district (These grants are included in the community support budget under the Community Leadership section).

### Parks, Reserves, Sportsgrounds and Playgrounds which involves:

- Providing and maintaining 86 hectares of parks and reserves throughout the district, including 18 playgrounds and four sportsgrounds.
- Providing financial assistance for a further 19 hectares of reserves and sportsgrounds that are managed by local committees and sports groups.

### Halls and Community Centres which involves:

- Maintaining and operating halls in Balclutha and Kaitangata.
- Providing financial assistance for 11 rural committees which operate community centres throughout the district on Council’s behalf. These are at Clutha Valley, Hillend, Kaka Point, Lovells Flat, Moneymore, Owaka, Paretai, Waiholā, Waipahi, Waitahuna and Waiwera.
- Providing financial assistance to various other halls and centres, which are owned and operated by their communities. These are at Beaumont, Clinton, Crookston, Dunrobin, Heriot, Hina Hina, Milton, Lawrence, Paretai, Romahapa, Tahakopa, Taieri Mouth, Tuapeka Mouth, Tuapeka West, Waikoikoi and Tapanui.

### Public Conveniences which involves:

- Providing and maintaining 24 public toilets throughout the district (located in the Balclutha, Clinton, Jacks Bay, Kaitangata, Kaka Point, Lawrence, Milton, Owaka, Pounaweia, Tapanui, Taieri Mouth and Waiholā areas).

### Cemeteries which involves:

- Directly operating and maintaining six urban cemeteries - Balclutha (2), Fairfax (Milton), Kaitangata, Lawrence and Tapanui, and eight rural cemeteries - Port Molyneux, Romahapa, Taieri Beach, Waiholā, Waikoikoi, Waipahi, Waipori, and Waitahuna.
- Providing financial assistance to a further four cemeteries that are managed by trustees (Clinton, Crookston, Owaka, Tuapeka).
- Providing financial assistance towards the maintenance of war memorials throughout the district.

## Community Housing and Other Property which involves:

- Owning and maintaining 98 one bedroom housing units located in Balclutha, Clinton, Kaitangata, Lawrence, Milton, Owaka, Tapanui and Waiholā.
- Other property is owned and maintained by Council for storage of materials and equipment.
- Property which is retained for renting and leasing at market rates with the income offsetting rates.
- 366 hectares of plantation forestry which is managed as a long term investment.

## Cross Recreation Centre which involves:

- Funding \$2.5 million towards the cost of constructing the multi-use Cross Recreation Centre in Balclutha, and providing an operating grant of \$21,200 in 2014/15.

## What we're aiming for in 2014/15 for Community Services

Level of Service	Performance Measures	Actual (2012/13)	Target (2014/15)
<i>Operate accessible and affordable library services via branches in Balclutha, Lawrence, Milton, Owaka and Tapanui</i>	Customer satisfaction with libraries	97%	≥90%
	Customer satisfaction with library opening hours	89%	≥80%
	% of residents who have used a library within the past 12 months	54%	50%
<i>Provide a library collection consisting of adult fiction, adult non-fiction, reference, children, young adult, large print, local history, newspaper, magazine, adult literacy, audio visual, talking books, media, jigsaw and electronic resource materials</i>	Customer satisfaction with the availability of books at the libraries	88%	≥80%
<i>Provide accessible and affordable Council service centres in Balclutha, Lawrence, Milton and Tapanui</i>	Resident satisfaction with service centres	97%	≥90%
	% of residents who have used a service centre within the past 12 months	49%	50%
<i>Provide Council-run information services in Balclutha, Owaka and Tapanui along with community-contracted information</i>	Customer service (mystery shopper) survey of information services	99%	≥80%
<i>Operate a safe, accessible and affordable district pool in Balclutha, along with summer pools in Kaitangata, Lawrence and Milton</i>	Number of swims	55,897	53,000
	% of residents who have visited a Council pool during the past year	27%	≥29%
	% customer satisfaction	66%	≥55%
<i>Maintain 86 hectares of parks and reserves, and provide financial assistance for a further 19 hectares that are managed by local communities</i>	Resident satisfaction with parks and reserves	82%	≥80%
	% of residents who visited a park or reserve during the year	67%	55%
<i>Provide and maintain 18 playgrounds throughout the district</i>	Resident satisfaction with playgrounds	85%	≥80%
	% of residents who visited a playground during the year	49%	40%
<i>Provide and maintain sportsgrounds at Balclutha, Kaitangata, Milton and Owaka</i>	Resident satisfaction with sportsgrounds	83%	≥80%
<i>Operate and maintain 6 urban and 8 rural cemeteries throughout the district</i>	Resident satisfaction with cemeteries	86%	≥80%
	% of residents who had visited a cemetery during the year	57%	50%
<i>Provide and maintain 24 public toilets throughout the district</i>	Resident satisfaction with toilets	57%	≥45%
	% of residents who had used a public toilet during the year	44%	50%
<i>Directly operate and maintain the Balclutha Town Hall, and help communities provide halls and centres in their respective communities</i>	Resident satisfaction with halls and community centres	84%	≥80%
	% of residents who had used a hall/ community centre during the year	63%	55%
<i>Provide and maintain 98 community housing units throughout the district</i>	Tenant satisfaction with housing units	98%	≥90%

## What's planned for Community Services in 2014/15

### Cross Recreation Centre sealing

After consulting through the draft annual plan and considering submissions, Council agreed that the road and carpark at the Cross Recreation Centre should be sealed, provided the surface will be suitable for doing so. Council agreed that sealing will help to tidy up the area, and help increase the life of the centre's playing surface by reducing the amount of dirt and grit that was currently dragged across it on a daily basis. Council included a budget of \$140,000+GST in this year's Annual Plan for the sealing project, and a further \$60,000 for the 2017/18 year when it is anticipated that a second coat seal will be required. The sealing will be funded by an increase in the existing Cross Recreation Centre rate of between approximately 24 cents and \$2.36 a year from 2015/16 onwards, depending on which ward people live in.

### Tuapeka Aquatic Centre grant

Through the 2013/14 Annual Plan Council confirmed its commitment to make a loan-funded grant of 57% of constructions costs up to \$1.35 million, towards the proposed Tuapeka Aquatic facility. An operating grant of \$10,000 was also confirmed to begin when the pool was up and running. From the year after the grant was to be made, the loan would then be repaid over 25 years from a combination of Lawrence/Tuapeka Community Board rates, Lawrence Community Services rates and the uniform annual general charge. Based on current information construction for this project would take place after 1 July 2014, so budgets have been carried forward to the 2014/15 year. This now means the project will have a rates effect from 2015/16.

### Libraries and service centres

Routine renewals for library and service centre buildings are budgeted for Balclutha Service Centre, Milton Service Centre and Lawrence Service Centre in 2014/15. This will involve furniture, carpet, painting and heat pump renewals.

### Community housing units

Council's upgrade programme for community housing units throughout the district is nearing completion. The purpose of these programmes is to ensure that our community housing units meet expectations and are suitable for the needs of tenants. The focus of this programme has been on units where there has been demand. It also includes provision for the possible replacement of the roof at Naish Courts in Balclutha. More work will be done to decide exactly what is needed and when.

### Refurbishment of war memorials

Council confirmed its commitment to supporting the centenary commemorations of World War I in 2015. The project is known as WW100. Part of the preparations will include cleaning and maintenance of the 30 memorials located throughout the district. A budget of \$50,000 has been included in the 2014/15 year, with the expectation that \$10,000 will be funded by rates, and the remainder sourced through WW100 external grants funding.

### Lawrence cemetery

Lawrence's cemetery is one of the most historic in the district. A budget of \$11,000 has been included in 2014/15 for land clearing to allow it to be extended.

### Lawrence motor home dump station

This facility in Lawrence is located at what has now become the terminus of the Clutha Gold cycle trail. A budget of \$6,500 has been included in 2014/15. At this stage, rather than moving to a different location, the preferred option is to upgrade the existing single sided dump station so it can be accessed from both sides.

### Balclutha motor home dump station

Council confirmed a budget of \$20,000 in 2014/15 for the installation of a public motor home dump station in Balclutha. This will be funded from reserves and in a suitable location to be identified in consultation with the NZ Motor Caravan Association. The project will be considered in conjunction with Balclutha's streetscape improvements.

### Owaka public toilets

A budget of \$137,000 has been carried through to 2014/15 for the upgrade and relocation of Owaka's main street toilets.

## Balclutha swimming pool opening hours

An additional budget of \$5,000 has been carried forward from 2013/14 to 2014/15 for Balclutha swimming pool after submissions asked Council to extend weekend opening hours. The logistics of staffing to allow for this to happen will be worked through.

## Taylor Park camping ground

Early in 2014 Council adopted Milton's Greater Taylor Park Reserve Management Plan. The Plan included a proposal to advertise the camping ground for lease, and include provisions for the construction of a manager's residence as part of the lease negotiations. Council has included \$140,000 for this in the 2014/15 year. The intention is that this be loan funded, and loan repayments would be offset by reduced operating costs from leasing out the camping ground.

## Removal of Lawrence's poplars

A budget of \$60,000 has been included in 2014/15 for the removal and replanting of just under 30 of Lawrence's poplar trees and a few other large trees. The future of the trees was extensively considered in conjunction with the Lawrence/Tuapeka Community Board during 2008, and then again in late 2013. Updated information about the trees, located along State Highway 8 and Whitehaven Street, has confirmed they have reached the end of their useful lives and now need to be removed for safety reasons. The budget also allows for the replanting of trees, which will be carried out after consultation with local interested people and groups.

## Waihola Destination Playground feasibility

Through the submission process Council approved a grant of \$2,400 to the Waihola Playground Trust towards a feasibility study for a possible development for a destination playground at Waihola. The Trust is working towards achieving the budget required for the proposed playground estimated to cost in the region of \$500,000. The feasibility work would be the first stage to see if the development is viable. If the outcome is positive it would provide a basis to allow the Trust to apply for funding for construction of the playground from other funders and allow the project to get underway.

## Kaitangata Skate/Jump Park

In response to a submission on behalf of several Kaitangata groups, Council approved a grant of \$40,000 for the Kaitangata Skate Park Development Project. The Kaitangata Skate Park Development Committee has proposed that the skate park will be an extension of the BMX track complex which is already widely used by youth of the wider South Otago District. The grant would be payable once the balance of the funds for the estimated \$80,000 project have been secured. Half of the grant would be funded from a carry-forward balance from the 2013/14 year, and the remaining 50% by a 3 year loan to be repaid by rates from 2015/16 to 2017/18 that would cost approximately \$9-\$12 per property in Kaitangata per annum.

## Divestment of Kaitangata's War Memorial Hall

After discussions with the local community, divestment of this hall to an incorporated society was included in the 2012/22 Long Term Plan. A grant of \$100,00 was agreed and has been carried forward from 2013/14 in the 2014/15 year. While the day to day operation of the hall will become the responsibility of the new community group, as with other halls in the district, rates would still be used to make an annual grant to the hall owners. If the hall is divested in 2014/15, Council will need to decide which reserve the \$100,000 is funded from.

## Balclutha War Memorial Hall renewals and upgrade deferred

A number of significant renewals were planned for the Balclutha War Memorial Hall in 2012/13 and 2013/14 at a budgeted cost of \$490,000. These works included maintenance of the stage and flytower, renewal of the boiler, heating and ventilation upgrades, an internal repaint and an upgrade of the toilets and entry foyer. The seating in the hall was also to be looked at, with options for removable 'theatre' type seating to be evaluated as part of the overall upgrade. This work aims to bring the hall up to modern standards and meet community and hall users expectations.

Council has carefully considered the timing of this renewal and upgrade and has deferred the majority of it, to take place in 2015/16 after the completion of Balclutha's streetscape upgrades. Plans for the flytower remain in 2014/15, with a budget of \$94,000, with the expectation that funding this will be a joint effort between Council and the interest groups involved.

## Capital expenditure for Community Services in 2014/15

Description	Reason	Amount (\$000)
Lawrence cemetery extension	To meet additional demand	11
Cross Recreation Centre - carpark and access road sealing	Improve level of service	147*
Taylor Park - Manager's Residence	Improve level of service	147*
Balclutha dump station	Improve level of service	22*
Lawrence dump station	Improve level of service	7
Wet floor showers - Lawrence community housing	Improve level of service	11
Wet floor shower - Waihola community housing	Improve level of service	6
Balclutha Memorial Hall - Flytower	Improve level of service	94
Toko Mouth Hall roof replacement	Replace existing assets	32
Library book renewals	Replace existing assets	111
Milton service centre refurbishment	Replace existing assets	89
Lawrence service centre renewals	Replace existing assets	8
Balclutha service centre renewals	Replace existing assets	8
Roof replacement at Naish Court community housing	Replace existing assets	111
Owaka public toilet	Replace existing assets	137*

\*Varies slightly from information on previous pages, as this figure includes an inflation adjustment

## Changes from the 2012/22 Long Term Plan

Refer to the information on the previous pages for changes in timing for several projects.

## What it is expected to cost for Community Services in 2014/15

(All in \$000's)	ANNUAL PLAN 2013/14	LONG TERM PLAN 2014/15	ANNUAL PLAN 2014/15	DIFFERENCE
<b>Sources of Operating Funding</b>				
General rates, UAGC's, rates penalties	2,052	2,381	2,052	(329)
Targeted rates (other than a targeted rate for water supply)	1,381	1,203	1,358	155
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	1,188	1,115	1,222	107
Internal charges and overheads recovered	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>4,621</b>	<b>4,699</b>	<b>4,632</b>	<b>(67)</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	(3,649)	(3,018)	(3,850)	(832)
Finance costs	(347)	(595)	(347)	248
Internal charges and overheads applied	(509)	(464)	(509)	(45)
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>(4,505)</b>	<b>(4,077)</b>	<b>(4,706)</b>	<b>(629)</b>
<b>Surplus (deficit) of operating funding</b>	<b>116</b>	<b>622</b>	<b>(74)</b>	<b>(696)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt <small>(internal debt)</small>	419	(184)	681	865
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>419</b>	<b>(184)</b>	<b>681</b>	<b>865</b>
<b>Applications of capital funding</b>				
Capital expenditure to meet additional demand	0	(11)	(11)	0
Capital expenditure to improve the level of service	(814)	0	(433)	(433)
Capital expenditure to replace existing assets	(115)	(327)	(494)	(167)
(Increase) decrease in reserves	101	(20)	52	72
(Increase) decrease of investments	293	(80)	279	359
<b>Total applications of capital funding</b>	<b>(535)</b>	<b>(438)</b>	<b>(607)</b>	<b>(169)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(116)</b>	<b>(622)</b>	<b>74</b>	<b>696</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Regulatory & Emergency Services

## What we do for Regulatory & Emergency Services

### Resource Management which involves:

- Promoting the sustainable management of natural and physical resources via the District Plan.
- Processing resource consent applications (for land use and subdivision).
- Carrying out monitoring, enforcement and prosecution when necessary.
- Provide Land Information Memoranda in accordance with the requirements of the Local Government Official Information and Meetings Act 1987.

### Regulatory which involves:

- Providing Land Information Memoranda in accordance with the requirements of the Local Government Official Information and Meetings Act 1987.
- Producing, reviewing, amending and implementing the Regulatory bylaw.

### Animal Control which involves:

- Maintaining a register of the dogs in the district.
- Responding to complaints of wandering stock and dogs as well as barking and nuisance complaints.
- Providing impounding facilities, which are located in Balclutha.
- Providing education and advice to dog owners.
- Undertaking enforcement for non-compliance with dog control legislation and bylaws.

### Environmental Health which involves:

- Registering and inspecting premises that prepare or sell food on a risk-rating frequency between 9 to 24 months.
- Promoting the use of Food Control Plans and auditing premises with these plans in place.
- Registering and inspecting other controlled premises, such as hairdressers, offensive trades, funeral parlours and camping grounds.
- Responding to noise complaints.

### Liquor Licensing, which involves:

- Controlling the sale and supply of liquor via the Sale and Supply of Alcohol Act 2012.
- Processing applications for on, off, club and special licenses, processing managers certificates and renewals, and monitoring licensed premises for compliance.
- Promoting the principle of host responsibility and the safe use of alcohol through seminars and customer liaison.

### Building Control which involves:

- Providing advice and administering the Building Act 2004.
- Processing applications for Project Information Memoranda (PIMS) and Building Consents, including on-site inspections at the building stage, and issuing code compliance certificates upon completion.
- Issuing building warrants of fitness and compliance schedules.
- Investigating complaints related to unauthorised building work where necessary.

### Civil Defence Emergency Management which involves;

- Working with local authorities in the Otago region to plan for hazards and maintain an Otago Group Civil Defence Emergency Management Plan, and a Clutha District Civil Defence Operational Plan.
- Maintaining systems, communications and resources that can be used during an emergency.
- Recruiting and providing Civil Defence training for a network of volunteers throughout the district.
- Promoting Civil Defence emergency awareness and personal preparedness.
- Monitoring known hazards, for example, the Clutha and Pomahaka rivers.
- Responding when actual or potential emergencies arise.
- Assisting with recovery after an event.

## What we're aiming for in 2014/15 for Regulatory and Emergency Services

Level of Service	Performance Measures	Actual (2012/13)	Target (2014/15)
<i>To provide a consents service where consents are processed within statutory timeframes in an efficient manner</i>	Non-notified resource consents processed within 20 days (statutory timeframe)	97%	100%
	Non-notified resource consents processed within 10 days	52%	50%
	Customer satisfaction with resource consent processing services	N/A	≥90%
<i>Animal control incidents are responded to in a prompt and efficient manner</i>	Incidents investigated within 48 hours of reports being received	98%	100%
<i>Provide an environmental health inspection service that works towards safe and healthy living</i>	% noise complaints are responded to within 48 hours	100%	100%
<i>Food Control Plans are used by premises that sell food</i>	% of food premises using a Food Control Plan	25%	50%
<i>To provide a liquor licensing service where licenses are processed within statutory timeframes in an efficient manner</i>	Unopposed liquor licenses and certificate renewals processed within 20 working days	100%	100%
<i>Provide a building consents service where consents are processed within statutory timeframes in an efficient manner</i>	Building consents and PIMs processed within 20 working days	100%	100%
	LIMs processed within 10 working days	100%	100%
<i>Encouraging and promoting residents to be prepared for a Civil Defence emergency</i>	% of residents who have taken steps to personally prepare for a Civil Defence emergency	52%	62%

## What's planned for Regulatory and Emergency services in 2014/15

### Rolling review of the District Plan

The ongoing review of the District Plan will continue throughout 2014/15, concentrating on the Hazards, Public Works and Network Utilities and Landscape sections of the plan.

### Enlarged Rural Fire District

From 1 July 2014, the Clutha District Rural Fire Authority will become part of the enlarged Otago Rural Fire District at a budgeted cost of \$226,300 in 2014/15. This will also mean that the Council will no longer process fire permits or be responsible for rural fire management under the Forest and Rural Fires Act 1977.

### Improvements to Clutha's Emergency Operations Centre

The Chambers at Council's main administrative office in Balclutha doubles as Clutha's Civil Defence Emergency Operations Centre (EOC). A budget of \$52,000 to replace the emergency back up generator, and \$10,000 for rewiring has been included in 2014/15, to be funded from main administration office reserves (refer to Central Administration).

## Capital expenditure for Regulatory and Emergency services in 2014/15

Description	Reason	Amount (\$000)
District Plan renewal	Replace (renew) existing assets	42

## Changes from the 2012/22 Long Term Plan

Changes in this area include budgets for the renewal of the District Plan, and for staff salaries omitted in error from the 2012/22 Long Term Plan.



## What it is expected to cost for Regulatory & Emergency Services in 2014/15

(All in \$000's)	ANNUAL PLAN 2013/14	LONG TERM PLAN 2014/15	ANNUAL PLAN 2014/15	DIFFERENCE
<b>Sources of Operating Funding</b>				
General rates, UAGC's, rates penalties	364	378	364	(14)
Targeted rates (other than a targeted rate for water supply)	495	338	595	257
Subsidies and grants for operating purposes	0	0	0	0
Fees, charges and targeted rates for water supply	729	758	708	(50)
Internal charges and overheads recovered	0	0	0	0
Fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>1,588</b>	<b>1,474</b>	<b>1,667</b>	<b>193</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	(1,004)	(894)	(1,080)	(186)
Finance costs	(10)	(7)	(10)	(3)
Internal charges and overheads applied	(548)	(541)	(548)	(7)
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>(1,563)</b>	<b>(1,442)</b>	<b>(1,638)</b>	<b>(196)</b>
<b>Surplus (deficit) of operating funding</b>	<b>25</b>	<b>32</b>	<b>29</b>	<b>(3)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase (decrease) in debt <small>(internal debt)</small>	31	(5)	19	24
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>31</b>	<b>(5)</b>	<b>19</b>	<b>24</b>
<b>Applications of capital funding</b>				
Capital expenditure to meet additional demand	0	0	0	0
Capital expenditure to improve the level of service	0	0	0	0
Capital expenditure to replace existing assets	(41)	0	(42)	(42)
(Increase) decrease in reserves	2	(10)	2	12
(Increase) decrease of investments	(17)	(17)	(8)	9
<b>Total applications of capital funding</b>	<b>(56)</b>	<b>(27)</b>	<b>(48)</b>	<b>(21)</b>
<b>Surplus (deficit) of capital funding</b>	<b>(25)</b>	<b>(32)</b>	<b>(29)</b>	<b>3</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# community summaries

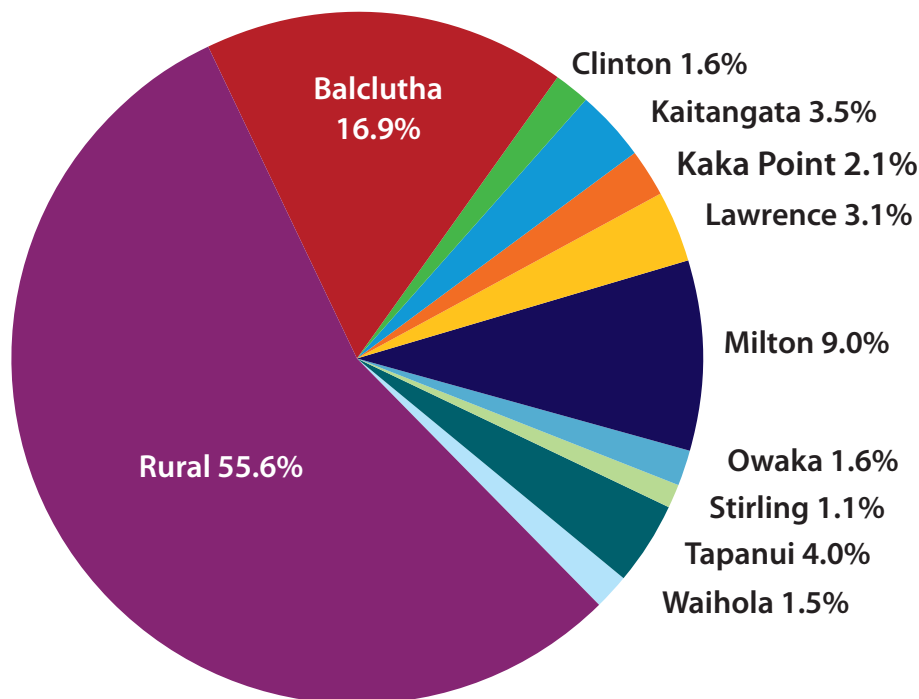
# 3



# Our communities & rating areas

## Approximate share of rates paid by each rating area in 2014/15

Council splits the district into 11 different rating areas for rating purposes. These include 10 urban communities, plus the rural area, which incorporates our rural areas and a number of our smaller townships. The pie chart below gives an indication of the approximate share that each of these rating areas will make towards the proposed total rates of \$23,507,000 in 2014/15.



## Changes that affect rates in 2014/15

The 2012/22 Long Term Plan indicated there were several projects proposed that would impact on rates to several, and sometimes all of the 11 different rating areas. A recap of these influences having an effect on the 10 urban rating areas in 2014/15 are outlined below.

### Water and sewerage changes

There are a number of cost drivers that were projected to increase water and sewerage rates, and this is evident for several rating areas in 2014/15, particularly Kaitangata, Tapanui and Waihola.

More stringent drinking water standards and sewage discharge standards has meant Council has, and will need to continue to undertake upgrades. These not only involve capital costs, but in many cases ongoing increasing operating costs. After careful review, schemes with the increased value of the assets as a result of capital projects are also required to make sure there are financial provisions for their future renewal by funding depreciation.

The impact of the above varies from community to community. The examples on the following pages illustrate what is happening in each rating area.

### Community services rating

In the lead up to the 2012/22 Long Term Plan, Council reviewed how it rated for community services (which includes swimming pools, halls, parks and reserves etc). One change Council implemented from 2012/13, was for Stirling and Kaka Point community services rates to include a contribution towards community services in Balclutha. This recognised that ratepayers in Kaka Point and Stirling are also users of community facilities in Balclutha, and should help pay for these. This means an increase in the community services rate for those in Stirling and Kaka Point, phased in over a three year period from 2012/13. The final year for phasing this in will take place in 2014/15.

## What's planned for Balclutha in 2014/15?

### Balclutha streetscape update

Work is continuing on planning and designs for this upgrade, with more work being done about priorities and the focal point for the improvements. Further consultation will help decide on the details of the upgrades. Currently Council is proposing that \$2,071,000 is included in 2014/15 for the upgrades, and an additional \$578,000 for the footpath component of the improvements.

### Public motor home dump station

Council confirmed a budget of \$20,000 in 2014/15 for the installation of a public motor home dump station in Balclutha. This will be funded from reserves and in a suitable location to be identified in consultation with the NZ Motor Caravan Association. The project will be considered in conjunction with Balclutha's streetscape improvements.

### Naish Courts community housing units roof replacement

The budget in 2014/15 includes provision for the possible replacement of the roof at Naish Courts in Balclutha. More work will be done to decide exactly what is needed and when.

### Swimming pool opening hours

An additional budget of \$5,000 has been carried forward from 2013/14 to 2014/15 for Balclutha swimming pool, after submissions asked Council to extend weekend opening hours. The logistics of staffing to allow for this to happen will be worked through.

### War Memorial Hall renewals and upgrade deferred

Council has carefully considered the timing of the hall's proposed \$494,000 renewal and upgrade. These plans include the maintenance of the stage and flytower, renewal of the boiler, heating and ventilation upgrades, an internal repaint and an upgrade of the toilets and entry foyer. Options for removable 'theatre' type seating is also being considered.

At this stage the decision has been made to defer the majority of it, to take place in 2015/16 after the completion of Balclutha's streetscape upgrades. Plans for the flytower remain in 2014/15, with a budget of \$94,000, with the expectation that funding this will be a joint effort between Council and the interest groups involved.

## How are Balclutha rates expected to change?

Balclutha Rating Area	<i>Example One</i> Land Value: 38,000 Capital Value: 117,000			<i>Example Two</i> Land Value: 46,000 Capital Value: 165,000			<i>Example Three</i> Land Value: 53,000 Capital Value: 220,000		
	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*
UAGC	422.43	427.30	429.20	422.43	427.30	429.20	422.43	427.30	429.20
District Roading	50.15	54.70	49.60	70.72	77.10	70.00	94.30	102.80	93.30
Local Roading	137.23	145.06	137.60	155.59	164.26	156.00	171.66	181.16	172.10
Footpaths	26.70	20.30	39.40	26.70	20.30	39.40	26.70	20.30	39.40
Water Supply	289.48	301.20	306.90	289.48	301.20	306.90	289.48	301.20	306.90
Wastewater	204.78	220.50	216.60	204.78	220.50	216.60	204.78	220.50	216.60
Stormwater	102.70	116.80	109.70	102.70	116.80	109.70	102.70	116.80	109.70
Wastewater Upgrade Support	1.11	0.60	1.10	1.57	0.90	1.60	2.10	1.20	2.10
Community Services	196.03	204.90	188.40	237.30	248.00	228.10	273.42	285.70	262.80
Waste Management	145.30	166.70	142.00	145.30	166.70	142.00	145.30	166.70	142.00
Planning & Regulatory	4.73	4.30	6.40	6.67	6.00	9.10	8.90	8.00	12.10
Cross Recreation Centre	31.13	31.71	30.81	31.13	31.71	30.81	31.13	31.71	30.81
GST	241.77	254.11	248.66	254.16	267.12	260.91	265.94	279.51	272.55
TOTAL (\$)	1,853.54	1,948.18	1,906.36	1,948.53	2,047.89	2,000.32	2,038.84	2,142.88	2,089.56
% Change		5.11%	2.85%		5.10%	2.66%		5.10%	2.49%
\$ Change		94.65	52.83		99.36	51.79		104.04	50.72

\* This figure shows the rates increase from 2013/14 to 2014/15.

\*\* This figure shows the rates increase from 2013/14 to 2014/15 which was forecast in the Long Term Plan 2012/22.

## What's planned for Clinton in 2014/15?

### Sewage treatment upgrade

Clinton's sewage treatment plant will need to be upgraded to meet higher standards for the disposal of effluent, with the overall aim of gaining a 35-year consent. A budget of \$52,000 has been included in 2014/15, with the upgrade itself programmed for 2015/16.

### Oak tree removal

Council confirmed a budget of \$2,200 to remove the old oak tree on the corner of State Highway 1 and 93. The tree and its root system have seriously declined and the tree has damage thought to be consistent with a lightning strike. A new tree will be replanted at a suitable location, in consultation with Clinton community representatives.

## How are Clinton rates expected to change?

Clinton Rating Area	Example One Land Value: 14,000 Capital Value: 14,000			Example Two Land Value: 14,000 Capital Value: 60,000			Example Three Land Value: 14,000 Capital Value: 86,000		
	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*
UAGC	422.43	427.30	429.20	422.43	427.30	429.20	422.43	427.30	429.20
District Roading	6.00	6.50	5.90	25.72	28.00	25.40	36.86	40.20	36.50
Local Roading	128.65	139.06	127.90	128.65	139.06	127.90	128.65	139.06	127.90
Footpaths	19.57	20.30	11.70	19.57	20.30	11.70	19.57	20.30	11.70
Water Supply	267.35	277.90	287.50	534.70	555.80	574.90	534.70	555.80	574.90
Wastewater	223.65	235.30	223.70	447.30	470.50	447.40	447.30	470.50	447.40
Stormwater	0.00	0.00	0.00	106.43	119.60	104.10	106.43	119.60	104.10
Wastewater Upgrade Support	0.13	0.10	0.10	0.57	0.30	0.60	0.82	0.50	0.80
Community Services	82.91	86.00	90.70	82.91	86.00	90.70	82.91	86.00	90.70
Waste Management	0.00	0.00	0.00	145.30	166.70	142.00	145.30	166.70	142.00
Planning & Regulatory	0.57	0.50	0.80	2.43	2.20	3.30	3.48	3.10	4.70
Cross Recreation Centre	15.48	15.82	15.40	15.48	15.82	15.40	15.48	15.82	15.40
GST	175.01	181.32	178.94	289.72	304.74	295.89	291.59	306.73	297.80
TOTAL (\$)	1,341.75	1,390.10	1,371.84	2,221.21	2,336.32	2,268.49	2,235.52	2,351.61	2,283.10
% Change		3.60%	2.24%		5.18%	2.13%		5.19%	2.13%
\$ Change		48.35	30.09		115.10	47.28		116.09	47.58

\* This figure shows the rates increase from 2013/14 to 2014/15.

\*\* This figure shows the rates increase from 2013/14 to 2014/15 which was forecast in the Long Term Plan 2012/22.

## What's planned for Kaitangata in 2014/15?

### Sewage treatment upgrade

Kaitangata's sewage treatment will need to be upgraded to meet increased standards for the disposal of effluent. Council is planning to install additional treatment on the Kaitangata scheme by 2015/16. A budget of \$52,000 is included in 2014/15 as Council begins to work through the resource consent process and investigation of exactly what will be needed for the upgrade.

### Skatepark grant

After a submission from the Kaitangata Skate Park Development Committee for a proposed skate park in the town alongside the existing BMX track, Council confirmed funding of \$40,000 towards the project. This will be accessible after the balance of the funding for the project has been secured. Council agreed to fund half of the project from existing reserve funds, and half from rates.

### Divestment of the War Memorial Hall

After discussions with the community, divestment of the hall to a incorporated society and a grant of \$100,000 to this group has been budgeted in 2014/15. While the day to day operation of the hall would be the responsibility of the community group, rates would be used to make an annual grant to the hall owners. If the hall is divested in 2014/15, Council will need to decide which reserve the \$100,000 is funded from.

## How are Kaitangata rates expected to change?

The examples below indicate the main increase in rates in this area are due to water costs. As signalled in the Long Term Plan this follow on from the recent upgrade to Kaitangata's water treatment plant.

Kaitangata Rating Area	Example One Land Value: 13,000 Capital Value: 15,000			Example Two Land Value: 16,000 Capital Value: 59,000			Example Three Land Value: 18,000 Capital Value: 105,000		
	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*
UAGC	422.43	427.30	429.20	422.43	427.30	429.20	422.43	427.30	429.20
District Roading	6.43	7.00	6.40	24.43	27.60	25.00	45.01	49.10	44.50
Local Roading	162.13	175.96	161.40	188.00	204.16	187.10	205.25	223.06	204.20
Footpaths	11.04	9.00	14.70	11.04	9.00	14.70	11.04	9.00	14.70
Water Supply	460.52	462.80	513.20	460.52	462.80	513.20	460.52	462.80	513.20
Wastewater	286.17	325.60	290.10	286.17	325.60	290.10	286.17	325.60	290.10
Stormwater	70.00	84.90	75.20	70.00	84.90	75.20	70.00	84.90	75.20
Wastewater Upgrade Support	0.14	0.10	0.10	0.55	0.30	0.60	1.00	0.60	1.00
Community Services	145.50	149.70	145.50	179.10	184.20	179.10	201.48	207.20	201.50
Waste Management	0.00	0.00	0.00	145.30	166.70	142.00	145.30	166.70	142.00
Planning & Regulatory	0.61	0.50	0.80	2.30	2.10	3.20	4.24	3.80	5.80
Cross Recreation Centre	23.30	23.73	23.11	23.30	23.73	23.11	23.30	23.73	23.11
GST	238.24	249.99	248.96	271.97	287.76	282.38	281.36	297.57	291.68
<b>TOTAL (\$)</b>	<b>1,826.51</b>	<b>1,916.58</b>	<b>1,908.66</b>	<b>2,085.11</b>	<b>2,206.15</b>	<b>2,164.88</b>	<b>2,157.10</b>	<b>2,281.36</b>	<b>2,236.18</b>
% Change		4.93%	4.50%		5.80%	3.83%		5.76%	3.67%
\$ Change		90.07	82.15		121.04	79.77		124.26	79.08

\* This figure shows the rates increase from 2013/14 to 2014/15.

\*\* This figure shows the rates increase from 2013/14 to 2014/15 which was forecast in the Long Term Plan 2012/22.

# Kaka Point

## What's planned for Kaka Point in 2014/15?

### Water treatment upgrade

Treatment upgrades on the Richardson rural water scheme (which supplies the Kaka Point township) are planned, with a budget of \$534,000 in 2014/15. The upgrades will improve water quality and improve compliance with drinking water standards.

## How are Kaka Point rates expected to change?

In the lead up to the 2012/22 Long Term Plan, Council reviewed how it rated for community services (which includes swimming pools, halls, parks and reserves etc). One change Council implemented from 2012/13, was for Stirling and Kaka Point community services rates to include a contribution towards community services in Balclutha. This recognised that ratepayers in Kaka Point and Stirling are also users of community facilities in Balclutha, and should help pay for these. This means an increase in the community services rate for those in Stirling and Kaka Point, phased in over a three year period from 2012/13. The final year for phasing this in will take place in 2014/15.

Kaka Point Rating Area	Example One Land Value: 74,000 Capital Value: 135,000			Example Two Land Value: 99,000 Capital Value: 195,000			Example Three Land Value: 136,000 Capital Value: 255,000		
	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*
UAGC	422.43	427.30	429.20	422.43	427.30	429.20	422.43	427.30	429.20
District Roading	57.86	63.10	57.20	83.58	91.10	82.70	109.30	119.20	108.10
Local Roading	102.94	111.26	102.30	120.83	130.66	120.00	147.30	159.56	146.20
Footpaths	18.00	18.70	22.90	18.00	18.70	22.90	18.00	18.70	22.90
Water Supply	454.09	481.80	485.10	454.09	481.80	485.10	454.09	481.80	485.10
Wastewater	425.48	441.90	421.50	425.48	441.90	421.50	425.48	441.90	421.50
Stormwater	68.61	82.10	69.20	68.61	82.10	69.20	68.61	82.10	69.20
Wastewater Upgrade Support	1.29	0.70	1.30	1.86	1.10	1.80	2.43	1.40	2.40
Community Services	113.04	177.60	163.20	151.23	237.60	218.30	207.76	326.40	299.90
Waste Management	145.30	166.70	142.00	145.30	166.70	142.00	145.30	166.70	142.00
Planning & Regulatory	5.46	4.90	7.40	7.89	7.10	10.70	10.31	9.30	14.00
Cross Recreation Centre	31.13	31.71	30.81	31.13	31.71	30.81	31.13	31.71	30.81
GST	276.84	301.17	289.82	289.56	317.67	305.13	306.32	339.91	325.70
TOTAL (\$)	2,122.47	2,308.94	2,221.92	2,219.99	2,435.44	2,339.34	2,348.46	2,605.98	2,497.00
% Change		8.79%	4.69%		9.70%	5.38%		10.97%	6.33%
\$ Change		186.46	99.45		215.44	119.34		257.52	148.54

\* This figure shows the rates increase from 2013/14 to 2014/15.

\*\* This figure shows the rates increase from 2013/14 to 2014/15 which was forecast in the Long Term Plan 2012/22.



## What's planned for Lawrence in 2014/15?

### Tuapeka Aquatic Centre grant

Through the 2013/14 Annual Plan Council confirmed its commitment to make a loan-funded grant of 57% of constructions costs up to \$1.35 million, towards the proposed Tuapeka Aquatic facility. An operating grant of \$10,000 was also confirmed to begin when the pool was up and running. From the year after the grant was to be made, the loan would then be repaid over 25 years from a combination of Lawrence/Tuapeka Community Board rates, Lawrence Community Services rates and the uniform annual general charge. Based on current information construction for this project would take place after 1 July 2014, so budgets have been carried forward to the 2014/15 year. This now means the project will have a rates effect from 2015/16.

### Removal of Lawrence's poplars

A budget of \$60,000 has been included in 2014/15 for the removal and replanting of just under 30 of Lawrence's poplar trees and a few other large trees. The future of the trees was extensively considered in conjunction with the Lawrence/Tuapeka Community Board during 2008, and then again in late 2013. Updated information about the trees, located along State Highway 8 and Whitehaven Street, has confirmed they have reached the end of their useful lives and now need to be removed for safety reasons. The budget also allows for the replanting of trees, which will be carried out after consultation with local interested people and groups.

### Lawrence cemetery

Lawrence's cemetery is one of the most historic in the district and a budget of \$11,000 has been included in 2014/15 for land clearing to allow for it to be extended. Through the submission process Council was asked to explore the possibility of living people being able to purchase cemetery plots before their death. Council decided that no changes would be made at this time to the existing policy to allow general pre-sale of plots. However, the current policy does allow Council discretion to allow pre-sale where a spouse, partner or family member of the deceased seeks to buy an adjoining cemetery plot at the time of internment, or in exceptional circumstances.

### Lawrence public motor home dump station

This facility in Lawrence is located at what has now become the terminus at the start of the Clutha Gold cycle trail. A budget of \$6,500 has been included in 2014/15 for improvements to the existing station.

## How are Lawrence rates expected to change?

Lawrence Rating Area	<i>Example One</i> Land Value: 23,000 Capital Value: 35,000			<i>Example Two</i> Land Value: 34,000 Capital Value: 113,000			<i>Example Three</i> Land Value: 51,000 Capital Value: 185,000		
	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*
UAGC	422.43	427.30	429.20	422.43	427.30	429.20	422.43	427.30	429.20
District Roading	15.00	16.40	14.80	48.43	52.80	47.90	79.30	86.40	78.40
Local Roading	103.98	112.66	103.20	129.81	140.96	128.70	169.70	184.66	168.00
Footpaths	7.30	6.10	11.40	7.30	6.10	11.40	7.30	6.10	11.40
Water Supply	522.09	570.20	567.50	522.09	570.20	567.50	522.09	570.20	567.50
Wastewater	456.52	462.70	493.60	456.52	462.70	493.60	456.52	462.70	493.60
Stormwater	98.00	103.50	97.80	98.00	103.50	97.80	98.00	103.50	97.80
Wastewater Upgrade Support	0.33	0.20	0.30	1.08	0.60	1.10	1.77	1.00	1.80
Community Services	68.30	88.90	34.70	100.97	131.50	51.30	151.46	197.20	77.00
Waste Management	145.30	166.70	142.00	145.30	166.70	142.00	145.30	166.70	142.00
Planning & Regulatory	1.42	1.30	1.90	4.57	4.10	6.20	7.48	6.70	10.20
Cross Recreation Centre	9.30	9.49	9.24	9.30	9.49	9.24	9.30	9.49	9.24
LT Community Board	56.52	125.70	60.90	56.52	125.70	60.90	56.52	125.70	60.90
GST	285.97	313.67	294.98	300.35	330.25	307.03	319.08	352.15	322.06
TOTAL (\$)	2,192.46	2,404.82	2,261.52	2,302.67	2,531.90	2,353.87	2,446.25	2,699.80	2,469.10
% Change		9.69%	3.15%		9.95%	2.22%		10.36%	0.93%
\$ Change		212.36	69.06		229.23	51.20		253.55	22.85

\* This figure shows the rates increase from 2013/14 to 2014/15.

\*\* This figure shows the rates increase from 2013/14 to 2014/15 which was forecast in the Long Term Plan 2012/22.

## What's planned for Milton in 2014/15?

### Water treatment upgrade

Since opening in 2008, the new Milton treatment plant has had some difficulty in producing enough treated water when the river is in flood. River conditions during flood events have been worse than was expected when the plant was designed, meaning that additional treatment may be required to enable the plant to produce sufficient volumes of water during these events. A budget of \$259,000 has been carried forward from 2013/14 into 2014/15 for potential pre-treatment.

### Improving drainage during large flood events

Milton Rural Stormwater Diversion works aim to substantially reduce the amount of rural run-off entering Milton during a large flood event. A budget of \$50,000 was included in the 2013/14 Annual Plan budgets to allow Stage 2 of the works to be constructed. This budget was not spent due to changes in staff and the on-going development of a workable design that will suit the needs of adjacent landowners. The estimated cost of these works with the revised design is \$80,000+GST and is expected to be undertaken in the 2014/15 year following further discussions with landowners.

### Taylor Park camping ground

Early in 2014 Council adopted Milton's Greater Taylor Park Reserve Management Plan. The Plan included a proposal to advertise the camping ground for lease, and include provisions for the construction of a manager's residence as part of the lease negotiations. Council has included \$140,000 for this in the 2014/15 year. The intention is that this be loan funded, and loan repayments would be offset by reduced operating costs from leasing out the camping ground.

## How are Milton rates expected to change?

Milton Rating Area	Example One Land Value: 45,000 Capital Value: 104,000			Example Two Land Value: 45,000 Capital Value: 140,000			Example Three Land Value: 45,000 Capital Value: 180,000		
	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*
UAGC	422.43	427.30	429.20	422.43	427.30	429.20	422.43	427.30	429.20
District Roading	44.57	48.60	44.10	60.01	65.40	59.40	77.16	84.10	76.30
Local Roading	107.47	116.06	107.10	121.83	131.66	121.40	121.83	131.66	121.40
Footpaths	32.70	34.10	57.80	32.70	34.10	57.80	32.70	34.10	57.80
Water Supply	534.70	560.50	574.90	534.70	560.50	574.90	534.70	560.50	574.90
Wastewater	257.57	291.00	245.00	257.57	291.00	245.00	257.57	291.00	245.00
Stormwater	165.22	199.40	186.80	165.22	199.40	186.80	165.22	199.40	186.80
Wastewater Upgrade Support	0.99	0.60	1.00	1.34	0.80	1.30	1.71	1.00	1.70
Community Services	134.77	137.60	128.20	168.47	172.00	160.30	168.47	172.00	160.30
Waste Management	145.30	166.70	142.00	145.30	166.70	142.00	145.30	166.70	142.00
Planning & Regulatory	4.21	3.80	5.70	5.66	5.10	7.70	7.28	6.60	9.90
Cross Recreation Centre	9.30	9.49	9.24	9.30	9.49	9.24	9.30	9.49	9.24
GST	278.88	299.27	289.66	288.68	309.52	299.26	291.55	312.58	302.18
TOTAL (\$)	2,138.11	2,294.42	2,220.70	2,213.21	2,372.97	2,294.30	2,235.22	2,396.43	2,316.72
% Change		7.31%	3.86%		7.22%	3.66%		7.21%	3.65%
\$ Change		156.31	82.58		159.76	81.09		161.21	81.50

\* This figure shows the rates increase from 2013/14 to 2014/15.

\*\* This figure shows the rates increase from 2013/14 to 2014/15 which was forecast in the Long Term Plan 2012/22.

## What's planned for Owaka in 2014/15?

### Owaka public toilets

A budget of \$137,000 has been carried forward into 2014/15 to upgrade and relocate the Owaka main street public toilets to a more suitable location near the Museum to help manage visitor toilet demand. Discussions have indicated that the community wish to develop a reserve management plan for the future development of its public space and reserves areas. The location and need for new public toilets will be confirmed through this process.

## How are Owaka rates expected to change?

Owaka Rating Area	<i>Example One</i> Land Value: 21,000 Capital Value: 59,000			<i>Example Two</i> Land Value: 25,000 Capital Value: 103,000			<i>Example Three</i> Land Value: 29,000 Capital Value: 150,000		
	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*
UAGC	422.43	427.30	429.20	422.43	427.30	429.20	422.17	427.30	429.20
District Rooding	24.86	27.60	25.00	44.15	48.10	43.70	64.30	70.10	63.60
Local Rooding	119.19	129.56	118.80	132.37	144.06	131.90	145.56	158.56	145.00
Footpaths	19.57	20.50	33.30	19.57	20.50	33.30	19.57	20.50	33.30
Water Supply	212.17	212.00	217.90	212.17	212.00	217.90	212.17	212.00	217.90
Wastewater	493.22	510.40	509.10	493.22	510.40	509.10	493.22	510.40	509.10
Stormwater	62.61	73.60	63.60	62.61	73.60	63.60	62.61	73.60	63.60
Wastewater Upgrade Support	0.56	0.30	0.60	0.98	0.60	1.00	1.43	0.80	1.40
Community Services	66.70	69.90	73.30	79.42	83.30	87.20	92.12	96.60	101.20
Waste Management	145.30	166.70	142.00	145.30	166.70	142.00	145.30	166.70	142.00
Planning & Regulatory	2.35	2.10	3.20	4.17	3.70	5.70	6.07	5.50	8.30
Cross Recreation Centre	15.48	15.82	15.40	15.48	15.82	15.40	15.48	15.82	15.40
GST	237.67	248.37	244.71	244.78	255.91	252.00	252.00	263.68	259.50
TOTAL (\$)	1,822.11	1,904.15	1,876.11	1,876.65	1,961.99	1,932.00	1,932.00	2,021.56	1,989.50
% Change		4.50%	2.96%		4.55%	2.95%		4.64%	2.98%
\$ Change		82.04	54.01		85.34	55.35		89.56	57.50

\* This figure shows the rates increase from 2013/14 to 2014/15.

\*\* This figure shows the rates increase from 2013/14 to 2014/15 which was forecast in the Long Term Plan 2012/22.

## What's planned for Stirling in 2014/15?

### Water treatment upgrade

Council is planning to upgrade the water supply at the Stirling Water Treatment Plant. This upgrade will improve water quality for Stirling residents and improve compliance with drinking water standards. A budget of \$274,000 is included in 2014/15.

## How are Stirling rates expected to change?

In the lead up to the 2012/22 Long Term Plan, Council reviewed how it rated for community services (which includes swimming pools, halls, parks and reserves etc). One change Council implemented from 2012/13, was for Stirling and Kaka Point community services rates to include a contribution towards community services in Balclutha. This recognised that ratepayers in Kaka Point and Stirling are also users of community facilities in Balclutha, and should help pay for these. This means an increase in the community services rate for those in Stirling and Kaka Point, phased in over a three year period from 2012/13. The final year for phasing this in will take place in 2014/15.

Stirling Rating Area	Example One Land Value: 28,000 Capital Value: 90,000			Example Two Land Value: 31,000 Capital Value: 140,000			Example Three Land Value: 36,000 Capital Value: 200,000		
	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*
UAGC	422.43	427.30	429.20	422.43	427.30	429.20	422.43	427.30	429.20
District Roading	38.57	42.10	38.20	60.01	65.40	59.40	85.72	93.50	84.80
Local Roading	125.83	145.46	125.10	133.95	155.36	133.10	147.49	171.76	146.50
Footpaths	13.13	10.00	19.90	13.13	10.00	19.90	13.13	10.00	19.90
Water Supply	301.30	345.20	336.40	301.30	345.20	336.40	301.30	345.20	336.40
Wastewater	493.30	536.70	509.10	493.30	536.70	509.10	493.30	536.70	509.10
Stormwater	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Wastewater Upgrade Support	0.86	0.50	0.90	1.34	0.80	1.30	1.90	1.10	1.90
Community Services	135.03	217.00	196.20	149.50	240.20	217.20	173.61	278.90	252.20
Waste Management	145.30	166.70	142.00	145.30	166.70	142.00	145.30	166.70	142.00
Planning & Regulatory	3.64	3.30	5.00	5.66	5.10	7.70	8.09	7.30	11.00
Cross Recreation Centre	31.13	31.71	30.81	31.13	31.71	30.81	31.13	31.71	30.81
GST	256.58	288.90	274.92	263.56	297.67	282.92	273.51	310.53	294.57
TOTAL (\$)	1,967.10	2,214.87	2,107.73	2,020.61	2,282.14	2,169.02	2,096.91	2,380.70	2,258.38
% Change		12.60%	7.15%		12.94%	7.35%		13.53%	7.70%
\$ Change		247.77	140.63		261.53	148.42		283.79	161.47

\* This figure shows the rates increase from 2013/14 to 2014/15.

\*\* This figure shows the rates increase from 2013/14 to 2014/15 which was forecast in the Long Term Plan 2012/22.

## What's planned for Tapanui in 2014/15?

There are no specific projects of note in the Tapanui rating area during 2014/15. After water and sewage treatment upgrades completed in recent times. The rates impact of water and sewage treatment upgrades and improvements is evident in the 2014/15 rates examples below.

## How are Tapanui rates expected to change?

Tapanui Rating Area	Example One Land Value: 11,000 Capital Value: 62,000			Example Two Land Value: 13,000 Capital Value: 105,000			Example Three Land Value: 14,000 Capital Value: 147,000		
	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*
UAGC	422.43	427.30	429.20	422.43	427.30	429.20	422.43	427.30	429.20
District Roading	26.57	29.00	26.30	45.01	49.10	44.50	63.01	68.70	62.30
Local Roading	92.37	99.76	91.90	100.08	108.16	99.50	103.93	112.36	103.30
Footpaths	9.74	10.10	9.10	9.74	10.10	9.10	9.74	10.10	9.10
Water Supply	534.70	564.90	574.90	534.70	564.90	574.90	534.70	564.90	574.90
Wastewater	278.61	325.50	322.80	278.61	325.50	322.80	278.61	325.50	322.80
Stormwater	100.52	114.80	108.00	100.52	114.80	108.00	100.52	114.80	108.00
Wastewater Upgrade Support	0.59	0.30	0.60	1.00	0.60	1.00	1.40	0.80	1.40
Community Services	37.37	38.70	38.10	44.17	45.70	45.00	47.57	49.30	48.50
Waste Management	145.30	166.70	142.00	145.30	166.70	142.00	145.30	166.70	142.00
Planning & Regulatory	2.50	2.30	3.40	4.24	3.80	5.80	5.95	5.40	8.10
Cross Recreation Centre	3.13	3.16	3.08	3.13	3.16	3.08	3.13	3.16	3.08
WO Community Board	41.48	57.10	41.20	41.48	57.10	41.20	41.48	57.10	41.20
WO Health	66.70	71.50	60.50	66.70	71.50	60.50	66.70	71.50	60.50
GST	264.30	286.67	277.66	269.57	292.26	282.99	273.67	296.64	287.16
TOTAL (\$)	2,026.31	2,197.79	2,128.74	2,066.68	2,240.68	2,169.57	2,098.14	2,274.26	2,201.54
% Change		8.46%	5.06%		8.42%	4.98%		8.39%	4.93%
\$ Change		171.48	102.43		174.01	102.89		176.12	103.40

\* This figure shows the rates increase from 2013/14 to 2014/15.

\*\* This figure shows the rates increase from 2013/14 to 2014/15 which was forecast in the Long Term Plan 2012/22.

## What's planned for Waihola in 2014/15?

### Sewage treatment upgrade

Waihola's resource consent expires in 2017, so the focus for this sewerage scheme will be to look at what additional upgrades will be needed to gain a new 35-year resource consent at that point. To this effect the amount of \$362,000 has been budgeted in 2014/15, and \$400,000 in 2015/16. The rates impact on rising sewerage and water costs is evident in the 2014/15 rates examples below.

## How are Waihola rates expected to change?

Waihola Rating Area	<i>Example One</i> Land Value: 68,000 Capital Value: 80,000			<i>Example Two</i> Land Value: 80,000 Capital Value: 150,000			<i>Example Three</i> Land Value: 98,000 Capital Value: 130,000		
	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*
UAGC	422.43	427.30	429.20	422.43	427.30	429.20	422.43	427.30	429.20
District Roading	34.29	37.40	33.90	64.30	70.10	63.60	98.58	107.50	97.50
Local Roading	84.58	93.06	84.10	90.69	100.06	90.20	99.84	110.46	99.20
Footpaths	15.30	15.90	0.00	15.30	15.90	0.00	15.30	15.90	0.00
Water Supply	172.39	199.90	198.20	344.78	399.80	396.40	344.78	399.80	396.40
Sewerage	356.17	428.60	433.30	356.17	428.60	433.30	356.17	428.60	433.30
Stormwater	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Wastewater Upgrade Support	0.77	0.40	0.80	1.43	0.80	1.40	2.19	1.30	2.20
Community Services	55.35	57.10	57.80	65.11	67.20	68.00	79.77	82.30	83.30
Waste Management	145.30	166.70	142.00	145.30	166.70	142.00	145.30	166.70	142.00
Planning & Regulatory	3.23	2.90	4.40	6.07	5.50	8.30	9.30	8.40	12.70
Cross Recreation Centre	9.30	9.49	9.24	9.30	9.49	9.24	9.30	9.49	9.24
GST	194.87	215.81	208.94	228.13	253.72	246.25	237.44	263.66	255.76
<b>TOTAL (\$)</b>	<b>1,493.98</b>	<b>1,654.56</b>	<b>1,601.88</b>	<b>1,749.01</b>	<b>1,945.17</b>	<b>1,887.89</b>	<b>1,820.40</b>	<b>2,021.41</b>	<b>1,960.80</b>
% Change		10.75%	7.22%		11.22%	7.94%		11.04%	7.71%
\$ Change		160.59	107.91		196.16	138.88		201.01	140.39

\* This figure shows the rates increase from 2013/14 to 2014/15.

\*\* This figure shows the rates increase from 2013/14 to 2014/15 which was forecast in the Long Term Plan 2012/22.

# Rural Clutha District

## What's planned for the rural Clutha District in 2014/15?

### Rural roading

The most significant change encountered in the Land Transport Programme 2012/15 that affects this Annual Plan 2014/15, is a reduction in funding for roading. Essentially this is brought about by Council receiving less funding from the NZTA than what was requested. NZTA provides a base financial assistance rate (FAR) in the Clutha District of 59%, and other higher rates for aspects like bridges, and parts of the Chaslands and Papatowai highway in the Catlins. The overall FAR is expected to be approximately 61% on average in 2014/15. However, the funding from NZTA has been fixed through to 2014/15 and provisions we had originally made for inflation in the LTP were not matched by NZTA. Council has therefore removed its share from the allowance for inflation, thus reducing the rating requirement.

In the lead up to the 2015/25 LTP, Council will undertake more detailed work to assess key routes and roads within the district. This will help make important decisions about levels of service for different roads within the district's network, as Council begins to make its roading dollar stretch further and further. In the shorter term we expect there will be less maintenance metalling to unsealed roads. In the longer term it may result in very low volume gravel roads no longer being maintained. In the future there is the possibility that low volume sealed roads will become uneconomic to maintain, and may have to revert to metal.

### Clydevale-Pomahaka Rural Water Scheme upgrades

A major upgrade of capacity on the Clydevale-Pomahaka rural water scheme is still being investigated and discussed with the Rural Water Scheme Committee. The upgrade will enable additional supply of approximately 825 units of water to support further land use intensification and dairy expansion on the Pomahaka side of the scheme, which is currently running near capacity. The \$622,000 budget has been carried forward into the 2014/15 year.

### Rural water scheme treatment upgrades

After completing major upgrades on several urban supplies in recent years, Council has now extended the focus to the nine rural water treatment plants that treat water for the district's 11 rural water schemes. Currently Stage 1 is taking place and has involved the installation of raw water monitoring equipment. There are also changes to a more effective and reliable coagulant to enhance the treatment process. The budgets included for 2014/15 are provisional and subject to the results of the robust assessment of water quality, and subject to the upgrade options approved by the relevant Rural Water Scheme Committees that govern these schemes.

### Waitahuna rising main renewal

The Waitahuna Treatment Plant treats water for the Balmoral 1, Balmoral 2 and Tuapeka East Rural Water Schemes. The rural water scheme committees have confirmed that renewal of the two high pressure rising mains need to be programmed for 2014/15. This has followed frequent breakages of these critical mains, and confirmation that sections are in poor condition. Consequently Council has included a budget to renew approximately 5.8km of rising main replacement on the Balmoral 2 side, and approximately 5.9km on the Balmoral 1 and Tuapeka East side. Amounting to \$2,144,000, this is expected to be funded from a combination of reserves and internal loan funding.

### Backwash and discharge consent renewals

Budgets have been included in 2014/15 for work to:

- Renew North Bruce and Moa Flat treatment plants backwash consents,
- Lodge new backwash consents for Glenkeich and Puerua treatment plants, and
- Renew the water take consent from Green's Creek for the Glenkenich treatment plant.



## How rural rates are expected to change

The following examples have been provided to help demonstrate the expected trends for rates in the rural rating area between 2013/14 and 2014/15. It should be noted that the examples given include one uniform annual general charge (UAGC) and most do not include other charges such as water unit rates, wheelie bin charges, community board, recreation centre and health centre rates.

When viewing these examples, please remember that the exact amounts and rate of change for individual properties will vary depending on how many of these rates are to be paid. Additional rates not included in the rating examples are outlined below:

### Rural Water Scheme Rates (per unit of water GST excl)

Scheme	Actual (\$)	Projected (\$)	
	2013/14 AP	2014/15 LTP	2014/15 AP
Balmoral 1	221.30	219.00	226.50
Balmoral 2	205.00	204.60	204.70
Clydevale/Pomahaka	310.00	324.90	309.90
Glenkenich	181.40	193.20	202.40
Moa Flat	150.00	164.50	157.40
North Bruce	210.10	221.60	215.20
Richardson	224.10	240.00	236.30
South Bruce	148.20	156.20	167.10
Tuapeka	253.60	258.10	259.10
Waipahi	263.20	288.00	239.20
Wangaloa	302.90	323.40	325.10

### Cross Recreation Centre Rate (per SUIP by electoral ward GST excl)

Electoral Ward	Actual (\$)	Projected (\$)	
	2013/14 AP	2014/15 LTP	2014/15 AP
Balclutha	31.10	31.71	30.80
Clutha Valley & Kaitangata Matau	23.30	23.78	23.10
Clinton & Catlins	15.50	15.85	15.40
Lawrence-Tuapeka & Bruce	9.30	9.51	9.20
West Otago	3.10	3.17	3.10

### Other rates (GST excl)

Rate		Actual (\$)	Projected (\$)	
		2013/14 AP	2014/15 LTP	2014/15 AP
Solid Waste Collection	Per pair of waste/recycling bins	145.30	166.70	142.00
Lawrence-Tuapeka Community Board	Per SUIP in Lawrence-Tuapeka Community Board area	56.50	125.70	60.90
West Otago Community Board	Per SUIP in West Otago Community Board area	41.50	57.10	41.20
West Otago Health Centre	Per SUIP in West Otago Health rating area	67.70	71.50	60.50

\*SUIP refers to a 'separately used or inhabited rating unit'.

Rural Rating Area	<i>Example One</i> Land Value: 80,000 Capital Value: 210,000			<i>Example Two</i> Land Value: 1,300,000 Capital Value: 1,600,000		
	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*
UAGC	422.43	427.30	429.20	422.43	427.30	429.20
District Roading	90.01	98.10	89.00	685.80	747.60	678.30
Local Roading	124.99	134.86	124.20	1,268.61	1,375.26	1,256.10
Footpaths	0.00	0.00	0.00	0.00	0.00	0.00
Water Supply	0.00	0.00	0.00	0.00	0.00	0.00
Wastewater	0.00	0.00	0.00	0.00	0.00	0.00
Stormwater	0.00	0.00	0.00	0.00	0.00	0.00
Wastewater Upgrade Support	2.00	1.20	2.00	15.26	8.90	15.20
Community Services	6.43	6.00	6.80	104.45	98.00	111.10
Waste Management	0.00	0.00	0.00	0.00	0.00	0.00
Planning & Regulatory	8.50	7.60	11.60	64.70	58.20	88.00
Cross Recreation Centre	0.00	0.00	0.00	0.00	0.00	0.00
GST	98.15	101.26	99.42	384.19	407.29	386.69
TOTAL (\$)	752.51	776.32	762.22	2,945.44	3,122.55	2,964.59
% Change		3.16%	1.29%		6.01%	0.65%
\$ Change		23.81	9.71		177.11	19.15

Rural Rating Area	<i>Example Three</i> Land Value: 3,400,000 Capital Value: 4,025,000			<i>Example Four</i> Land Value: 5,300,000 Capital Value: 6,800,000		
	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*
UAGC	422.43	427.30	429.20	422.43	427.30	429.20
District Roading	1,725.22	1,880.80	1,706.40	2,992.12	3,177.40	2,882.90
Local Roading	3,237.13	3,510.26	3,204.50	5,126.94	5,441.86	4,967.30
Footpaths	0.00	0.00	0.00	0.00	0.00	0.00
Water Supply	0.00	0.00	0.00	0.00	0.00	0.00
Wastewater	0.00	0.00	0.00	0.00	0.00	0.00
Stormwater	0.00	0.00	0.00	0.00	0.00	0.00
Wastewater Upgrade Support	38.39	22.40	38.10	29.57	37.80	64.40
Community Services	273.18	256.40	290.70	369.62	399.70	453.10
Waste Management	0.00	0.00	0.00	0.00	0.00	0.00
Planning & Regulatory	162.75	146.50	221.40	239.65	247.50	374.00
Cross Recreation Centre	0.00	0.00	0.00	0.00	0.00	0.00
GST	878.87	936.55	883.55	1,377.05	1,459.73	1,375.64
TOTAL (\$)	6,737.97	7,180.21	6,773.85	10,557.38	11,191.29	10,546.54
% Change		6.56%	0.53%		6.00%	-0.10%
\$ Change		442.24	35.88		633.91	-10.84

Rural Rating Area (Papatowai)	Example One Land Value: 73,000 Capital Value: 180,000			Example Two Land Value: 145,000 Capital Value: 255,000		
	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*
UAGC	422.43	427.30	429.20	422.43	427.30	429.20
District Roading	77.16	84.10	76.30	109.30	119.20	108.10
Local Roading	118.43	127.76	117.70	185.92	200.96	184.50
Footpaths	0.00	0.00	0.00	0.00	0.00	0.00
Water Supply	0.00	0.00	0.00	0.00	0.00	0.00
Wastewater	0.00	0.00	0.00	0.00	0.00	0.00
Stormwater	0.00	0.00	0.00	0.00	0.00	0.00
Wastewater Upgrade Support	1.71	1.00	1.70	2.43	1.40	2.40
Community Services	5.87	5.50	6.20	11.65	10.90	12.40
Waste Management	0.00	0.00	0.00	0.00	0.00	0.00
Planning & Regulatory	7.28	6.60	9.90	10.31	9.30	14.00
Cross Recreation Centre	15.48	15.82	-15.40	15.48	15.82	-15.40
GST	97.25	100.21	93.84	113.63	117.73	110.28
TOTAL (\$)	745.61	768.29	719.44	871.15	902.61	845.48
% Change		3.04%	-3.51%		3.61%	-2.95%
\$ Change		22.68	-26.18		31.46	-25.67

Rural Rating Area (Heriot)	Example One Land Value: 8,500 Capital Value: 74,000			Example Two Land Value: 36,000 Capital Value: 200,000		
	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*
UAGC	422.43	427.30	429.20	422.43	427.30	429.20
District Roading	31.72	34.60	31.40	85.72	93.50	84.80
Local Roading	57.97	62.16	57.90	83.75	90.16	83.40
Footpaths	0.00	0.00	0.00	0.00	0.00	0.00
Water Supply	300.00	329.00	314.80	300.00	329.00	314.80
Wastewater	393.91	441.30	404.10	393.91	441.30	404.10
Stormwater	0.00	0.00	0.00	0.00	0.00	0.00
Wastewater Upgrade Support	0.70	0.40	0.70	1.90	1.10	1.90
Community Services	0.69	0.60	0.70	2.90	2.70	3.10
Waste Management	145.30	166.70	142.00	145.30	166.70	142.00
Planning & Regulatory	2.99	2.70	4.10	8.09	7.30	11.00
WO Health	41.48	57.10	41.20	41.48	57.10	41.20
WO Community Board	66.70	71.50	60.50	66.70	71.50	60.50
Cross Recreation Centre	3.13	3.16	-3.08	3.13	3.16	-3.08
GST	220.05	239.48	222.53	233.30	253.62	235.94
TOTAL (\$)	1,687.07	1,836.00	1,706.05	1,788.61	1,944.44	1,808.86
% Change		8.83%	1.12%		8.71%	1.13%
\$ Change		148.93	18.97		155.84	20.25

Rural Rating Area (Taieri Mouth)	<i>Example One</i> Land Value: 95,000 Capital Value: 144,000			<i>Example Two</i> Land Value: 120,000 Capital Value: 380,000		
	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*	2013/14 Actual	2014/15 LTP Forecast**	2014/15 AP Budget*
UAGC	422.43	427.30	429.20	422.43	427.30	429.20
District Roading	61.72	67.30	61.10	162.88	177.60	161.10
Local Roading	139.05	150.16	138.10	162.49	175.56	161.30
Footpaths	0.00	0.00	0.00	0.00	0.00	0.00
Water Supply	0.00	0.00	0.00	0.00	0.00	0.00
Wastewater	0.00	0.00	0.00	0.00	0.00	0.00
Stormwater	0.00	0.00	0.00	0.00	0.00	0.00
Wastewater Upgrade Support	1.37	0.80	1.40	3.63	2.10	3.60
Community Services	7.63	7.20	8.10	9.64	9.00	10.30
Waste Management	0.00	0.00	0.00	0.00	0.00	0.00
Planning & Regulatory	5.83	5.20	7.90	15.37	13.80	20.90
Cross Recreation Centre	9.30	9.49	-9.24	9.30	9.49	-9.24
GST	97.10	100.12	95.48	117.86	122.23	116.57
TOTAL (\$)	744.43	767.57	732.04	903.60	937.08	893.73
% Change		3.11%	-1.66%		3.70%	-1.09%
\$ Change		23.14	-12.39		33.48	-9.87

# financial information

# 4



# Prospective Financial Statement Disclosures

- This document has been produced to meet legislative requirements of the Local Government Act 2002. It may not be appropriate for any other purpose.
- These prospective financial statements comply with FRS - 42.
- Actual financial results during 2014/15 are likely to vary from the information presented, and those variations may be material.
- Actual events and transactions have not been reflected in the prospective financial statements as they have not yet taken place.
- These prospective financial statements will be authorised for issue on 18 June 2014 by a resolution of Council.
- The Clutha District Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other disclosures.
- It is intended that the prospective financial statements will be reviewed and updated annually via the Annual Plan process, and three yearly via the Long Term Plan process.
- The degree of uncertainty covered by the significant forecasting assumptions, and therefore the prospective financial statements increases as the years increase.

# Overall Funding Impact Statement

For Year ended 30 June (All in \$000's)	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
<b>Sources of Operating Funding</b>				
General rates, UAGC's, rates penalties	4,519	4,573	4,675	102
Targeted rates (other than a targeted rate for water supply)	12,468	19,686	18,966	(720)
Subsidies and grants for operating purposes	2,597	2,748	2,713	(35)
Fees, charges and targeted rates for water supply	9,528	3,657	3,475	(182)
Interest and dividends from investments	465	432	641	209
Fuel tax, fines, infringement fees and other receipts	0	0	0	0
<b>Total operating funding</b>	<b>29,577</b>	<b>31,096</b>	<b>30,470</b>	<b>(626)</b>
<b>Applications of operating funding</b>				
Payments to staff and suppliers	(23,637)	(22,979)	(24,530)	(1,551)
Finance costs	0	0	0	0
Other operating funding applications	0	0	0	0
<b>Total applications of operating funding</b>	<b>(23,637)</b>	<b>(22,979)</b>	<b>(24,530)</b>	<b>(1,551)</b>
<b>Surplus (deficit) of operating funding</b>	<b>5,940</b>	<b>8,117</b>	<b>5,940</b>	<b>(2,177)</b>
<b>Sources of capital funding</b>				
Subsidies and grants for capital expenditure	5,591	5,691	5,475	(216)
Development and financial contributions	0	0	0	0
Increase (decrease) in debt	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
<b>Total sources of capital funding</b>	<b>5,591</b>	<b>5,691</b>	<b>5,475</b>	<b>(216)</b>
<b>Applications of capital funding</b>				
Capital expenditure to meet additional demand	0	(11)	(632)	(621)
Capital expenditure to improve the level of service	0	(2,536)	(6,382)	(3,846)
Capital expenditure to replace existing assets	(16,244)	(9,365)	(13,318)	(3,953)
(Increase) decrease in reserves	304	(1)	264	265
(Increase) decrease of investments	4,409	(1,895)	8,653	10,548
<b>Total applications of capital funding</b>	<b>(11,531)</b>	<b>(13,808)</b>	<b>(11,415)</b>	<b>2,393</b>
<b>Surplus (deficit) of capital funding</b>	<b>(5,940)</b>	<b>(8,117)</b>	<b>(5,940)</b>	<b>2,177</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The table above is Council's Funding Impact Statement for the period commencing 1 July 2014. This has been prepared solely to comply with the Local Government (Financial Reporting) Regulations 2011. It does not comply with Generally Accepted Accounting Practice (GAAP) as stated by S.111(2) of the Local Government Act 2002 and should be not relied on for any other purpose.

Explanations for variances can be found in the individual funding impact statements.

# Prospective Statement of Financial Performance

For Year ended 30 June (All in \$000's)	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
<b>Income</b>				
Fees, Rents and Miscellaneous	4,039	4,088	4,116	28
Financial Assistance	8,188	8,439	8,188	(251)
General Rates	4,386	4,435	4,542	107
Rate Penalties	133	138	133	(5)
Targeted Rates	18,422	19,686	18,965	(721)
<b>Total Income</b>	<b>35,168</b>	<b>36,786</b>	<b>35,944</b>	<b>(842)</b>
<b>Expenditure</b>				
Community Leadership	3,007	2,182	3,106	924
Central Administration	622	647	740	93
Roading Services	16,873	17,834	16,513	(1,321)
Sewerage	1,856	1,997	2,002	5
Stormwater	549	609	565	(44)
Water	5,979	6,345	6,368	23
Solid Waste Management	1,472	1,629	1,439	(190)
Community Services	4,942	4,531	5,154	623
Regulatory & Emergency Services	1,580	1,460	1,641	181
In - House Professional Services	(24)	(24)	(24)	0
<b>Total Expenditure</b>	<b>36,856</b>	<b>37,210</b>	<b>37,504</b>	<b>294</b>
<b>Net surplus (deficit)</b>	<b>(1,688)</b>	<b>(424)</b>	<b>(1,560)</b>	<b>(1,136)</b>

<sup>1</sup> Due to less than expected funding from NZTA.

<sup>2</sup> Reductions in forecast Emissions Trading Scheme Costs.

<sup>3</sup> Staffing costs for Civil Defence were missed 2012/22 Long Term Plan budgets, and moving to the enlarged Otago rural fire district.

For year ended 30 June (All in \$000's)	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Reserve Interest	465	431	641	210

For year ended 30 June (All in \$000's)	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Depreciation	13,219	14,233	12,975	(1,258)
Other expenses	23,637	22,977	24,529	1,552
<b>Total expenditure</b>	<b>36,856</b>	<b>37,210</b>	<b>37,504</b>	<b>294</b>

\* Due to updated information (30 June 2012 revaluation) regarding the value of CDC's roading assets.



# Prospective Statement of Comprehensive Income

For year ended 30 June (All in \$000's)	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Surplus/(Deficit) from Activities	(1,688)	(424)	(1,560)	(1,136)
Other Comprehensive Income				
Available for Sale financial assets valuation gain/(loss)	0	0	0	0
Gain/(Loss) in property, plant & equipment revaluation	9,167	29,144	29,144	0
Total other Comprehensive Income	9,167	29,144	29,144	0
<b>Total Comprehensive Income</b>	<b>7,479</b>	<b>28,720</b>	<b>27,584</b>	<b>(1,136)</b>

# Prospective Statement of Changes in Equity

For year ended 30 June (All in \$000's)	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Opening Equity	988,943	928,053	1,001,831	73,778
Total Comprehensive Income for the year	7,479	28,720	27,584	(1,136)
<b>Closing Equity</b>	<b>996,422</b>	<b>956,773</b>	<b>1,029,415</b>	<b>72,642</b>

# Prospective Statement of Financial Position

As at 30 June (All in \$000's)	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
<b>Current Assets</b>				
Cash & Cash Equivalents	377	192	203	11
Trade & Other Receivables	3,945	6,130	2,925	(3,205)
Inventories - Dev Property	13	13	13	0
Other Financial Assets	10,883	11,482	10,549	(933)
<b>Total Current Assets</b>	<b>15,218</b>	<b>17,817</b>	<b>13,690</b>	<b>(4,127)</b>
<b>Non Current Assets</b>				
Trade & Other Receivables	3	25	2	(23)
Other Financial Assets	43	56	40	(16)
Property, Plant & Equipment	986,029	942,542	1,018,006	75,464
Intangible Assets	492	300	381	81
Forestry	1,868	2,113	2,727	614
<b>Total non current assets</b>	<b>988,435</b>	<b>945,036</b>	<b>1,021,156</b>	<b>76,120</b>
<b>Total Assets</b>	<b>1,003,653</b>	<b>962,853</b>	<b>1,034,846</b>	<b>71,993</b>
<b>Current Liabilities</b>				
Trade & Other payables	5,999	5,080	3,907	(1,173)
Employee Entitlements	464	518	494	(24)
Current Portion Term Debt	4	2	2	0
<b>Total Current Liabilities</b>	<b>6,467</b>	<b>5,600</b>	<b>4,403</b>	<b>(1,197)</b>
<b>Non Current Liabilities</b>				
Borrowings	1	0	0	0
Provisions	664	378	925	547
Other Liabilities	99	102	103	1
<b>Total Non Current Liabilities</b>	<b>764</b>	<b>480</b>	<b>1,028</b>	<b>548</b>
<b>Total Liabilities</b>	<b>7,231</b>	<b>6,080</b>	<b>5,431</b>	<b>(649)</b>
<b>Net Assets</b>	<b>996,422</b>	<b>956,773</b>	<b>1,029,415</b>	<b>72,642</b>
Accumulated Operating Funds	(1,738)	(2,208)	4,104	6,312
Ratepayer Equity	243,349	244,005	239,152	(4,853)
Revaluation Reserves	730,993	690,161	760,289	70,128
Reserves	23,446	24,451	25,497	1,046
Trust Funds	372	364	373	9
<b>Total</b>	<b>996,422</b>	<b>956,773</b>	<b>1,029,415</b>	<b>72,642</b>

# Prospective Statement of Cashflows

For year ended 30 June (All in \$000's)	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
<b>Cashflows from operating activities</b>				
Cash was provided from:				
Rating & Sundry Fees	34,703	36,356	35,305	(1,051)
Interest Income (external)	465	431	641	210
Cash was applied to:				
Payments to suppliers and employees	(23,637)	(22,979)	(24,531)	(1,552)
<b>Net cash from operating activities</b>	<b>11,531</b>	<b>13,808</b>	<b>11,415</b>	<b>(2,393)</b>
<b>Cashflows from investing activities</b>				
Cash was provided from:				
Decrease in investments	4,413	0	8,653	8,653
Cash was applied to:				
Increase in Investments	0	(1,892)	0	1,892
Purchase of Fixed Assets	(16,244)	(11,913)	(20,329)	(8,416)
<b>Net cash used in investing activities</b>	<b>(11,831)</b>	<b>(13,805)</b>	<b>(11,676)</b>	<b>2,129</b>
<b>Cash flows from financing activities</b>				
Cash was applied to:				
Settlement of long term debt	(3)	(3)	(2)	1
<b>Net cash available from financing</b>	<b>(3)</b>	<b>(3)</b>	<b>(2)</b>	<b>1</b>
<b>Net increase (decrease) in cash held</b>	<b>(303)</b>	<b>0</b>	<b>(263)</b>	<b>(263)</b>
Add opening cash brought forward	680	192	466	274
<b>Ending cash carried forward</b>	<b>377</b>	<b>192</b>	<b>203</b>	<b>11</b>

## Reconciliation of Cashflow to Statement of Financial Performance

For year ended 30 June (All in \$000's)	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Net cash from operating activities	11,531	13,808	11,415	(2,393)
Less depreciation	13,219	14,232	12,975	(1,257)
<b>Net Surplus (Deficit)</b>	<b>(1,688)</b>	<b>(424)</b>	<b>(1,560)</b>	<b>(1,136)</b>

# Reconciliation of Councilwide FIS to Activity FIS

For year ended 30 June (All in \$000's)	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Community Leadership	(911)	80	(879)	(959)
Central Administration	315	330	199	(131)
Roading	3,175	3626	3,130	(496)
Water Supply	1,658	1752	1,754	2
Sewerage	794	804	787	(17)
Stormwater	237	286	278	(8)
Solid Waste Management	66	153	75	(78)
Community Services	116	622	(74)	(696)
Regulatory & Emergency Services	25	32	29	(3)
Interest on Investments <sup>1</sup>	465	432	641	209
<b>(Surplus)/Deficit of Operating Funding per Overall FIS</b>	<b>5,940</b>	<b>8,117</b>	<b>5,940</b>	<b>(2,177)</b>

## Reconciliation of Council-Wide FIS and Prospective Statement of Financial Performance

For year ended 30 June (All in \$000's)	Annual Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Operating Surplus per Prospective Statement Financial Performance	(1,688)	(424)	(1,560)	(1,136)
Depreciation	13,219	14,233	12,975	(1,258)
Capital Subsidies	(5,591)	(5,691)	(5,475)	216
<b>Surplus/(Deficit) of Operating Funding per Overall FIS</b>	<b>5,940</b>	<b>8,117</b>	<b>5,940</b>	<b>(2,178)</b>

# Depreciation and Amortisation Expense for Activities

For year ended 30 June (All in \$000's)	Long Term Plan 2013/14	Long Term Plan 2014/15	Annual Plan 2014/15	Variance
Community Leadership	0	0	0	0
Central Administration	167	174	161	(13)
Roading	9,938	10,681	9,532	(1,149)
Water Supply	1,574	1,739	1,702	(37)
Sewerage	782	837	806	(31)
Stormwater	252	278	267	(11)
Solid Waste Management	52	53	53	0
Community Services	437	454	448	(6)
Regulatory & Emergency Services	17	17	6	(11)
<b>Total</b>	<b>13,219</b>	<b>14,233</b>	<b>12,975</b>	<b>(1,258)</b>

# Summary of Accounting Policies

## Reporting Entity

The Clutha District Council (“the Council or CDC”) is a territorial authority governed by the Local Government Act 2002.

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

## Statement of Compliance

The prospective financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate for public benefit entities.

All available public benefit entity reporting exemptions under NZ IFRS have been adopted.

## Basis of Preparation

The preparation of prospective financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and in future periods if the revision affects both current and future periods.

The prospective financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

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

The prospective financial statements are presented in New Zealand dollars. New Zealand dollars are the Council’s functional currency.

The following accounting policies which materially affect the measurement of results and financial position have been applied:

## SIGNIFICANT ACCOUNTING POLICIES

### Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and GST.

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 the Council are recognised as revenue when control over the asset is obtained.

### Rates Revenue

Rates revenue is recognised when it is levied.

## Other Revenue

Revenue from services rendered is recognised when it is probable that the economic benefits associated with the transaction will flow to the entity. The stage of completion at balance date is assessed based on the value of services performed to date as a percentage of the total services to be performed.

Government grants are recognised as revenue when eligibility has been established with the grantor agency. Roading subsidies are recognised when the claims are approved by Land Transport New Zealand.

Dividends are recognised when the entitlement to receive the dividends is established.

Interest revenue is recognised on a time proportionate basis using the effective interest method.

## Other Gains and Losses

Net gains or losses on the sale of property plant and equipment, property intended for sale and financial assets are recognised when an unconditional contract is in place and it is probable that the Council will receive the consideration due.

## Grant expenditure

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

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

## Leasing

Leases which effectively transfer to the lessee substantially all the risks and benefits incident to ownership of the leased item are classified as finance leases.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases.

### (a) The Council as Lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Council's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Council's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

### (b) The Council as Lessee

Assets held under finance leases are recognised as assets of the Council at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the Prospective Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease.

### (c) Lease Incentives

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

## Taxation

The Council is exempt from Income Tax in accordance with the Income Tax Act 2007, Section CW39.

## Goods and Services Tax

Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), except for receivables and payables which are recognised inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

## Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and other short-term highly liquid investments that are readily convertible to a known amount of cash.

## Financial Instruments

Financial assets and financial liabilities are recognised on the Council's Prospective Statement of Financial Position when the Council becomes a party to contractual provisions of the instrument. The Council is party to financial instruments as part of its normal operations. These financial instruments include cash and cash equivalents, other financial assets, trade and other receivables, trade and other payables and borrowings. The relevant accounting policies are stated under separate headings.

### (i) Financial Assets

Financial Assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The effective interest method, referred to below, is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the interest rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

#### Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss where the financial asset:

- Has been acquired principally for the purpose of selling in the near future;
- Is a part of an identified portfolio of financial instruments that the Council manages together and has a recent actual pattern of short-term profit-taking; or
- Is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in the Prospective Statement of Financial Performance. The net gain or loss is recognised in the Prospective Statement of Financial Performance and incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described later in this note.

The Council has classified its managed funds, held with ANZ Investments, as financial assets at fair value through profit or loss. This fund includes cash, bonds and tradable securities.

#### Available-for-Sale Financial Assets

Available-for-sale financial assets are those that are designated as fair value through equity or are not classified in any of the other categories. This category encompasses investments that Council intends to hold long-term but which may be realised before maturity and equity securities that Council holds for strategic purposes.

Equity securities held by the Council have been classified as being available-for-sale and are stated at fair value. Fair value is determined in the manner described later in this note. Gains and losses arising from changes in fair value are recognised directly in the available-for-sale revaluation reserve, with the exception being interest calculated using the effective interest method and impairment losses which are recognised directly in the Prospective Statement of Financial Performance. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is included in the Prospective Statement of Financial Performance for the period.

Dividends on available for-sale securities are recognised in the statement of Prospective Financial Performance when the Council's right to receive payments is established.



## Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. An allowance for doubtful debts is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the allowance is expensed in the Prospective Statement of Financial Performance.

Loans, including loans to community organisations made by the Council at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the Prospective Statement of Financial Performance as a grant.

Money Market Deposits are included within this classification.

## Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Prospective Statement of Financial Performance.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Prospective Statement of Financial Performance to the extent the carrying amount of the investment at the date of impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

## (ii) Financial Liabilities

### Trade and Other Payables

Trade payables and other accounts payable are recognised when the Council becomes obliged to make future payments resulting from the purchase of goods and services. Trade and other payables are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest method.

### Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the Prospective Statement of Financial Performance over the period of the borrowing using the effective interest method.

### (iii) Derivative Financial Instruments

The Council does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date.

Derivative instruments entered into by the Council do not qualify for hedge accounting. The resulting gain or loss is recognised in the Prospective Statement of Financial Performance immediately.

### Fair Value Estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Council is the current bid price; the appropriate quoted market price for financial liabilities is the current offer price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term investment and debt instruments held.

## Inventories

### Development Properties

Development properties classified within Inventory are stated at the lower of cost or net realisable value. Cost includes planning expenditure and any other expenditure to bring the Development property to its present condition.

## Property, Plant and Equipment

The Council has the following classes of property, plant and equipment:

### (a) Operational Assets

Land, buildings, furniture and equipment, plant and motor vehicles, land under forests and library books.

### (b) Infrastructural Assets

Infrastructural assets are the fixed utility systems owned by the Council. Each asset type includes all items that are required for the network to function:

- Roads, bridges and lighting
- Land under roads
- Stormwater
- Wastewater
- Water

The nature of land under roads are considered equivalent to land improvements and as such they do not incur a loss of service potential over time. Accordingly land under roads assets are not depreciated.

### Cost/Valuation

Property, plant and equipment is recorded at cost or valuation (as appropriate) less accumulated depreciation and any accumulated impairment losses.

All assets are valued at cost, except for the following:

- Stormwater, wastewater and water infrastructural assets were valued at depreciated replacement value as at 30 June 2011 by Council staff and reviewed by Opus International Limited. Additions subsequent to 30 June 2011 are valued at cost. Stormwater, wastewater and water assets are revalued every 3 years.
- The roading infrastructural assets (excluding land under roads) were revalued on a depreciated replacement value at 30 June 2012 by MWH Limited. Subsequent additions are recorded at cost. Roading assets are revalued every 3 years.

All valuations are carried out or reviewed by independent qualified valuers and are carried out at least tri-annually. Valuations will be undertaken more regularly if necessary to ensure that no individual item within a class is included at a valuation that is materially different from its fair value.

Of the property, plant and equipment at cost the following classes are at deemed cost:

- Land and buildings - based on valuation at October 1990 with subsequent additions at cost.

#### Additions

Cost includes expenditure that is directly attributable to the acquisition of the assets. Where an asset is acquired for no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition.

Costs incurred in obtaining any resource consents are capitalised as part of the asset to which they relate. If a resource consent application is declined then all capitalised costs are written off.

#### Accounting for revaluations

The Council accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Prospective Statement of Comprehensive Income. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Prospective Statement of Comprehensive Income will be recognised first in the Prospective Statement of Comprehensive Income up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

#### Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment other than land, land under forests and land under roads. Rates are calculated to allocate the cost (or valuation) less estimated realisable value over the estimated useful life of assets.

Expenditure incurred to maintain these assets at full operating capability is charged to the Prospective Statement of Financial Performance in the year incurred.

The following estimated useful lives are used in the calculation of depreciation:

	Years	Depreciation Rate
<b>Operational Assets</b>		
Land	n/a	Not depreciated
Buildings	40-50	2% - 2.5%
Furniture and Equipment	3-10	10% - 33.3%
Plant and Motor Vehicles	3-10	10% - 33.3%
Land Under Forest	n/a	Not depreciated
Library Books	7	14.3%
<b>Infrastructural Assets</b>		
Roads - Formation	n/a	Not depreciated
Roads - Pavement (Sealed)	2-100	1%-50%
Roads - Pavement (Unsealed)	35-100	1%-2.86%
Roads - Other Roading Assets	20-150	0.6%-5%
Roads - Other	10-50	2%-10%
Roads - Bridges	50-150	0.6%-2%
Land Under Roads	n/a	Not depreciated
Stormwater	20-100	1-5%
Wastewater	20-100	1-5%
Water	20-100	1-5%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

#### Disposal

An item of property, plant and equipment is derecognised upon disposal or recognised as impaired when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Prospective Statement of Financial Performance in the period the asset is derecognised.

## Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

## Forestry assets

Forestry assets are independently revalued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined discount rate.

Gains or losses arising on initial recognition of biological assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in the Prospective Statement of Financial Performance.

The costs to maintain the forestry assets are included in the Prospective Statement of Financial Performance.

## Finite life intangible assets

Finite life intangible assets are recorded at cost less accumulated amortisation. Amortisation is charged on a straight line basis over their estimated useful life. The estimated useful life and amortisation period is reviewed at the end of each annual reporting period.

### (a) 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 associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by the Council, are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

### 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 from the date 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 Statement of Financial Performance

The useful lives and associated amortisation rates for major classes of intangible assets have been estimated as follows:

Computer Software	3 - 5 years	33%
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## Impairment of Non-Financial Assets

At each reporting date, the Council reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Council estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential. In assessing value in use for cash-generating assets, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the Prospective Statement of Financial Performance immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

## Provisions

Provisions are recognised when the Council has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

### Landfill Post-Closure Costs

The Council, as operator of the District's landfills, has a legal obligation under the resource consent to provide ongoing maintenance and monitoring services at the landfill site after closure. A provision for post closure costs is recognised as a liability when the obligation for post-closure care arises.

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

The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the Council.

## Employee Entitlements

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Council in respect of services provided by employees up to reporting date.

## Cash Flow Statement

Operating activities include cash received from all income sources of the Council and record the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt structure of the Council.

## Equity

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

## Reserves and Council Created Reserves

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

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

Council created reserves are reserves established by Council decision. The Council may alter them without reference to third party. Transfers to and from these reserves are at the discretion of the Council.

The Council's objectives, policies and processes for managing capital are described in Note 27 of Council's 2012/13 Annual Report.

## Allocation of Overheads

Those costs of service not directly charged to activities are allocated as overheads using appropriate cost drivers such as actual usage, staff numbers and floor area.

## Emissions Trading Scheme

New Zealand Units (NZUs) allocated as a result of the Council's participation in the Emissions Trading Scheme (ETS) are treated as intangible assets, and recorded at cost.

The difference between initial cost and the disposal price of the units is treated as revenue in Surplus/(Deficit) for the period.

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

Liabilities are accounted for at settlement value, being the cost of any NZUs on hand to meet the obligation plus the fair value of any shortfall in NZUs to meet the obligation.

## Critical accounting estimates and assumptions

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

- Infrastructural assets

There are a number of assumptions and estimates used when performing Depreciated Replacement Cost (DRC) valuations over infrastructural assets. These include:

- the physical deterioration and condition of an asset, for example the 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, for example stormwater, wastewater and water supply pipes that are underground. This 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 the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or under estimating the annual depreciation charge recognised as an expense in the statement of financial performance. To minimise this risk the Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural 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 the Council's asset management planning activities, which gives the Council further assurance over its useful life estimates.

Experienced independent valuers perform or review the Council's infrastructural asset revaluations.

## Critical Judgements

Management has exercised the following critical judgements in applying the Council's accounting policies for this plan;

- Classification of Property

The Council owns a number of properties that are held for service delivery objectives, primarily to provide housing to community as part of the Council's community housing policy. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are accounted for as property, plant and equipment.

# Reserve Funds

A requirement of the Local Government Act 2002 Amendment Act 2010 is for Council to disclose the following financial information for each of its funds held in reserve. Council uses these reserve funds to fund capital works which would otherwise require external borrowing. Note that the transfers in include projected interest income from this internal lending/borrowing.

Fund	Type/Purpose of Fund	Opening balance as at 1 July 2014 (\$)	Transfers into the fund during the year (\$)	Interest earned on the fund during the year	Transfers out of the fund during the year (\$)	Closing balance as at 30 June 2015 (\$)
<b>Community Leadership</b>						
Education Fund	Spec					-
Election Fund	Spec	-22,829	21,288	-548		-2,089
Economic Development	Spec	21,378		962		22,340
Clutha Gold Trail Maintenance Fund	Spec	23,289		1,048		24,337
Lawrence Community Board	Spec	8,013		271	3,980	4,304
Opportunities Fund	Spec	59,184		2,663		61,847
Tuapeka Bursary	Spec	40,683		1,831		42,514
Welcome to Signage	Spec	3,436		155		3,591
West Otago Community Board	Spec	58,180		2,618		60,798
West Otago Health	Spec	32,032		1,441		33,473
<b>Central Administration</b>						
Forestry	Spec					-
GIS	Depn	17,963	18,031	1,214		37,208
GIS	Spec	24,064		1,083		25,147
Policy & Communications	Spec	51,587	19,783	1,773	44,142	29,001
Human Resources	Spec	-18,929	15,765	-497		-3,661
Gratuities (incl below in Treasury)	Spec	60,652		2,729		63,381
IT - Office Computer Equipment	Spec	72,116		3,245		75,361
District Assets Infrastruct/data	Spec	33,165		1,492		34,657
Treasury - Cars & Gratuities	Spec	269,438		12,125		281,563
Information Technology	Depn	449,298	131,638	20,678	111,225	490,389
<b>Roading</b>						
Balclutha MainStreet	Spec	46,722		2,102		48,824
Roading - Bridge Lights	Spec	34,548		1,555		36,103
Roading	Depn	4,584,124	316,134	202,763	472,678	4,630,343
Deferred Roothing	Depn					-
<b>Water</b>						
Balclutha T'Ship Water	Spec	182,936		4,269	176,120	11,085
Balmoral No.1 Plant Reserve	Spec	242,673		5,326	248,640	-641
Balmoral No.2 Plant Renewal	Spec	334,469		7,377	341,055	791
Glenkenich R.W.S. Renewal	Spec	41,248		924	41,440	732
Kaitangata Water	Spec	72,377		3,222	1,554	74,045
Kaka Point Water	Spec	15,191		670	601	15,260
Lawrence Water	Spec	152		7		159
Moa Flat R.W.S. Pump Reserve	Spec	46,962		1,011	49,003	-1,030
Richardson R.W.S. Renewal	Spec	212,543		4,844	209,790	7,597

Type/Purpose of Fund	Type/Purpose of Fund	Opening balance as at 1 July 2014 (\$)	Transfers into the fund during the year (\$)	Interest earned on the fund during the year	Transfers out of the fund during the year (\$)	Closing balance as at 30 June 2015 (\$)
<b>Water - cont</b>						
Stirling Township Water	Spec	52,046		2,317	1,122	53,241
Stirling Water Treatment Plant	Spec	105,561		2,373	105,672	2,262
Telemetry	Spec	138,083		6,214		144,297
Tuapeka Rural Water Scheme	Spec	432,137		9,539	440,306	1,370
Waihola Water	Spec	67,933		3,023	1,507	69,449
Wangaloa Plant Renewal	Spec	12,705		572		13,277
Balclutha Water	Depn	339,642	151,078	6,049	561,530	-64,761
Balmoral 1	Depn	206,649	24,127	6,838	133,501	104,113
Balmoral 2	Depn	214,033	57,906	5,893	224,051	53,781
Benhar	Depn	45,758	10,139	2,083	9,081	48,899
Clinton	Depn	169,526	17,099	7,707	13,611	180,721
Clydevale/Pomahaka	Depn	315,481	119,641	11,892	222,086	224,928
Glenkenich	Depn	333,916	105,625	10,665	299,476	150,730
Kaitangata	Depn	292,828	31,642	12,720	51,942	285,248
Kaitangata Treatment Plant	Depn	27,675	44,987	1,508	33,332	40,838
Kaka Point	Depn	100,255	13,829	4,791	1,428	117,447
Lawrence	Depn	56,093	64,703	1,165	125,105	-3,144
Milton	Depn	22,225	215,960	1,827	179,213	60,799
Moa Flat	Depn	349,785	137,685	11,272	336,283	162,459
North Bruce	Depn	54,607	130,858	1,385	178,523	8,327
Owaka	Depn	114,240	21,081	4,299	58,483	81,137
Richardson	Depn	337,571	136,785	7,546	476,535	5,367
South Bruce	Depn	197,163	36,579	9,420	12,223	230,939
Stirling	Depn	134,514	14,392	6,354	1,036	154,224
Stirling Treatment Plan	Depn	37,894	58,718	1,549	65,678	32,483
Tapanui	Depn	42,061	62,679	1,304	88,858	17,186
Tuapeka	Depn	319,589	82,735	7,974	367,517	42,781
Waihola	Depn	156,789	13,474	7,333	1,126	176,470
Waipahi	Depn	182,768	38,100	8,183	39,966	189,085
Waitahuna	Depn	43,045	45,385	2,295	29,469	61,256
Wangaloa	Depn	101,630	14,718	4,877	1,216	120,009
Telemetry	Depn	300,969	51,800	14,476	10,360	356,885
<b>Sewerage</b>						
Balclutha Sewerage	Spec	530,129		23,413	19,684	533,858
Heriot Sewerage Pump Res	Spec	18,858	3,346	900	1,081	22,023
Kaitangata Sewerage	Spec	61,328		1,771	43,951	19,148
Kaka Pt Sewerage Renewal	Spec	66,389		2,927	2,707	66,609
Stirling Sewerage Plant	Spec	-		-		-
Tapanui Sewerage	Spec	8,478		382		8,860
Waihola Sewerage	Spec	110,985		2,430	113,960	-545
Balclutha	Depn	2,083,518	216,529	97,788	37,724	2,360,111



Type/Purpose of Fund	Type/Purpose of Fund	Opening balance as at 1 July 2014 (\$)	Transfers into the fund during the year (\$)	Interest earned on the fund during the year	Transfers out of the fund during the year (\$)	Closing balance as at 30 June 2015 (\$)
<b>Sewerage - cont</b>						
Benhar	Depn	7,125		321		7,446
Clinton	Depn	309,116	43,988	13,800	48,873	318,031
Heriot	Depn	6,571	740	312		7,623
Kaitangata	Depn	660,968	54,585	29,735	54,962	690,326
Kaka Point	Depn	105,587	32,166	5,372	4,600	138,525
Lawrence	Depn	45,500	54,120	3,037	10,156	92,501
Milton	Depn	1,472,915	199,613	70,646	5,631	1,737,543
Owaka	Depn	82,711	58,869	4,773	12,147	134,206
Stirling	Depn	36,360	30,169	2,170	6,446	62,253
Tapanui	Depn	66,995	75,282	4,607	4,505	142,379
Waihola	Depn	348,103	39,332	11,644	218,011	181,068
<b>Stormwater</b>						
Milton	Spec	18,692		841		19,533
Balclutha	Depn	552,868	102,476	26,034	51,162	630,216
Clinton	Depn	101,951	7,348	4,497	11,385	102,411
Kaitangata	Depn	93,573	9,470	3,994	19,121	87,916
Kaka Point	Depn	65,071	5,507	2,777	12,214	61,141
Lawrence	Depn	22,403	9,207	1,104	4,969	27,745
Milton	Depn	224,622	91,110	9,953	98,018	227,667
Owaka	Depn	160,977	7,295	7,408		175,680
Tapanui	Depn	232,303	24,050	11,056	-2,718	270,127
Palmer Place	Depn	3,475		156		3,631
Rural	Depn	25,775	9,840	1,381		36,996
<b>Waste Management</b>						
Solid Waste	Depn	1,460,750	52,637	66,641	12,293	1,567,735
<b>Community Services</b>						
Clinton hall	Depn					-
Clutha Valley Hall	Depn	50,685	3,016	2,337	509	55,529
Hillend Hall	Depn	16,437	1,137	765		18,339
Kaka Point	Depn	4,013	359	189		4,561
Lovells Flat	Depn	9,758	250	445		10,453
Moneymore	Depn	7,073	296	325		7,694
Owaka Hall	Depn	45,411	2,957	1,992	5,255	45,105
Waihola Hall	Depn	2,917	272	137		3,326
Waipahi Hall	Depn	11,234	569	518		12,321
Waiwera Hall	Depn	4,454	341	208		5,003
Waitahuna Hall	Depn	65,335	3,639	2,894	5,686	66,182
Various Halls	Depn	130,524		5,164	31,530	104,158
Cemeteries	Spec	411,287		18,508		429,795
Kaitangata Cemetery	Spec	11,516		518		12,034
Lawrence Cemetery	Spec	23,644		1,064		24,708

Type/Purpose of Fund	Type/Purpose of Fund	Opening balance as at 1 July 2014 (\$)	Transfers into the fund during the year (\$)	Interest earned on the fund during the year	Transfers out of the fund during the year (\$)	Closing balance as at 30 June 2015 (\$)
<b>Community Services - cont</b>						
Cemetery	Depn	63,035	18,942	3,026	10,510	74,493
Kaka Pnt Cmp/Grd	Depn	26,719	1,177	1,229		29,125
Naish park cg	Depn	9,156	455	422		10,033
Taylor Park Camping Ground	Depn	28,388	1,137	1,303		30,828
Pounaweia cg	Depn	5,955	910	288		7,153
Waiholia cg	Depn	2,598	252	123		2,973
Balclutha Town Hall	Spec	141,860		6,384		148,244
Balc Town Hall	Depn	209,497	34,115	8,746	64,403	187,955
Milton Civic Centre	Depn	11,827		532		12,359
Kai Hall	Depn	12,108		521		12,629
Kai Hall	Spec	-102,250		-4,601		-106,851
Library	Depn	608	113,718	27	113,718	635
Public Conveniences	Depn	120,427	44,919	2,595	170,431	-2,490
Reserve Contributions	Spec	45,328		2,040		47,368
Parks and res	Depn	13,660	13,646	1,343	1,706	26,943
Admin Office	Spec	309,276		12,522	62,009	259,789
Endowment Land	Spec	906,889		40,810		947,699
Other Property	Depn	97,484	4,549	4,489	-	106,522
Depots	Depn	287,789		12,951		300,740
Community Housing	Depn	202,228	100,000	7,992	149,242	160,978
Admin Office	Depn	583,452	11,372	21,756	121,285	495,295
Dunrobin Recreation Reserve Board	Spec	6,033		271		6,304
Parkhill Rec Reserve Board	Spec	3,860		174		4,034
Waikoikoi Domain Board	Spec	13,483		607		14,090
Service Centres	Spec	179,828		7,075	45,193	141,710
Lawrence S.C	Depn	10,750		309	7,777	3,282
Milton S.C	Depn	45,090		1,052	43,406	2,736
Tapanui S.C	Depn					-
Owaka SC	Depn	39,178	6,550	1,734	7,843	39,619
Grandstand 2000	Spec	126,794		5,706		132,500
Sports Grounds	Depn	202,793	5,686	9,254		217,733
Sports Grounds	Spec	18,126		816		18,942
Kaitangata Pool	Spec	66,568		2,996		69,564
Lawrence Pool	Spec	37,656		1,695		39,351
Balclutha Pool	Depn	122,315	47,762	5,633	42,040	133,670
Kaitangata Pool	Depn	142,382	18,969	6,834		168,185
Lawrence Pool	Depn	109,186		4,913		114,099
Milton Pool	Depn	19,540	22,744	918	21,020	22,182

Type/Purpose of Fund	Type/Purpose of Fund	Opening balance as at 1 July 2014 (\$)	Transfers into the fund during the year (\$)	Interest earned on the fund during the year	Transfers out of the fund during the year (\$)	Closing balance as at 30 June 2015 (\$)
<b>Regulatory &amp; Emergency Services</b>						
Rural Fire	Depn	57,190		2,574		59,764
Civil Defence & Emergency	Depn	22,115	5,686	1,123		28,924
Animal Control	Depn	2,045	2,102	139		4,286
<b>Funds not specifically allocated to an activity group</b>						
Emergency Fund	Spec	3,600,160		162,007		3,762,167
Capital Works and Purchases	Spec	115,213		5,185		120,398
Land and Buildings	Spec	317,309		14,279		331,588
Bulb Growing/ Project	Spec	21,976		989		22,965
Tapanui Works Infrastructure Fund	Spec	6,430		289		6,719
Lawrence Heritage	Spec	23,354		1,051		24,405
Momona Airport Refund	Spec	22,423		1,009		23,432
Kate Leslie Trust	Trust	109,833		4,942		114,775
Elderly Citizens Trust (Lawrence)	Trust	26,199		1,179		27,378
Tapanui Domain Trust	Trust	13,035		587		13,622
Butler Trust	Trust	371		17		388
Milton Brass Band	Trust	573		26		599
O'Hara Sports Trust	Trust	1,444		65		1,509
Clinton Endowment Land	Trust	77,163		3,472		80,635
J D Swan Estate	Trust	7,926		357		8,283
George Melville Estate	Trust	152,903		6,881		159,784

**Depreciation Reserve Funds (Dep):** Interest earning reserves that have the purpose of funding future costs of capital renewals that the fund relates to.

**Special Funds (Spec):** These funds have been contributed to from a number of sources, for example, historical funds, proceeds from the sale of endowment land, sale of assets and power shares. Their purpose is to fund capital works and also provide investment income from internal borrowing.

**Trust Funds (Trust):** Funds held and administered by the CDC. These are often historical funds inherited by the CDC, their purpose is to honour the specific bequests for certain areas of the district.

# Overall Summary of Funding & Expenditure

## Introduction

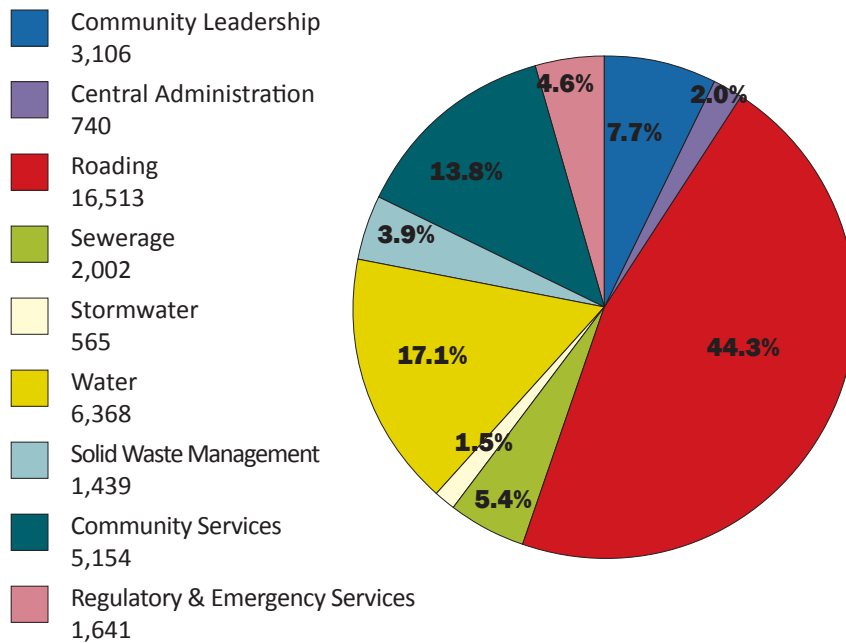
In terms of the Local Government (Rating) Act 2002 and the Local Government Act 2002, Council is required to prepare a Funding Impact Statement disclosing the revenue and financing mechanisms it intends to use.

The information here is sourced from the Overall Funding Statement, and is intended to achieve compliance with the above legislation by, among other things, giving ratepayers full details of how rates are calculated.

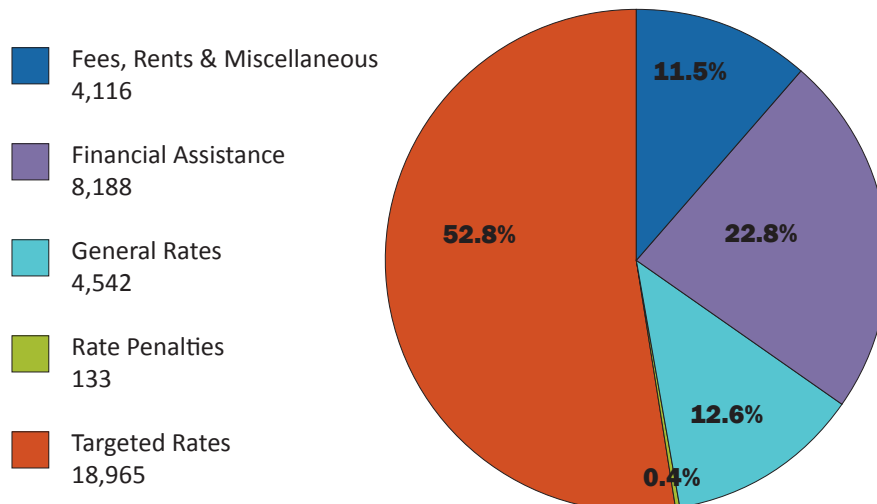
This statement should be read in conjunction with Council's Revenue and Financing Policy which sets out Council's policies with respect to each source of funding of operating and capital expenses, i.e. the revenue and financing mechanisms to be used to cover the estimated expenses of the Council.

The pie charts below show total estimated expenditure for the 2014/15 year, and how this expenditure will be funded.

**Total Estimated Expenditure  
2014/2015 (\$000)**



**Funding Sources  
2014/2015 (\$000)**



# Detailed Description of Rates

Council has set the following rates for the year commencing 1 July 2014 and ending 30 June 2015 in accordance with the Local Government Act 2002 and the Local Government (Rating) Act 2002. All monetary values disclosed below are exclusive of GST.

## UNIFORM ANNUAL GENERAL CHARGE (UAGC)

Council has set a 'Uniform Annual General Charge' of \$431.10 on each separately used or inhabited part of a rating unit (SUIP) in the district.

The amount to be collected is \$4,483,440.

The activities that the UAGC is used to fund, as well as the income sources that offset the UAGC, are outlined below:

Activity	Amount (\$) per UAGC	Total amount to be collected (\$)
Council	76.11	795,017
Economic Development	63.13	660,421
Community Development	58.10	606,906
District-wide main street	0.91	9,459
Main street improvements	2.59	27,086
Parks, reserves, sportsgrounds and playgrounds	19.12	199,756
Halls and community centres	10.87	113,508
Swimming Pools	30.27	316,145
Corporate Management	39.29	410,436
Service Centres	47.73	498,533
Libraries	62.52	653,003
Animal Control	1.55	16,148
Civil Defence & Emergency Services	17.22	179,867
Cemeteries	10.09	105,439
Public Conveniences	33.50	349,918
Environmental Health	13.49	140,902
Rural Fire	9.28	96,963
Waihola Domain & Kaka Point Foreshore	3.35	34,971
Waste Minimisation	6.04	63,131
<b>SUB TOTAL</b>	<b>505.16</b>	<b>5,277,609</b>
Income		
Property including Camping grounds	19.80	206,770
General - Petrol Tax and investment income	53.86	562,539
Inhouse professional services	2.30	24,860
<b>SUB TOTAL</b>		<b>794,169</b>
<b>TOTAL</b>	<b>429.20</b>	<b>\$4,483,440</b>

#### DISTRICT ROADING

Council has set a 'District Roading' rate on every rating unit in the district. This recognises that the roading network is used by everyone in the district. The rate is 0.042396 cents per \$1 of capital value.

The amount to be collected is \$2,624,700.

#### COMMUNITY SEWERAGE UPGRADE SUPPORT

Council has set a 'Community Sewerage Upgrade Support' rate on every rating unit in the district. This will be used to fund investigations into establishing new sewerage schemes and improving sewage disposal from existing systems. The rate is 0.000948 cents per \$1 of capital value.

The amount to be collected is \$58,700.

#### PLANNING/REGULATORY

Council has set a 'Planning/Regulatory' rate on every rating unit in the district. This will be used to fund the ongoing expense of managing the District Plan and fund the operation of regulatory services. The rate is 0.005500 cents per \$1 of capital value.

The amount to be collected is \$340,500.

#### LOCAL ROADING

Council has set a 'Local Roading' Rate on every rating unit in the district. This rate funds the construction and maintenance of roads and footpaths within a locality/rating area. For Balclutha and Milton the local roading rate also includes their portion of costs of funding main street improvements.

The rate is set on a differential basis based on location and incorporates a fixed charge component and a component based on land value. Only one fixed charge component will be charged per rating unit.

The amount to be collected is \$4,577,400.

Local Roading Rating Area	Fixed charge (\$) per rating unit	Cents per \$ of land value	Total amount to be collected (\$)
Balclutha	50.00	0.23046	353,100
Clinton	50.00	0.55628	30,400
Kaitangata	50.00	0.85675	95,000
Kaka Point	50.00	0.0707	34,300
Lawrence	50.00	0.23139	55,700
Milton	50.00	0.15869	118,700
Owaka	50.00	0.32756	29,200
Stirling	50.00	0.26818	20,400
Tapanui	50.00	0.38091	47,100
Waihola	50.00	0.0502	18,700
Rural	50.00	0.09278	3,774,800
<b>TOTAL</b>			<b>4,577,400</b>

## NEW FOOTPATHS

Council has set a 'New Footpath Rate' to fund repayment of loans taken out for Council's new footpath programme. The rate is set as a fixed charge per separately used or inhabited part of a rating unit (SUIP) in each local roading rating area as per the table below:

The total to be collected is \$180,100.

Local Roading rating area	Fixed charge (\$) per SUIP	Total amount to be collected (\$)
Balclutha	39.40	84,100
Clinton	11.70	2,200
Kaitangata	14.70	6,300
Kaka Point	22.90	6,400
Lawrence	11.40	4,000
Milton	57.80	63,100
Owaka	33.30	6,900
Stirling	19.90	2,900
Tapanui	9.10	4,200
<b>TOTAL</b>		<b>180,100</b>

## URBAN WATER SUPPLY

Council has set 'Urban Water Supply' rates to fund the operation, maintenance and capital expenditure for individual water schemes. The rate will be set as a fixed charge for each separately used or inhabited part of a rating unit (SUIP) that is either connected to one of the following schemes, or for which a connection is available. This targeted rate is differentiated based on the provision or availability of the service provided by Council (the categories are "connected" and "serviceable").

The total amount to be collected is \$2,427,300.

The rate for each scheme is shown in the table below:

Water Scheme	Fixed charge (\$) per connection	Fixed charge (\$) per serviceable SUIP	Total amount to be collected (\$)
Balclutha	306.90	153.45	665,900
Benhar	381.10	0.00	19,400
Clinton	574.90	287.45	102,900
Kaitangata	513.20	256.60	210,400
Kaka Point	485.10	242.55	121,300
Lawrence	567.50	283.75	211,700
Milton	574.90	287.45	603,100
Owaka	217.90	108.95	52,700
Stirling	336.40	168.20	52,800
Tapanui	574.90	287.45	293,200
Waihola	396.40	198.20	93,900
<b>TOTAL</b>			<b>2,427,300</b>

## RURAL WATER SCHEMES

Council has set 'Rural Water Scheme' rates to fund the operation, maintenance and capital expenditure for individual rural water schemes. The rate is set as a fixed charge for each unit (one cubic metre of water per day) of water supplied, differentiated by scheme as per the table below:

The total amount to be collected is \$3,890,100.

Water Scheme	Fixed charge (\$) per unit supplied	Total amount to be collected (\$)
Balmoral 1	226.50	168,700
Balmoral 2	204.70	328,600
Clydevale/Pomahaka	309.90	609,300
Glenkenich	202.40	412,400
Moa Flat	157.40	406,800
North Bruce	215.20	414,700
Richardson	236.30	582,500
South Bruce	167.10	254,900
Tuapeka	259.10	416,300
Waipahi	239.20	161,900
Wangaloa	325.10	134,000
<b>TOTAL</b>		<b>3,890,100</b>

## SEWERAGE

Council has set sewerage rates to fund the operation, maintenance and capital expenditure for individual sewerage schemes. The rate is set as a fixed charge for each separately used or inhabited part of a rating unit (SUIP) that is either connected to one of the following schemes, or for which a connection is available. This targeted rate is differentiated based on the provision or availability of the service provided by Council (the categories are "connected" and "serviceable"). The rate for each scheme is shown in the table below:

The total amount to be collected is \$1,692,000.

Sewerage Scheme	Fixed charge (\$) per connection	Fixed charge (\$) per serviceable SUIP	Total amount to be collected (\$)
Balclutha	216.60	108.30	497,600
Clinton	447.40	223.70	81,400
Heriot	404.10	0.00	30,700
Kaitangata	290.10	145.05	112,600
Kaka Point	421.50	210.75	106,600
Lawrence	493.60	246.80	160,400
Milton	245.00	122.50	275,400
Owaka	509.10	254.55	113,500
Stirling	509.10	254.55	73,300
Tapanui	322.80	161.40	149,100
Waiholo	433.30	216.65	91,400
<b>TOTAL</b>			<b>1,692,000</b>



## SEWERAGE LOAN RATES

Council has set ‘Sewerage Loan’ rates to repay loans taken out to fund the capital cost of certain sewerage schemes. The rate is set as a fixed charge for each separately used or inhabited part of a rating unit (SUIP) that is either connected to one of the following schemes, or for which a connection is available, that did not elect to make a lump sum contribution. The rate for Balclutha is differentiated based on the provision or availability of the service provided by Council (the categories are “connected” and “serviceable”). The rate for Benhar and Tokoiti is differentiated based on rating area. The total amount to be collected is \$97,800. The rate for each scheme is shown in the table below:

Sewerage Capital Rating Area	Fixed charge (\$) per connection	Fixed charge (\$) per serviceable SUIP	Total amount to be collected (\$)
Balclutha	73.00	36.50	40,500
<b>TOTAL</b>			

Sewerage Capital Rating Area	Area A	Area B	Total amount to be collected (\$)
Benhar	845.2	769.60	32,300
Tokoiti	656.5	518.30	25,000
<b>TOTAL</b>			57,300

## STORMWATER

Council has set ‘Stormwater’ rates to fund the operating, maintenance and capital expenditure for individual stormwater schemes. The rate is set as a fixed charge for each separately used or inhabited part of a rating unit (SUIP) within the district that is either connected to one of the following schemes, or for which a connection is available. For some schemes this rate is differentiated based on the provision or availability of the service provided by the Council (the categories are “connected” and ‘serviceable’). The rate for each scheme is shown in the table below:

Stormwater Scheme	Fixed charge (\$) per connection	Fixed charge (\$) per serviceable SUIP	Total amount to be collected (\$)
Balclutha	109.70	54.85	219,400
Clinton	104.10	0.00	16,400
Kaitangata	75.20	0.00	26,000
Kaka Point	69.20	0.00	16,500
Lawrence	97.80	48.90	29,900
Milton	186.80	93.40	174,300
Owaka	63.60	0.00	11,700
Tapanui	108.00	54.00	44,400
<b>TOTAL</b>			538,600

## SOLID WASTE MANAGEMENT

A ‘Waste Management’ rate has been set to fund solid waste collection and disposal services. This rate is set as a fixed charge of \$142.00 per bin that Council is prepared to collect weekly.

The amount to be collected is \$845,800.

## COMMUNITY SERVICES

Council has set a 'Community Services' rate on all rating units in the district. This rate is used to fund Swimming Pools, Town Halls, Community Centres, Camping Grounds, Parks and Reserves, Berms, Sportsgrounds, and in the rural area; Rural Stormwater and Rural Fire.

The rate is set on a differential basis based on location and is based on land value as per the table below;

Community Services Rating Area	Cents per \$ of land value	Total amount to be collected (\$)
Balclutha	0.49583	656,800
Clinton	0.64786	24,400
Kaitangata	1.11926	95,900
Kaka Point	0.22052	7,900
Lawrence	0.15092	25,500
Milton	0.35613	180,600
Owaka	0.34892	22,100
Stirling	0.70068	3,700
Tapanui	0.34643	25,400
Waihola	0.08504	19,100
Rural	0.00855	324,600
<b>TOTAL</b>		<b>1,386,000</b>

## CROSS RECREATION CENTRE

Council has set a 'Cross Recreation Centre' rate to fund repayment of loans taken out for Council's grant towards the construction of the Cross Recreation Centre in Balclutha. The rate is set as a fixed charge per separately used or inhabited part of a rating unity (SUIP) in the district and is set differentially by location (electoral ward) according to the proximity of the ward to the facility as per the table below;

Electoral Ward(s)	Fixed charge (\$ per SUIP)	Total amount to be collected (\$)
Balclutha	30.80	87,510
Clutha Valley, Kaitangata-Matau	23.10	28,070
Clinton, Catlins	15.40	26,040
Lawrence-Tuapeka, Bruce	9.20	31,200
West Otago	3.10	3,840
<b>TOTAL</b>		<b>176,660</b>

## COMMUNITY BOARDS

Council has set 'Community Board' rates to fund the cost of its two community boards and local projects within the community board areas (for example main street upgrades). The rates are set as a fixed charge per separately used or inhabited part of a rating unit (SUIP) within each community board area as per the table below:

Community Board	Fixed charge (\$ per SUIP)	Total amount to be collected (\$)
West Otago Community Board	41.20	51,600
Lawrence-Tuapeka Community Board	60.90	54,600
<b>TOTAL</b>		<b>106,200</b>

## WEST OTAGO HEALTH TRUST RATE

Council has set a targeted rate per separately used or inhabited part of a rating unit (SUIP) for those within the West Otago Health Trust service catchment area. The rate is set to fund repayment of loans taken out for Council's grant to West Otago Health for the construction of their facility in Tapanui. The rate is set as a fixed charge of \$60.50 per SUIP. The total amount to be collected is \$75,900.

## Payment of Rates

### DUE DATES FOR PAYMENT OF RATES

All rates will be payable in four installments. The due dates for these installments are:

- Friday 29 August 2014
- Friday 28 November 2014
- Friday 27 February 2015
- Friday 29 May 2015

### GOOD AND SERVICES TAX (GST)

All of the rates and amounts set out in the Detailed Description of Rate Funding Mechanisms do not include GST which will be added to the rates invoices at the rate of 15%.

### PENALTIES

A 10% penalty is to be added on the next business day (i.e. 1 September 2014, 1 December 2014, 2 March 2015 and 1 June 2015 respectively) to so much of any installment not paid on or before the due date.

Rates unpaid from previous years will incur a further 10% penalty on 1 October 2014 and again on 1 April 2015.

### DISCOUNT

Council will allow a discount of 2.5% where a ratepayer pays the year's rates in full on or before the due date for the first installment of the year, being Friday, 29 August 2014.

### PAYMENT OPTIONS

Rates shall be payable by any of the following ways:

Cash, cheque or EFTPOS (excluding credit cards) made at any of the following places:

- Council Office, 1 Rosebank Terrace, Balclutha
- Balclutha Information Centre, 4 Clyde Street, Balclutha
- Milton Service Centre, 124-126 Union Street, Milton
- Tapanui Service Centre, Suffolk Street, Tapanui
- Lawrence Service Centre, 5 Peel Street, Lawrence

Cheques posted to Clutha District Council, PO Box 25, Balclutha.

Weekly, fortnightly, monthly or quarterly direct debits

Automatic payments

Council does not accept payments by credit cards.

### UNECONOMIC BALANCES

Rates set on rating units that are \$10 or less are considered uneconomic and will not be collected.

## Purpose

Revenue and Financing Policy outlines the funding mechanisms that Council has available to fund its operating and capital expenditure and how it intends to utilise each of them.

The policy identifies how Council intends to fund each of its activities, and outlines the considerations and rationale for the funding sources chosen.

It also outlines how Council considered the overall impact of allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community.

## Overall Philosophy

Council's overall approach is that, where practicable, the communities, groups or individuals who directly benefit from a Council activity will fund that activity.

Where similar levels of service are provided but actual costs vary significantly (currently for urban water supply and sewerage services) targeted rates for that service are capped at 25% above the average scheme cost, with any costs above this being spread across uncapped rates. This is known as harmonisation or rates capping and results in greater similarity in pricing between communities who receive similar levels of service from an activity.

## Funding of Operating Expenditure

Council is required to ensure that each year's projected operating revenues are sufficient to meet the year's projected operating expenses. It may only vary this when it is financially prudent to do so, having regard to the requirements in section 100(2) of the Local Government Act 2002 (LGA).

Operating expenditure is primarily funded through general and targeted rates and fees and charges. External funding assistance is provided for roading. In some cases special or reserve funds may be used. Council will generate cash resources from operating revenue that can be used for capital renewal expenditure or debt repayment.

## Funding of Capital Expenditure

In terms of capital expenditure, assets generally provide benefit for a longer period of time than when the actual expenditure on the asset is spent. In this case they are funded over a period of time as opposed to in the year they are acquired.

Most capital expenditure (both renewals and new capital) is funded via depreciation reserves or special funds, or a combination of depreciation reserves, special funds and borrowing (depending upon the scale

of the project). In some instances, e.g. a new water or sewerage scheme, a lump sum contribution is made by the consumers receiving the new service.

## Depreciation Reserves

Depreciation is a measure of the decline in service level of an asset or group of assets. Any depreciation funded for Council assets is placed in an interest-earning depreciation reserve. The reserves are then used to fund the future costs of renewing the infrastructural assets as per Council's asset management plans.

## Special Funds

Special funds are also used for funding new capital or renewals. These funds have been contributed to from a number of sources, for example, historical funds, proceeds from the sale of endowment land, sale of assets and power shares.

## Borrowing

Where depreciation reserves or special funds are not available or appropriate for a project, capital expenditure is generally funded by borrowing. This provides the immediate funding required to acquire an asset, with the debt then being repaid over time through rates. The time period of the loan repayment is generally set over a period where the benefit of the asset will be realised. Unless specifically stated in the 'details of funding for Council activities' section below, debt repayment becomes part of the operating costs and thus is funded from the same sources, in the same ratio, as for operating expenditure, over the life of the loan.

## Overview of Funding Mechanisms Used By Council

The mechanisms that Council can use to fund its capital and operating costs are set out by section 103(2) of the LGA. Council intends to use these mechanisms in the following ways;

### Uniform Annual General Charge

A uniform annual general charge (UAGC) is used to fund all or part of activities that provide a relatively equal benefit to the whole district. The UAGC is a fixed amount which is set on each separately used or inhabited part of a rating unit (SUIP) in the district.

### Targeted Rates

Some targeted rates are set on all rateable properties in the district to part fund some activities that have an element of district-wide benefit, including roading, wastewater upgrades, resource management and building control activities. These rates are set as a rate per dollar of capital value, which best reflects the contribution towards the need for the activities, and the benefit received from the activities.

Other targeted rates are used to fund all or part of activities that provide benefit to an identifiable community or group of ratepayers. These rates are targeted at those who benefit from the activity or who demand the level of service (identified by location or availability of service). They are either based on land value or are a uniform charge.

### **Fees and Charges**

Fees and charges are utilised where practical if there is an identifiable private benefit from an activity, or where the actions of an individual create the need for the activity. Examples of fees include swimming pool charges, landfill fees, building consent fees and dog registration fees. When setting fees and charges, Council takes into account the effect the fees and charges would have on the accessibility of the facilities and services.

### **Lump Sum Contributions**

Lump sum contributions are utilised for some larger projects where new capital projects are loan funded. Ratepayers are given a choice of paying their share of the capital cost upfront in a lump sum or paying through rates over the life of the loan. The decision whether to offer lump sum contributions is decided on a project-by-project basis.

### **Interest and Dividends from Investments**

Council receives interest on its special funds and depreciation reserves. Interest income from Council's general fund is used to offset the UAGC and thus reduce the rates that would otherwise be levied to fund Council's activities.

### **Borrowing**

Council borrows from its available reserves to fund various infrastructural asset renewals and upgrades. Borrowing is also undertaken from time to time for other operational assets. The primary objective in borrowing internally is to use reserves effectively, by establishing a portfolio that provides funding to internal activity centres. This creates operational efficiencies as savings are created by eliminating the margin that Council would pay on external borrowings. External borrowing is also a funding mechanism available to Council. Council recognises that in some circumstances external borrowing may be an attractive and necessary funding mechanism, and it will be utilised where appropriate.

### **Proceeds from Asset Sales**

Proceeds from asset sales are allocated to special funds, and are generally used for the acquisition of new assets, or repayment of debt.

### **Development Contributions**

Under the Local Government Act 2002, Council is entitled to apply development contributions to new development. These contributions are to fund infrastructure required by the development and for the provision and development of reserves. As there is not significant growth within the district, Council has chosen not have a development contribution policy in

favour of financial contributions mechanism under the Resource Management Act 1991.

### **Financial contributions under the Resource Management Act 1991**

Under the Resource Management Act 1991 Council is entitled to various financial contributions where an activity or development would impact on the physical environment (including Council infrastructure). Contributions, for example include a capital contribution and connection cost for a new consumer connecting to an urban water scheme.

### **Grants and Subsidies (External Funding Assistance)**

Council receives external funding assistance for a number of activities or projects, largely from central government. The main source of government subsidy comes from the New Zealand Transport Agency, for roading. A baseline level of funding is received for the maintenance of the existing roading system, while funding for new projects may be received depending upon the costs and benefits of each project. External funding is sought in other areas where possible. For example, funding from the Ministry of Health has been provided in the past for fluoridation and water treatment upgrades.

### **Reserve Funds (Special and Depreciation)**

Council has a number of reserve funds. These funds generally assist future capital expenditure. Interest from these funds is sometimes used to offset operating costs, e.g. water charges.

## **Details of Funding For Council Activities**

This section outlines Council's policies for funding each of its activities.

Council considered the matters listed in section 101(3) of the LGA when determining the most appropriate funding mechanisms for each of its activities. These matters are listed and explained under the following headings;

#### **Activity Description**

A brief description of the activity. For further information about each of Council's activities see the 'Council Activities' section of the Long Term Plan.

#### **Community Outcomes**

The community outcome the activity primarily contributes to (for a further explanation of these outcomes, and how Council's activities contribute to these, see the 'Community Outcomes' and 'Council Activities' sections of the Long Term Plan).

#### **Who benefits?**

Who receives the benefit from the activity, either the community as a whole, an identifiable part of the community or individuals.

#### Timeframe of benefits

The time period over which the benefits of expenditure on the activity will be recognised.

#### Contribution to the need for the activity

The extent to which an action or inaction of particular individuals or group contribute to the need for Council to carry out the activity.

#### Costs and benefits of distinct funding

The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

The funding mechanisms shown below are for Council's share of the cost of the activities only (i.e. after any external funding is taken into account).

A 'separately used or inhabited part of a rating unit' (SUIP) includes any part or parts of a property that can be separately used or occupied in addition to the principal habitation or use.

The 'Uniform Annual General Charge' (UAGC) is a rate set at a fixed amount and which every SUIP pays.

## COMMUNITY LEADERSHIP

### Governance

#### Activity Description

Governance of Council and Community Boards, including elected members, operation of formal meeting processes, elections and newsletters.

#### Community Outcome

A well informed community where people have their say in decisions that affect them.

#### Who benefits?

All residents and ratepayers in the communities represented.

#### Timeframe of benefits

Governance is an ongoing cost with benefits apparent in the year of expenditure.

#### Contribution to need

All residents and ratepayers.

#### Costs and benefits of distinct funding

No benefit from distinct funding for Council. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify the Council/Governance component. Distinct funding of community boards enables ratepayers in those areas to clearly identify their cost.

#### Funding methods

*Council: 100% UAGC; Community Boards: 100% targeted uniform rate per SUIP.*

#### Rationale

Governance is provided for the benefit of the community as a whole, and therefore is funded by the whole district. Community boards provide benefit to the communities within their areas, and so are funded by those communities.

### Economic Development

#### Activity Description

Fostering economic development within the district.

#### Community Outcome

An economic environment that encourages growth in a way which sustainably supports the community.

#### Who benefits?

Primarily a district-wide benefit from the district retaining and attracting businesses, which provide employment and contribute towards rates. Some private benefit to businesses.

#### Timeframe of benefits

Currently an ongoing cost, with the majority of benefits being apparent in the year of expenditure.

#### Contribution to need

All residents and ratepayers.

#### Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

#### Funding methods

100% UAGC.

#### Rationale

Largely a public benefit therefore is funded district-wide, through the UAGC.

### Community Development

#### Activity Description

Fostering social wellbeing of the community through activities such as youth development and provision of grants to community groups.

**Community Outcome**  
A safe and supportive community.

**Who benefits?**  
Community-wide benefit.

**Timeframe of benefits**  
The majority of benefits are apparent in the year of expenditure.

**Contribution to need**  
All residents and ratepayers.

**Costs and benefits of distinct funding**  
No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

**Funding methods**  
100% UAGC.

**Rationale**  
Largely a public benefit, therefore is funded district-wide, through the UAGC.

## West Otago Health

**Activity Description**  
Provision of a one-off grant to help fund construction of a proposed health centre in Tapanui.

**Community Outcome**  
A safe and supportive community.

**Who benefits?**  
Everyone in the West Otago health service area would benefit. Users of the facility will directly benefit.

**Timeframe of benefits**  
Long term.

**Contribution to need**  
Stakeholders in the West Otago Health service area contribute to the need for this activity.

**Costs and benefits of distinct funding**  
Distinct funding ensures that only those in the area of benefit contribute, and that the contribution can clearly be identified on rates invoices.

**Funding methods**  
100% uniform targeted rate.

**Rationale**  
A uniform contribution from ratepayers in the area of benefit is deemed to be the fairest way to fund the grant.

## ROADING

**Activity Description**  
The provision, operation and management of the local roading network, including roads, bridges, streetscapes and footpaths.

**Community Outcome**  
Roading infrastructure that sustainably supports the community and economy.

**Who benefits?**  
The roading network provides national, regional and local benefits.

**Timeframe of benefits**  
Long term.

**Contribution to need**  
All residents and ratepayers contribute to varying degrees. For example, some industry creates additional demand and causes more 'wear and tear'.

**Costs and benefits of distinct funding**  
Distinct funding enables a split between district and local funding. Due to the size of the roading rates requirement it is desirable to have roading rates highlighted separately.

**Funding methods**  
*Roads and bridges:* A substantial amount is funded by financial assistance from NZTA, with the balance being split between district and local roading rates based on the district/local benefit of each road. A district-wide roading rate, based on capital value, funds 37% (90% of the cost of arterial roads, 50% of collector roads and 10% of local roads) of the Council's share. The remaining 63% of the rates requirement is funded by 11 targeted local roading rates made up of a minimum charge and with the remainder based on land value. Each area funds a share of the local roading rate based on the value of the roading asset within that area.

*Main Streets:* 20% UAGC, with 80% of Balclutha and Milton costs on the local roading rate (LV based) and 80% of Lawrence and Tapanui costs on a uniform electoral ward based rate.

*New footpaths:* A uniform rate per SUIP on those in the rating area benefiting from the new footpaths.

**Rationale**  
The combination of funding mechanisms reflects the access to, and benefit gained from the roading network.

## WATER SUPPLY

### Urban Water Supplies

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#### Activity Description

Provision of reticulated potable water supplies to urban areas.

#### Community Outcome

Water services that sustainably support the community and economy.

#### Who benefits?

Private benefit for those who obtain and use water. Some benefit to those whose properties have the ability to connect to a scheme. General public benefit for public health and fire fighting purposes.

#### Timeframe of benefits

Short term benefit from expenditure on operating costs, with longer-term benefits from expenditure on capital.

#### Contribution to need

No individuals or groups.

#### Costs and benefits of distinct funding

Each scheme is operated and funded as a standalone entity. This enables the cost of each scheme to be paid for by those who benefit from it.

#### Funding methods

100% targeted rates on connections to each scheme. The rate is a uniform amount, with half rates for those with the ability to connect. From time to time interest from special funds may be used to offset rates.

As a result of operating and funding each scheme individually the costs to consumers can vary significantly. To reduce significant costs to consumers on some schemes, Council caps urban water operating rates at 25% above the average scheme cost, with any costs above this being spread across uncapped urban water rates. This results in greater similarity in urban water pricing between communities.

#### Rationale

User pays facilitates efficient use of resources, with harmonisation (rates capping) to help reduce high costs in some communities.

### Rural Water Schemes

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#### Activity Description

Rural water schemes which provide water primarily for stock but also for domestic consumption.

#### Community Outcome

Water services that sustainably support the community and economy.

#### Who benefits?

Private benefit for those who obtain and use water. A general public benefit for public health and fire fighting

purposes and from supporting the district's economy.

#### Timeframe of benefits

Short term benefit from expenditure on operating costs, with longer-term benefits from expenditure on capital.

#### Contribution to need

Property owners who require water to enable for intensive use of their land.

#### Costs and benefits of distinct funding

Each scheme is operated and funded as a standalone entity. This enables the cost of each scheme to be paid for by those who benefit from it.

#### Funding methods

100% targeted uniform rate per unit of water supplied.

#### Rationale

User pays ensures efficient use of resources, with consumers only demanding what is affordable and sustainable.

## SEWERAGE

#### Activity Description

Provision of sewage reticulation and treatment facilities throughout the district.

#### Community Outcome

Water services that sustainably support the community and economy.

#### Who benefits?

Private benefit for those whose sewage is removed, treated and disposed of. There is also wider public health and environmental benefits from safe and appropriate sewerage disposal.

#### Timeframe of benefits

Short term benefit from expenditure on operating costs, with longer-term benefits from expenditure on capital.

#### Contribution to need

Those without suitable private sewage disposal systems.

#### Costs and benefits of distinct funding

Each scheme is operated and funded as a standalone entity. This enables the cost of each scheme to be paid for by those who benefit from it.

#### Funding methods

*Operating, Maintenance and Capital costs of existing schemes:* 100% targeted rates on connections to each scheme. Uniform rate per connection to each scheme, half rates for those with the ability to connect.

As a result of operating and funding each scheme individually the costs to consumers can vary significantly. This is despite the fact that the level of service for sewerage is much the same for consumers across the



district's community sewerage schemes, in that sewage is piped away, treated and disposed. In order to reduce significant costs to consumers on some schemes, Council caps (known as harmonisation) sewerage operating rates at 25% above the average scheme cost, with any costs above this being spread across uncapped sewerage rates. This results in greater similarity in sewerage pricing between communities.

*Capital costs of treatment upgrades:* 10% district-wide assistance (based on CV) with remainder funded as per operating costs.

*Capital costs of reticulation extensions for Benhar and Tokoiti:* 10% district-wide assistance (based on CV), 40% uniform targeted rate on all sewerage ratepayers and 50% uniform targeted rate on all connections to the new reticulation.

#### Rationale

Benefit is largely private so the activity is predominantly user pays. The wider benefit of safe sewage disposal is reflected by wider contribution to treatment upgrades and reticulation extensions for Benhar and Tokoiti.

## STORMWATER

#### Activity Description

Stormwater reticulation in a number of urban areas and minor stormwater works in some rural areas.

#### Community Outcome

Water services that sustainably support the community and economy.

#### Who benefits?

Those whose properties are protected by stormwater drainage.

#### Timeframe of benefits

Short term benefit from expenditure on operating costs, with longer-term benefits from expenditure on capital.

#### Contribution to need

Property owners whose properties contribute to stormwater run-off.

#### Costs and benefits of distinct funding

Each scheme is operated and funded standalone, enabling the cost of each scheme to be paid for by those who benefit from it. The level of expenditure and variable usage in Stirling, Waihola and rural areas does not warrant a separate targeted rate.

#### Funding methods

*Urban schemes:* 100% targeted rate set at a uniform amount per connected SUIP. A number of schemes charge half rates for properties with the ability to connect.

*Rural stormwater:* LV based rate, 80%: Rural, 10%: Stirling and 10%: Waihola (Community services rating areas).

#### Rationale

Those who benefit from the scheme pay the cost of that scheme. This ensures efficient use of resources with consumers only demanding what is affordable and sustainable.

## WASTE MANAGEMENT

### Waste Collection and Disposal

#### Activity Description

Solid Waste collection and disposal services, including the operation of a kerbside collection service, waste transfer stations and Mt Cooee landfill.

#### Community Outcome

A sustainable environment that promotes a clean, green image.

#### Who benefits?

Private benefit to those whose recyclables and residual waste is disposed of. Also a public benefit from ensuring that waste is dealt with safely without damaging the environment or public health.

#### Timeframe of benefits

Short term, with some longer term benefits from the provision of the landfill.

#### Contribution to need

All of those who use the waste disposal services or facilities.

#### Costs and benefits of distinct funding

Distinct funding enables the private benefit of the kerbside collection to be recognised.

#### Funding methods

70% targeted uniform rate per SUIP (based on availability of kerbside collection service); 30% Fees and charges (use of landfill and transfer stations)

#### Rationale

User pays ensures that the cost of waste disposal is attributed to those who create the waste and provides an incentive to reduce waste created.

### Waste Minimisation

#### Activity Description

Waste minimisation activities, including education programmes and drop-off facilities for recyclables.

#### Community Outcome

A sustainable environment that promotes a clean, green image.

#### Who benefits?

Primarily a public benefit from reduced waste to landfill. Some private benefit to those who use free recyclable drop-off facilities to dispose of recyclable waste.

#### Timeframe of benefits

Currently an ongoing activity with benefits apparent in year of expenditure. Benefits will also be realised in the long term from behaviour changes as a result of education programmes.

#### Contribution to need

All residents and ratepayers.

#### Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

#### Funding methods

100% UAGC.

#### Rationale

Rating across the district ensures that recyclables drop-off facilities are free, encouraging their use.

## Landfill Remediation

#### Activity Description

Remediation of the former Kaka Point landfill site to reduce its environmental impacts.

#### Community Outcome

A sustainable environment that promotes a clean, green image.

#### Who benefits?

The whole district benefits from having a cleaner, safer environment and protecting our clean, green image.

#### Timeframe of benefits

Long term.

#### Contribution to need

Those who used the dump site in the past.

#### Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

#### Funding methods

Funded by an internal loan to be repaid from the UAGC over 25 years.

#### Rationale

As the landfill was closed in the early 1980's those who contributed to the need for the activity can not be made to fund the cost of the remediation. Protecting the environment is a responsibility of the whole district.

## COMMUNITY SERVICES

### Cemeteries

#### Activity Description

Provision, maintenance and operation of cemeteries and maintenance of the district's monuments.

#### Community Outcome

Community facilities that sustainably provide benefit to users and the wider community.

#### Who benefits?

Private benefit to the families of deceased. Public benefit in providing respectful treatment of the deceased who form part of the community's heritage. Public health benefits from ensuring properly managed and controlled burials and cemetery sites.

#### Timeframe of benefits

Majority of expenditure is on operating costs, with the benefit being realised in the year of expenditure. There are also longer term benefits from capital expenditure.

#### Contribution to need

All ratepayers and residents.

#### Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

#### Funding methods

35% Fees and Charges; 65% UAGC.

#### Rationale

The funding split recognises direct private benefits along with wider public benefits. Ability to pay is somewhat recognised by keeping burial fees at an affordable level.

### Community Housing

#### Activity Description

Provision and maintenance of community housing units throughout the district.

#### Community Outcome

A safe and supportive community.

#### Who benefits?

Mostly a private benefit to tenants. There is also public benefit from having appropriate housing available to people who may not easily be able to access private sector housing.

#### Timeframe of benefits

Long term.

**Contribution to need**  
Residents who have difficulty finding appropriate housing in the market.

**Costs and benefits of distinct funding**  
As this activity is self-funding there is no requirement for rates funding.

**Funding methods**  
100% Fees and charges (rentals).

**Rationale**  
Due to a significant private benefit, the community housing units are fully self-funded through user charges. User charges (rentals) are set at market rates to cover the cost of maintaining and upgrading the facilities.

## Halls & Community Centres

**Activity Description**  
Funding of halls and community centres throughout the district.

**Community Outcome**  
Community facilities that sustainably provide benefit to users and the wider community.

**Who benefits?**  
Public benefit from having access to the facilities. Those in closer proximity to a hall or community centre have greater accessibility and are likely to have higher use of, and benefit from the facility.

**Timeframe of benefits**  
An ongoing activity with the benefit of operating expenditure being realised in the year of expenditure and the benefit of capital expenditure is realised over a longer timeframe.

**Contribution to need**  
All residents and ratepayers.

**Costs and benefits of distinct funding**  
No benefit from distinct funding. However, the UAGC is itemised and the activities funded by the community services rate are listed in Annual and Long Term Plans and on rates assessments.

**Funding methods**  
12-18% Fees and charges; 29-31% UAGC; 53-57% targeted LV based rate (community services rate).

**Rationale**  
The primary benefit of most halls is to the community in which it is located. Therefore local communities fund the majority of the cost of their halls. Any substantial increase in the level of user charges will limit accessibility for some members of the public.

## Information Centres

**Activity Description**  
Visitor information and service centres for ratepayers.

**Community Outcome**  
Community facilities that sustainably provide benefit to users and the wider community.

**Who benefits?**  
Private benefit to those who use information centres, as well as tourist-reliant businesses whose information is provided to customers. The community in general also benefits from the success of the tourism industry and the availability of Council service points.

**Timeframe of benefits**  
An ongoing activity with the benefit of operating expenditure being realised in the year of expenditure and the benefit of capital expenditure is realised over a longer timeframe.

**Contribution to need**  
All residents and ratepayers.

**Costs and benefits of distinct funding**  
No benefit from distinct funding. However, the UAGC is itemised and the activities funded by the community services rate are listed in Annual and Long Term Plans and on rates assessments.

**Funding methods**  
5-10% Fees and charges; 90-95% UAGC.

**Rationale**  
While there is private benefit from using information centres, such services are generally not charged for within New Zealand. The district as a whole benefits from the tourism industry and the information centres facilitate this. The Council service centre functions are also provide a district-wide benefit.

## Libraries

**Activity Description**  
Provision of library services through the central Balclutha library and four branch libraries.

**Outcome**  
Community facilities that sustainably provide benefit to users and the wider community.

**Who benefits?**  
Primarily a public benefit. All members of the community have access to the facilities and the whole community benefits from having such facilities provided. 58% of residents are currently members.

**Timeframe of benefits**  
An ongoing activity with benefit largely being realised in year of expenditure. The benefit of capital expenditure is realised over a longer timeframe.

**Contribution to need**  
All residents and ratepayers.

**Costs and benefits of distinct funding**  
No benefit from distinct funding. However, the UAGC

is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

#### Funding methods

5-10% Fees and charges; 90-95% UAGC.

#### Rationale

The cost of the service does not change significantly as use increases or decreases, but increasing fees can reduce access for some community members. To allow full accessibility there are no fees for core services. Funding the core services through the UAGC recognises the public benefit.

## Parks & Reserves

#### Activity Description

Provision of greenspaces including parks, reserves, playgrounds and sportsgrounds.

#### Community Outcome

Community facilities that sustainably provide benefit to users and the wider community.

#### Who benefits?

Public benefit from having the facilities available. Those in closer proximity to a park, reserve or playground have greater accessibility and are likely to have higher use of, and benefit from the facility.

#### Timeframe of benefits

An ongoing activity with benefits largely being realised in year of expenditure. The benefit of capital expenditure is realised over a longer timeframe.

#### Contribution to need

All residents and ratepayers.

#### Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised and the activities funded by the community services rate are listed in Annual and Long Term Plans and on rates assessments.

#### Funding methods

*Parks, Reserves and Playgrounds:* 35% UAGC, 65% targeted LV based rate (community services rate).

*Sportsgrounds:* 3-7% fees and charges, 33-34% UAGC, 60-63% targeted LV based rate (community services rate).

#### Rationale

District-wide funding recognises the wide public benefit gained from parks, reserves and playgrounds. The majority of the cost is funded by the local community ensuring that communities only demand the level of service they can afford. Some fees and charges for sports groups to recognise that they have exclusive use of the sportsgrounds.

## Public Conveniences

#### Activity Description

Provision of public conveniences and campervan dump stations throughout the district.

#### Community Outcome

Community facilities that sustainably provide benefit to users and the wider community.

#### Who benefits?

Private benefit to users of the facilities, Public benefit from providing such facilities to travellers and from having a hygienic environment.

#### Timeframe of benefits

An ongoing activity with benefit largely being realised in year of expenditure. The benefit of capital expenditure is realised over a longer timeframe.

#### Contribution to need

All residents and ratepayers.

#### Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised and the activities funded by the community services rate are listed in Annual and Long Term Plans and on rates assessments.

#### Funding methods

100% UAGC.

#### Rationale

A uniform, district-wide charge is the fairest option since fees and charges are not realistic.

## Swimming Pools

#### Activity Description

Provision of swimming pools in some of the district's larger towns.

#### Community Outcome

Community facilities that sustainably provide benefit to users and the wider community.

#### Who benefits?

Private benefit to pool users. Public benefit from having a facility that provides recreation opportunities and teaches water safety. Those in closer proximity to a pool have greater accessibility and are likely to have higher use of, and benefit from the facility.

#### Timeframe of benefits

An ongoing activity with the benefit of operating expenditure being realised the in year of expenditure and the benefit of capital expenditure is realised over a longer timeframe.

#### Contribution to need

All residents and ratepayers.

#### Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised and the activities funded by the community services rate are listed in Annual and Long Term Plans and on rates assessments.

#### Funding methods

15-25% Fees and charges; 25-30% UAGC; 50-55% targeted LV based rate (community services rate).

#### Rationale

The combination of private and public benefits is reflected in the funding methods. If fees were set too high it may be unaffordable for some groups within the community.

### Cross Recreation Centre

#### Activity Description

Grant towards construction of the multi-purpose Cross Recreation Centre.

#### Community Outcome

Community facilities that sustainably provide benefit to users and the wider community.

#### Who benefits?

All residents.

#### Timeframe of benefits

Long term.

#### Contribution to need

All residents and ratepayers.

#### Costs and benefits of distinct funding

Distinct funding enables a proximity based rate structure and provides greater transparency.

#### Funding methods

100% uniform targeted rate by electoral ward with cost apportioned by proximity to facility.

#### Rationale

Although the facility provides district-wide benefits, those who live closer to the facility have greater accessibility and likelihood of use and benefit. Therefore, the wards closest to the facility pay a greater share than those further away.

## REGULATORY & EMERGENCY SERVICES

### Animal Control

#### Activity Description

Registration of dogs and responding to animal-related complaints.

#### Community Outcome

A safe and supportive community.

#### Who benefits?

Private benefit to animal owners who have their animals returned. Public benefit from the capture of wandering animals and from having Council oversee animal welfare. There is also a public benefit from having less fouling of public space.

#### Timeframe of benefits

An ongoing activity with largely a short term benefit. Longer term benefit of the pound.

#### Contribution to need

Animal owners who do not adequately control their animals.

#### Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

#### Funding methods

95% Fees and charges; 5% UAGC.

#### Rationale

User pays ensures those who contribute to the need for the activity fund the vast majority of the costs. Responsible dog owners receive a discount, recognising that they contribute less to the activity than others. The district-wide contribution recognises the public benefit.

### Building Control

#### Activity Description

Administering the Building Act 2004, including ensuring that buildings comply with the New Zealand Building Code.

#### Community Outcome

A safe and supportive community.

#### Who benefits?

Private benefit to building owners from having certification that their buildings are structurally sound and comply with safe building practices. There are also public safety benefits and a public benefit from having thorough and accurate building information.

#### Timeframe of benefits

An ongoing activity with the benefit being realised in the year of expenditure.

#### Contribution to need

The community demands safe buildings, however, people who build new buildings or alter existing buildings contribute to Council's workload.

#### Costs and benefits of distinct funding

No particular benefit from distinct funding.

#### **Funding methods**

80-90% Fees and charges; 10-20% district-wide CV based rate.

#### **Rationale**

Fees are set at a level to recover actual costs involved in processing the consent. The remainder is treated as a public good. Capital value is used as a basis to reflect the level of likely demand for building control services and ability to pay.

### **Civil Defence Emergency Management**

#### **Activity Description**

Emergency management (civil defence) including 'reduction, readiness, response and recovery' actions.

#### **Community Outcome**

A safe and supportive community.

#### **Who benefits?**

The whole community benefits from this public service activity.

#### **Timeframe of benefits**

An ongoing activity with the benefit being largely realised in the year of expenditure.

#### **Contribution to need**

All residents and ratepayers.

#### **Costs and benefits of distinct funding**

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

#### **Funding methods**

100% UAGC.

#### **Rationale**

Funding through the UAGC reflects the 'people focus' of Civil Defence.

### **Environmental Health**

#### **Activity Description**

Protection of public health and safety through licensing of food premises and other venues that have potential public health risks.

#### **Community Outcome**

A safe and supportive community.

#### **Who benefits?**

Community benefit from knowing that public health standards are being met. There is also private benefit to businesses whose operations have public health implications.

#### **Timeframe of benefits**

An ongoing activity with the benefit being realised in the year of expenditure.

#### **Contribution to need**

The public who demand safe and hygienic eateries and hairdressers. Businesses who operate in the food or hairdressing industries.

#### **Costs and benefits of distinct funding**

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

#### **Funding methods**

10-15% Fees and charges; 85-90% UAGC.

#### **Rationale**

The combination of funding mechanisms reflects the individual and wider community benefits, whilst making services affordable for businesses.

### **Liquor Licensing**

#### **Activity Description**

Licensing and monitoring of premises from which alcohol is sold.

#### **Community Outcome**

A safe and supportive community.

#### **Who benefits?**

Private benefit to businesses who gain licenses enabling them to trade. Public benefit from having liquor available in licensed premises which meet licensing standards.

#### **Timeframe of benefits**

An ongoing activity with the benefit being realised in the year of expenditure.

#### **Contribution to need**

Those who sell, or apply to sell, liquor.

#### **Costs and benefits of distinct funding**

The UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

#### **Funding methods**

100% Fees and charges, any shortfall on UAGC.

#### **Rationale**

Fees are set by statute. Any shortfall is recovered by UAGC on the basis that this activity also has an element of public good.

### **Resource Management**

#### **Activity Description**

Administration and monitoring of the Clutha District Plan to ensure that development and resource use maintains environmental and community standards.

#### **Community Outcome**

A safe and supportive community.

#### Who benefits?

Largely a public benefit from the sustainable management of the district's natural and physical resources. Private benefit to those who are granted a resource consent, enabling them to sustainably use their land.

#### Timeframe of benefits

An ongoing activity with the benefit being realised in year of expenditure. Longer term benefit from expenditure on the District Plan.

#### Contribution to need

Individuals or organisations whose actions or proposed developments require resource consent.

#### Costs and benefits of distinct funding

No particular benefit from distinct funding.

#### Funding methods

20-40% Fees and charges; 60-80% district-wide CV based rate.

#### Rationale

Fees for resource consents are set at a level to recover the actual costs involved with processing the consent. The remainder of this activity (including the fixed costs for the District Plan) is a public good and is funded by the district as a whole, based on CV reflecting the level of development and ability to pay.

## Rural Fire

#### Activity Description

Fire control activities in rural areas.

#### Outcome

A safe and supportive community.

#### Who benefits?

Residents and ratepayers in rural areas receive the primary benefit, although there is also a benefit in urban areas because equipment is also available to urban fire brigades.

#### Timeframe of benefits

Largely a short term benefit, with longer term benefit from expenditure on fire fighting equipment.

#### Contribution to need

Those in rural areas who have fire-prone land or vegetation and those who use fire as a land management tool.

#### Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised and the activities funded by the community services rate are listed in the Annual and Long Term Plans and on rates assessments.

#### Funding methods

35% UAGC; 65% targeted LV based rate (rural community

services rate).

#### Rationale

The rural area funds the majority of the cost as it contributes towards the need for the activity and receives the greatest benefit. Using a LV based rate reflects the area of land protected. The district-wide benefit is reflected with UAGC funding.

## Overall Impact on the Community

In considering the appropriateness of the revenue and financing policy Council considered the following factors (among others):

- Selecting the correct funding mechanism to allow capital and operating expenditure to be paid by the beneficiaries, if they can be identified, while balancing current and intergenerational equity issues.
- Ensuring that fees and charges set do not prevent access to services for the less well-off members of the community, but contribute appropriately to funding services that have an element of private benefit.
- Managing changes in Council policies so that the impact of change can be assimilated gradually.
- Keeping business rates competitive, to attract new business and not impede existing business.
- Ensuring that the policies allow Council to generate sufficient funds to meet its current and future needs.
- Balancing a rate based on capital or land values related to asset ownership, to fund services for the public that are not related to property ownership.

## Summary: How Council Services are Funded (after any external funding sources)

Activity Group	Activity	Fees & Charges	District wide rates		Rates based on location or availability of service	
			UAGC	Capital Value	Uniform Charge	Land Value
Community Leadership	Council Governance		100%			
	Community Boards				100%	
	Economic Development		100%			
	Community Development		100%			
Roading	Roading (balance after NZTA subsidy)			37%		63%
	New footpaths				100%	
	Main Street upgrades		20%			80%
	Balclutha & Milton Lawrence & Tapanui		20%		80%	
Water Supply	Urban Water Supply				100%	
	Rural Water Schemes				100%	
Sewerage	Sewerage				100%	
	Treatment Upgrades			10%	90%	
	Benhar & Tokoiti Capital			10%	90%	
Stormwater	Urban Stormwater				100%	
	Rural Stormwater					100%
Solid Waste Management	Waste Collection & Disposal	30%			70%	
	Waste Minimisation		100%			
	Closed Landfill Remediation		100%			
Community Services	Libraries	5-10%	90-95%			
	Service & Information Centres	5-10%	90-95%			
	Swimming Pools	15-25%	25-30%			50-55%
	Parks, Playgrounds & Reserves		35%			65%
	Sportsgrounds	3-7%	30-35%			60-65%
	Halls & Community Centres	12-18%	25-35%			50-60%
	Community Housing & Other Property	100%				
	Public Toilets		100%			
	Cemeteries	35%	65%			
Cross Recreation Centre					100%	
Regulatory & Emergency Services	Resource Management	20-40%		60-80%		
	Animal Control	95%	5%			
	Environmental Health	10-15%	85-90%			
	Building Control	80-90%		10-20%		
	Liquor Licensing	100%				
	Civil Defence Emergency Management		100%			
	Rural Fire		35%			65%