



Hurunui Long Term Plan

2018 - 2028

Part I



HURUNUI
District Council

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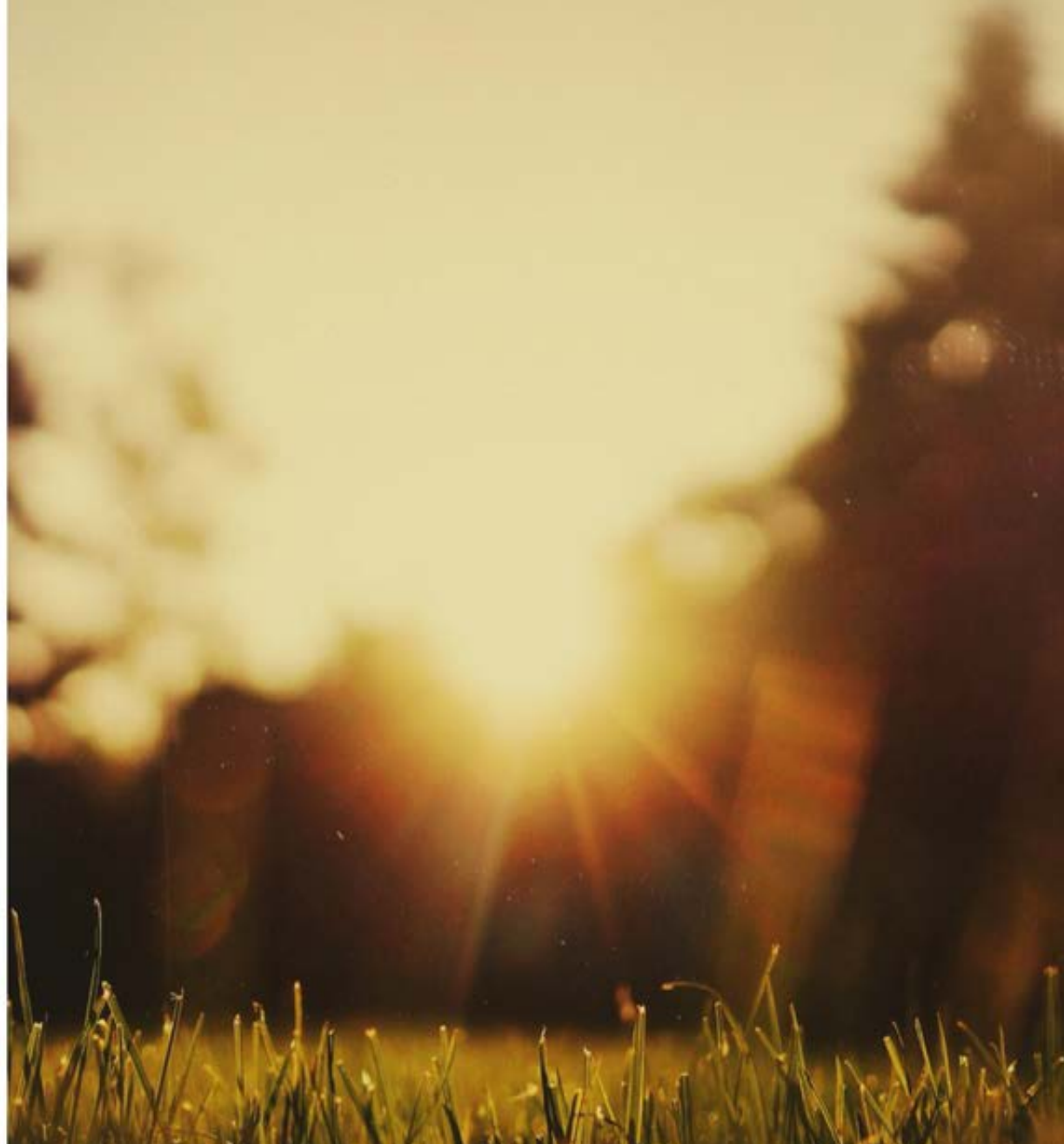
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Message from the Mayor

This is the Hurunui District Council's long term plan for the years 2018 to 2028. We have taken several months to develop this plan to make sure that it was fit for purpose, sustainable, affordable and delivers services and facilities across the Hurunui district for all of our communities.

The November 2016 earthquake has had a significant impact on our long term plan. The severity of the earthquake caused devastation for many, and has had a negative financial impact on your Council and, ultimately, you as a ratepayer. Thankfully, because of our responsible approach to our financial management in the past, we consider that we are in a good position to manage the impact going forward.

After receiving grants and payments from insurance, government agencies and various funding organisations, we will be left with approximately \$3.2 million to fund ourselves. While much of the repair work has already been done there is still more to do. This unexpected and unplanned debt has strongly influenced our thinking across a range of services in terms of what we can afford and the time-frame for the repayment of this debt.

As a result, the overall rate increase we have arrived at is higher than we had predicted in our 2015/25 long term plan. Before agreeing to this increase, we thoroughly explored our expenditure and debt levels, as well as reviewing the type of rates to apply (general rates versus targeted or amenity rates, capital or uniform charges, and the number of years to spread the rate over).

The overall rates increase after growth will be 8.0% in 2018/19; 6.0% in 2019/20; 5% in 2020/21, 2021/22 and 2022/23; and 3.0% for the remaining 5 years of the Long Term Plan. This does not take into account the variations due to targeted rates. The amount you pay will depend on not only the general rate but the services that may be unique to your particular township or area.

The capital works programme for our infrastructure services has been carefully re-assessed to balance affordability and debt, with the continued delivery of critical services. We have taken a great deal of time to critically examine our budgets to ensure that we are not placing unfair financial expectations on you, but at the same time, continue to deliver the services we have a responsibility to deliver.

We believe that our resulting plan has been well thought out and, while it deals with our unplanned new debt, it still focuses on a business as usual approach. It also includes the major projects that we have been planning for a number of years, such as meeting the New Zealand Drinking Water Standards. We have been working toward this and talking to you since 2012 and finally the work begins in earnest in year three of this plan. This costly exercise will meet legislative requirements to ensure that our

water supplies are compliant. [Refer to the Council Activities section, Water Supplies]

The plan also deals with a number of new rates and new proposals. Key issues for the plan included the funding of the following:

1. Earthquake debt
2. Earthquake prone building strengthening
3. Footpath maintenance
4. Roothing programme
5. Amberley swimming pool

In addition, we worked our way through the funding of many smaller community projects such as the upgrade of the Hanmer Springs Domain, the sealing of the Leithfield Beach tennis courts, assisting the Hurunui Trails Trust and the usual work programmes we have in place. More information is available in the 'Key Issues' section of this plan.

Before the draft Long Term Plan was developed, we cultivated our own strategic direction based on what we considered important to us and our communities. Through this process we established a new mission, vision and objectives to focus on [refer to page 4]. We have been mindful of our strategic direction as we developed the long term plan.

The rating changes will affect some people more than others depending on which ward people live in and the targeted rates that apply. Although the rates have increased from our historically low levels, we are still confident that the Hurunui district will remain an affordable place to live and that our debt will be responsibly managed into the future.

Our grateful thanks go to the many people who have been involved in the development of this plan.

Members of our local committees and the Hanmer Springs Community Board, the many people who submitted to the draft long term plan, and those of you who talked to us at one of our community events – you have all contributed in some way and given us the confidence with our decisions and the way forward.

Mayor Winton Dalley



About the Plan

Introduction

The Local Government Act 2002 requires all councils to have a Long Term Plan (LTP), hence this document.

This plan is the combined effort of Council and the district's community. Many of our sub committees have been actively involved in preparing plans for their townships and wards and their efforts are reflected in this plan. So are the views of the many individuals who told us what they consider to be important for the future of our district. Many people have put considerable numbers of hours into the development of this plan. The plan covers a 10 year period from 1 July 2018 to 30 June 2028 with particular emphasis on the first three years of the plan.

Reviewing the Plan

We have a LTP in place at all times, but it is updated and revised every 3 years. Making a submission to our LTP when we review it is one of the main ways you can influence what the Council does.

In the years between each LTP review, we prepare an Annual Plan which focuses on the budgets of the particular year of publication. The annual information is from the LTP but revised to reflect changes that may have occurred since the LTP was confirmed.

Changing the Plan

If any significant changes need to be made to the LTP before it is formally revised at each 3 year interval, the proposed changes will be publicly notified to give anyone affected an opportunity to have their say before the Council decides whether or not to make the proposed changes.

Our 'Significance and Engagement Policy' guides us in determining the importance of an issue and the possible impact on the community and when to consult with the public. When an issue is deemed significant, we will consider how best to consult you.

Monitoring the Plan

At the end of each financial year (30 June), we prepare an Annual Report. This report is to record our performance against what we said we were going to do and spend in that particular year. The Annual Report is our record of accountability and is published in November each year.

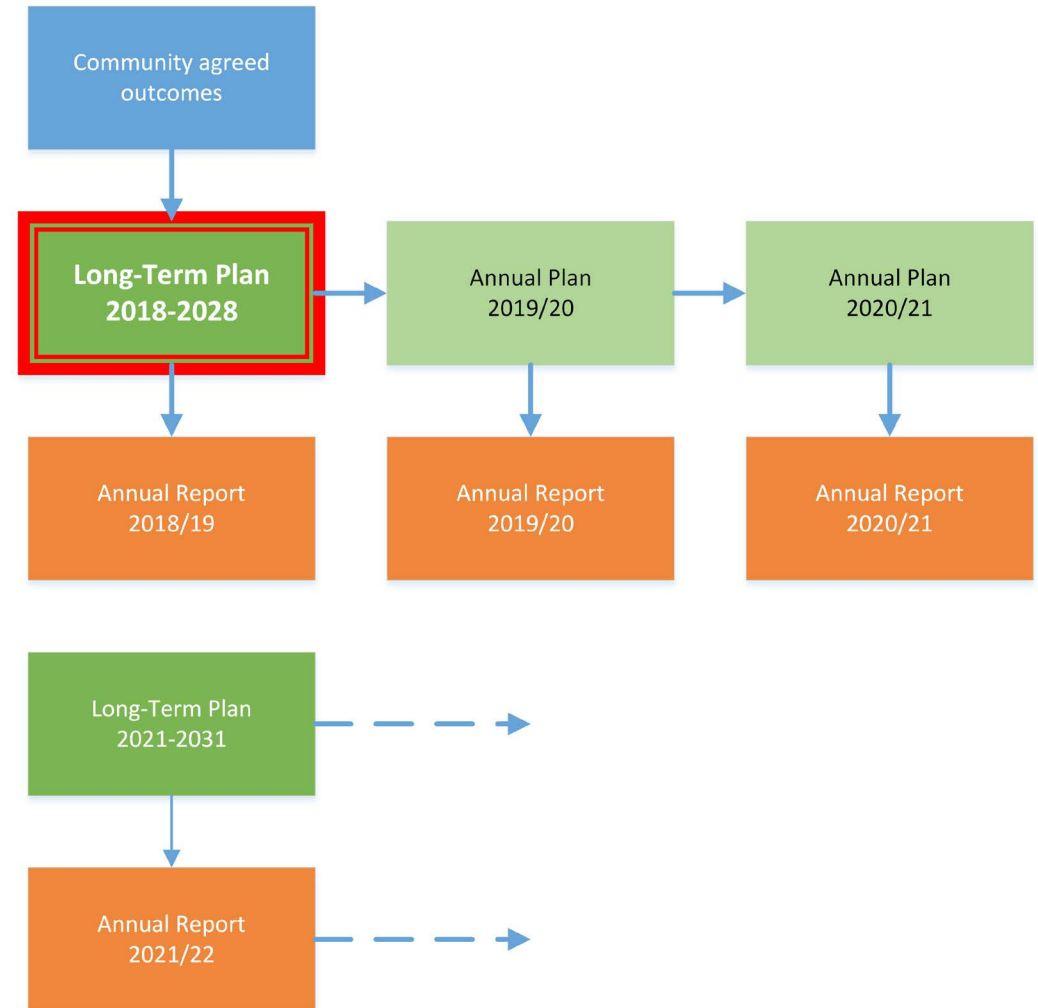
The Plan does not include GST

When reading this document, please be aware that all of the figures quoted in the LTP are GST exclusive except the 'Statement of Rating Policy' and the 'Development Contributions Policy'.

Inflation

The plan has been developed on an inflation adjusted basis to comply with accounting standards. Details of the inflation assumptions used are included in this Plan.

Planning and reporting - three year cycle



Our vision

Our mission:

To promote the well-being of Hurunui people, businesses, visitors and environment by providing planning, infrastructure and services that are efficient, effective and appropriate to our Hurunui community.

Our vision:

Hurunui is a contented and prosperous community.

Focus Areas

1. **One Hurunui:** Strengthen Hurunui's identity, support communities to realise their aspirations, deliver infrastructure and services equitably across the Hurunui district, encourage the Hurunui district to work together for a successful future. This is the 'one Hurunui' approach.
2. **Growth:** Facilitate appropriate and sustainable growth to attract people, businesses, services and tourists while maintaining the rural character of the Hurunui District and the individual flavour of our various townships.
3. **Communication:** Improve our communication to tell our stories, inform and listen to our communities, and promote the district to New Zealand.
4. **Finances:** Shape our financial strategy to support Hurunui's future and our long term objectives and plans in an affordable and sustainable manner.
5. **Relationships:** Build strong, productive relationships with our communities, Ngai Tahu and other key stakeholders to foster better understanding and facilitate change when it becomes necessary, and to work through contentious issues.

The key issues

During the development of the long term plan, the Council consulted the public on five key issues. These have since been decided on. An outline of each issue and the Council's decision for each is given in this section.

1. Earthquake Debt

The 14 November 2016 Hurunui/Kaikoura earthquake centred close to Waiau, had a severe impact on the Hurunui district and its residents. The consequence of the damage and subsequent repair to council owned infrastructure including roads, bridges, water pumps pipes and buildings left the Council with a total debt of approximately \$3.2 million. This is the estimated balance after insurance payouts, government assistance and external funding was provided.

Breaking the \$3.2 million down looks like this:

- The debt as at 30 June 2018 was approximately \$2.3 million.
- With further work to be carried out in 2018/19 on bridges and utility assets, the debt is forecast to be \$3.2 million as at 30 June 2019.
- The net cost of the earthquake repairs for 2018/19 will be \$1,156,000. This is made up of an estimated \$4,618,000 on bridges and \$833,000 on water supplies, with funding from insurance process and NZTA subsidies estimated at \$4,295,000.

Although the majority of the earthquake damage has been assessed and repaired, calculating the exact debt balance is not possible until all the repair work has been done. It is still possible that there is more damage that has not yet been identified, and we will continue to update our assessments of the extent of damage but based on our best information, we do not expect the final result to be far off the estimated \$3.2 million. It needs to be emphasised that this is our best estimate at this stage. Fortunately the Council's financial situation was solid and robust and the resulting unexpected debt is manageable. It is particularly important that we repay this debt without causing an undue additional burden to our ratepayers.

Rates will need to be used to pay off the earthquake debt. The Council has confirmed its proposal to create a new district wide rate across the district so that all ratepayers contribute toward the repayment of the earthquake debt to spread the financial burden over a 10 year period. This proposal received support from the community.

The new rate is:

- District wide
- \$62.08 per property per annum for 10 years from 2018/19

2. Earthquake Prone Buildings

In recent years, earthquake standards for buildings have been tightened up, particularly post the Canterbury earthquakes in 2010 and 2011. The Council owns 50 buildings throughout the district that were built before 1976 (before earthquake standards were established) and are potentially earthquake prone according to the National Building Standard.

The new legislation is still in the process of defining an earthquake prone building, but at this stage it certainly appears that we will need to address this issue within 15 years. New Zealand is categorised into areas of high, medium and low seismic risk. The timeframes for strengthening earthquake-prone buildings is 15, 25 and 35 years, depending on the seismic risk of the area. Hurunui is in the highest seismic risk zone and therefore will have shortest timeframes.

The process to assess the strength of each building, identify what works are needed to bring them to the required code, complete the actual strengthening work, and to work this through on a priority basis, is lengthy and costly. The total cost has not yet been estimated, but is expected to be several million over a number of years. This does not relate to actual earthquake damage to a building. This is a separate issue.

The Council has confirmed its proposal to charge a new district wide rate for earthquake prone building work. This new rate will fund the assessments, feasibility studies (where needed) and the strengthening work. The assessments will provide a fuller picture of needs and costs. This will likely result in community discussions to work through some of the resulting decision making about public buildings and their future.

The new rate will be phased in at a lower rate for the first 5 years, and increased for the next 5 years. The financial burden will be shared across the whole district so that everyone contributes to repaying the debt over a short period of time. A total of \$3.5 million will be collected through rates over the 10 year period from the 2018/19 year. This proposal received support from the community.

The new rate is:

- District wide
- \$27.75 per annum per rateable property for 5 years from 2018/19
- \$66.95 per annum per rateable property for 5 years from 2023/24

3. Footpath Maintenance

In 2017 an extensive footpath survey was undertaken in the district to provide information about the state of our existing footpaths. No such overarching information existed previously as footpaths have always been treated as a

local amenity, and decisions made about them have been made by local ward/ community committees and the community board for their particular wards.

The survey revealed 969 faults impacting on almost 5,500 square metres of footpaths in total. Many of these faults are potential trip hazards. Although amenity rates are collected for footpaths, most of this fund has been aimed at expenditure for new footpaths. The survey identified maintenance work to cost an estimated \$1,296,340.

The Council agreed that the decisions around new footpaths should be made locally, but once established, the maintenance should be managed as a district asset and charged as a district rate. This will enable efficiencies in managing the extensive maintenance programme now and in future. It also respects that local committees and the community board are performing an important role in understanding their communities' needs and determining affordability aspects against needs.

The Council confirmed its proposal to establish a new district wide footpath maintenance rate to fund all of the maintenance costs of footpaths throughout the district as well as they trip hazard elimination work programme. A differential rate is to be charged so that urban areas will pay 80% of the rate and rural areas will pay the remaining 20%. To help pay for this new expenditure, the current roadside construction rate will be suspended for at least three years and any new or renewal work on footpaths and streetlights will be funded by the existing roadside construction funds that have built up, or a local targeted rate from year four of the long term plan. This proposal received support from the community.

Townships that have no footpaths (Scargill and Motunau for example) will be excluded from the urban footpath maintenance rate but still be required to contribute at the rural footpath maintenance rate.

The new rate is:

- District wide
- \$39.80 per urban property per annum from 2018/19 ongoing
- \$8.07 per rural property per annum from 2018/19 ongoing

4. Road Funding

The funding for the district's local roads comes from two main sources – rates and government funding through New Zealand Transport Agency (NZTA). Each three years, NZTA confirms the amount it will fund each Council, which is dependent on the road programme in place and the amount of funding available. NZTA has indicated that it will fund 51% of our roading programme for the next three years, but there are a number of issues associated with this.

Firstly, NZTA will not be in a position to confirm the funding available until July 2018. For the Council, this is a problem as this is after we have confirmed our budgets.

The new government is setting its priorities for transport across New Zealand, and there is a risk that NZTA may not receive the funding earlier indicated by the previous government. In short, there is no guarantee of what share of funding we will receive until we get confirmation.

Secondly, the funding we receive is conditional to the Council contributing the remaining 49% of our roading programme.

When we consulted on the draft Long Term Plan (LTP) in April, the Council had based its budget on our activity management plans for roading. The overall subsidised roading programme totalled \$99,448,628 over the ten-year period. For year 1 of the LTP, the subsidised roading programme was budgeted at \$8,726,600, which was \$1,452,612 greater than what we had budgeted for in the 2017/2018 Annual Plan. This meant that we had little option but increase the rates to fund our share of the increased subsidised roading programme. As a result, the draft LTP allowed for an 8.5% overall increase to rates.

In early May, NZTA advised us of their indicative roading programme for the three-year period from 2018 to 2021. Based on this, the subsidised roading programme for the full ten year period of the LTP has been reduced to \$91,075,657 an overall reduction of \$8,372,971. This is still a significant increase from what we planned in the 2017/2018 Annual Plan although less than the draft LTP. To still fully fund the Council's local share (49% of the programme), still means a large increase in the rates we charge for roads, but is less than we had indicated during the consultation period on our draft LTP.

For the ten-year period, Council has budgeted to receive a total of \$42,430,609 in roading rates, which is \$155,792 greater than what was allowed for in the Draft Long Term Plan. For the 2018/2019 year, the roading rate has reduced from \$3,584,216 to \$3,426,288 and has allowed the Council to reduce the overall rates increase from 8.5% to 8.0%.

In the last Long Term Plan (2015/25), the combined NZTA and Council share fell short of the money required to maintain our roads in accordance with our asset management plan. This caused us to seriously consider how long we could 'sweat' the assets and hold off some maintenance for as long as possible. Over time, this would cause problems as work needing to be done would accumulate and become more difficult to fund. As the subsidised roading programme has now been budgeted at a lesser amount than the Asset Management Plans for Roading indicate, Council will still have concerns about the ability to meet ideal levels of service over time. This is an area where we will continue to monitor the impact of having a lower budget to maintain our roads and to weigh up the consequence of possibly having to charge a higher rate in the future. This will be an issue when we next review our LTP in three years' time.

In addition to the funding discussed above, the Council has rated properties for emergency work on our roads in the case of damage caused by severe weather or

natural events (such as floods and slips). This rate had collected a total of \$250,000 each year. In light of the new increased roading rate, the Council decided to discontinue this rate from 2018/19 to lessen the impact of the new rate. In the event of needing additional funds for emergency work, this will be debt funded.

In summary, following consultation and considering the submissions received, the Council decided:

- Accept the full NZTA funding available to the Council on the indicative work programme.
- Remove the rate totalling \$250,000 for emergency roadworks reinstatement from 2018/19.

The new rate is:

- To collect \$3.4 million in 2018/19; \$3.2 million in 2019/20; and \$2.8 million in 2020/21 via a capital value rate.

Because the actual rate for each property will differ depending in the capital value of the property, a couple of examples are provided below:

- A property with a capital value of \$250,000, the roading rate will be \$144.50 (up from \$137.82 charged in 2017/2018).
- A property with a capital value of \$1,000,000, the roading rate will be \$578.02 (up from \$551.28 charged in 2017/2018).

5. Amberley Swimming Pool

The Amberley pool has been the subject of much discussion over the past decade, with a community desire to have a recreational swimming pool facility that is heated, covered and operational all year round. After considering specialist reports and options for newly built and renovated pools, the Amberley Ward Committee recommended to the Council that a new pool be built rather than attempt to update or modernise the current pool.

The Amberley swimming pool is over 90 years old and thought to be at the end of its useful life. Although still operating, this is the result of being carefully nurtured and continually repaired. The pool is unheated and although indoors, the roof is clear plastic to allow light into the pool so that the sun can heat the water. When there is no sun, the water temperature and the inside of the facility is cold. When it is sunny, non-swimmers and the life guards have to tolerate the discomfort of a very hot, humid environment – much the same as being inside a glass house. The pool does not meet today's swimming pool standards or modern day expectations of a public swimming pool.

In the 2015-2025 Long Term Plan, the Council had set aside \$4.5 million in the 2018/19 budget, conditional to \$1.75 million being fund raised to offset a portion of the cost. Therefore, \$2.75 million would be met by the ratepayer instead of

the full amount. Around \$100,000 was allowed for a deficit in operating costs per annum from 2019/20 to be met from Amberley Ward ratepayers. Recent estimates have suggested that a minimum of \$568,000 per year should be allowed for operating costs to run the pool all year round. With income deducted from the \$580,000, this would leave a deficit of about \$289,300 compared to the \$100,000 previously budgeted.

The cost has been of huge concern for the Council because of the small population to fund the pool, and the fear that the operating costs could well exceed our best estimate at this time. To build a \$4.5 million pool with year round operating costs, the annual rates worked out to around \$200 per rateable unit in the Amberley Ward until the capital to build the pool was repaid. Then the operating cost of around \$120 per year per property would continue infinitum. To add to the concerns about affordability, the Amberley pool fundraising committee has raised approximately \$100,000 which falls far short of the agreed \$1.75 million.

Many hours have been spent trying to find a way forward without placing excessive burden of cost on our ratepayers. The Council proposed a staged approach over an indefinite number of years to ultimately achieve an all year, heated, covered swimming pool as an affordable option. The proposal was to fund the first stage to build a heated, outdoor swimming pool facility to meet today's standards and to be paid for by the Amberley Ward ratepayers.

The proposal was for two pools - a 25 metre, lane pool as well as a learn-to-swim pool. This stage was to be a summer only pool without pool staff and suggested that pool access would be via key purchases or season passes (in the way many school and community pools are accessed). This was based on an expectation that there would be serious community involvement with this first stage of the pool to keep the operating costs down. The second stage was to build the pool surrounds (walls and roof), and to operate it as a staffed public swimming pool on a longer basis and perhaps all year. The timing depended on available funding and growth of the Amberley area to pay the rates for an all year round pool.

The staged option was preferred by the Council because it was affordable and provided the community with a modern swimming pool quickly, while at the same time, future proofing the facility. But, this stage was not supported by the community. Many submissions were received, including many from Amberley school children.

Council decision

Most of the submissions were against the Council's proposal to stage the new pool and for it to be run as a community pool with no lifeguards. Some submissions suggested the Council relooks at the possibility of renovating what

we have. The Council decided to retain the \$1,500,000 in the budget. Of that, \$50,000 is in the 2018/19 year to employ professionals to investigate whether or not it is worth renovating the existing pool. The remaining \$1.45 million is to be spent in 2019/20 to undertake the renovation work if that is supported by the investigation. Once the investigation has been completed and the Council and the Amberley Ward Committee agree on the best course of action, further engagement with the community will be done before any actual work on the pool is undertaken.

The new rate is:

- The same as the current rate. Continue to collect \$64 per year per property for the capital cost of the pool; and approximately \$25 per property per year for the operating costs.
- Amberley Ward ratepayers only.

Other Issues

Although not key issues, there were a number of other issues our communities felt passionate about and spurred many to submit on. These are outlined below with the Council's decision for each.

Hurunui Trails Trust

The Hurunui Trails Trust is a charitable trust formed in 2009 to develop various cycling trails around the Hurunui district. Up until 2017/18, the Council provided support in kind through staff time for secretarial support. The trust requested \$40,000 toward the cost of a paid coordinator's salary and general administration. This received strong support by submitters.

The decision:

- The Council agreed to grant the Trails Trust \$40,000 of the economic development expenditure for three years and then to re-evaluate. (The Council has an annual fund of \$100,000 for 'Economic Development Expenditure'.)
- No impact on rates.

Hanmer Springs Sports Domain

Development contributions have been collected from Hanmer Springs toward improving the sports pavilion. In the 2015/25 Long Term Plan, the Council had set aside \$400,000 for this purpose. This had been decreased to \$299,000 in the 2018/28 Long Term Plan based on strengthening work and some minor improvements.

There was strong support from users of the sports facility to return the budget back to \$400,000 to do a more substantial improvement including the toilet facilities. The Council, with the Hanmer Springs Community Board's support, agreed to do this.

The decision:

- Increase in the project cost in Year 4 moves from \$299,000 to \$400,000 (plus inflation).

- Continue to collect development contributions for this project.
- Increase in the Hanmer Springs Ward amenities rate.

Leithfield Beach Tennis Courts

In the 2015-2025 Long Term Plan, \$74,000 was set in the budget to resurface the Leithfield Beach tennis courts in the 2018/19 year. This was going to be funded by a new targeted rate for properties in the Leithfield and Leithfield Beach townships. Recent cost estimates rose substantially and the Council agreed to remove the budget from the 2018/2028 Long Term Plan and to test what the Leithfield ratepayers wanted to do. Residents were asked whether they wanted to proceed with the plan to seal both courts, or to seal one court. The community indicated strong support for both courts to be resealed.

The Council decided to allow for \$88,000 for the cost of resealing both courts in 2018/19 and for this to be repaid over 10 years.

The new rate is:

- \$31.12 per property per year for 10 years from 2018/19.
- Leithfield and Leithfield Beach ratepayers only.

Unsealed Roads

There were a number of submissions requesting that the Council seal their unsealed roads. Submissions in respect of Maskells Road, Amberley were the most popular but some other roads were also mentioned. Most talked about the safety of the road. The Council decided to retain their Road Sealing Policy which is for ratepayers to pay for the sealing of roads, therefore did not agree to seal them. The Council did request that these submissions get referred to the Hurunui Road Safety Committee for consideration of the safety issues. No rate impact.

Amberley Beach Foreshore Protection

Ratepayers of Amberley Beach have been contributing an annual rate of \$175 each towards the maintenance of the bund on the beach which protects property from sea incursion. The Amberley Beach Residents' and Ratepayers' Association has asked the Council to increase the targeted rate from \$175 per property to \$220 per property with an inflation adjustment made to the rate thereafter.

In November 2017 a letter was sent to all Amberley Beach ratepayers outlining a proposal to increase the targeted rate. The letter explained that the rate had not been increased for a number of years and does not meet the cost of re-nourishing and maintaining the bund any longer. The Association supported the need for an increase to the targeted rate. The Council agreed (with support from the Amberley Ward Committee) to increase this targeted rate.

The new rate is:

- \$220 per property per annum from 2018/19, ongoing.
- Amberley Beach ratepayers.

Financial strategy

Executive summary

The Council had determined its Strategy in July 2017 with Finance being one of the five key focus areas.

Key factors for our financial strategy

In context of the Council's strategies, the Council has stated that our financial strategy supports the Council's strategic direction and the sustainable, affordable delivery of services and facilities.

The Council's key funding mechanisms are:

- Rates, both District Wide and Targeted rates
- The appropriate use of the surpluses derived by the Hanmer Springs Thermal Pools and Spa
- Funding of Depreciation including the continued funding of depreciation on the Council's Three Waters Assets which began from 2015.
- The use of the debt, both internal and external.

With the 2015-2025 Long Term Plan, the Council undertook a process of ensuring that the current infrastructure remained affordable to all consumers. The decision to cap rate increases at 6% per annum for the first five years of the plan and then a 3% increase for the remainder of the plan. After consultation, these increases were accepted by the community. Since adopting that LTP, new pressures on Council rates have emerged in the preparation of the 2018-2028 LTP. Council has a shortfall in funding the response and reinstatement costs of the November 2016 earthquakes. In addition, Council is planning for an increased work programme for roading to meet the levels of service set out in the Asset Management Plans. With these pressures in place, the Council has determined that the rate increase limit for 2018/2019 (Year 1) will be 8.5%; 2019/2020 (Year 2) will be limited at 6.5% and the remainder of the LTP, the limit will be at 5.0%. The adopted budgets have set the rate increases at: 8.0% for year 1; 6.0% for year 2; 5.0% for years 3, 4 and 5; and 3.0% for the remainder of the ten-year period.

We intend to maintain our levels of service in most areas. For roading, the Council proposed an approximate increase of \$1.5 million to its work programme to meet the current levels of service. This increase needed to be supported by the New Zealand Transport Agency along with the rating input to cover the local share of the cost. Confirmation of the roading programme will not be available until July, however, Council did receive an indicative programme in May, which allowed for an increase in funding from the 2017/2018 year.

With regards to improving drinking water levels, treatment of sewage and developing some community facilities, we will be in a position to improve the levels of service that we are currently providing. We also aim for continuous improvement to our customer service.

We continually review funding options available. The use of the internal financing structure allows communities to carry out required capital expenditure and manage the cost of those works over a longer period rather than requiring the current generation of ratepayers to fund the cost of long term assets. This coupled with the requirement to fund the cost of depreciation for water and sewer through rates will allow a smoothing effect on rates and allows communities to start setting aside funds to meet the capital projects for the future.

The Hanmer Springs Thermal Pools and Spa is a successful Council owned business and we proactively use the profits to offset costs relating to the reserves in the District, which results in lessening the rating burden because many of these costs in reserves would need to be funded by rates.

Our financial position at the start of the LTP Period

Our financial position at the start of the LTP period is set out in the 2017/2018 Annual Plan but amended where reforecasts (particularly around Earthquake Recovery work) were appropriate. The key numbers are shown below:

- The total rates were set at \$17.6 million; of which \$7.2 million are in District Wide rates and \$10.4 million are in targeted rates.
- Total income from non-rate sources was \$32.5 million, which includes \$12.5 million in gross revenue derived from the Hanmer Springs Thermal Pools and Spa.
- Total Operating Expenditure is forecast at \$48.9 million and Capital expenditure for the 2017-2018 year is expected to be \$17.0 million.
- External Debt is forecast to be \$30.0 million at the end of June 2018.
- Internal Debt is expected to total \$30.9 million as at 30 June 2018.
- Total Assets is forecast to be \$454 million as at 30 June 2018, of which \$358 million related to our infrastructure.

Our financial position at the end of the LTP Period

At the end of the LTP period, our position is forecast as follows:

- Total rates revenue of \$28.9 million; of which \$13.0 million are in District Wide rates and \$15.9 million are in targeted rates.
- Total income from non-rate sources is expected to be \$32.2 million, which includes \$19.6 million in gross revenue derived from the HSTP&S.
- Total Operating Expenditure is forecast at \$53.9 million and Capital expenditure for the 2027/2028 year is expected to be \$16.2 million.
- External Debt is expected to be \$32.5 million at the end of June 2028.
- Internal Debt is expected to be \$34.9 million by the end of June 2028, with key

External debt on Water Supplies (\$30.4 million) and Sewer (\$13.2 million).

- Total Assets as at 30 June 2028 is forecast to be \$585 million, of which an estimated \$475 million relates to infrastructure.

Rates, Increases and Limits

Council has set a policy for limits to rate increases (after allowing for an assumed amount of growth) will be:

- 8.5% for 2018/2019 (Year 1)
- 6.5% for 2019/2020 (Year 2)
- 5.0% for 2020/2021 (Year 3)
- 5.0% for the remainder of the LTP

These limits are higher than what was adopted in the 2015-2025 Long Term Plan but pressures placed on Council as a result of the Hurunui-Kaikoura Earthquake sequence in November 2016, the need to address Earthquake Prone Buildings and the increased rating input to meet the increased roading programme has meant that Council has needed to re-assess the limits placed on rates increases for the next ten years.

The final budget shows that the growth adjusted rates increases will be:

- 8.0% for 2018/2019 (Year 1)
- 6.0% for 2019/2020 (Year 2)
- 5.0% for 2020/2021 (Year 3)
- 5.0% for 2021/2022 (Year 4)
- 5.0% for 2022/2023 (Year 5)
- 3.0% for the remainder of the LTP

Because of our rating structure, the overall increase in rates will not be consistent for each property throughout the district. It will depend on the targeted rates that are charged to that particular property and also the capital value of the property.

External Debt and Limits

The Local Government Act also requires us to set a limit on our external debt levels. These debt levels are set out in our External Liability Management Policy, which forms part of our Treasury Risk Management Policy. The limits are based on ratios centered on the level of income and are still lower than what is considered standard for the local government sector.

The Policy allows for four key ratios that the Council needs to meet:

- Total Debt is no more than 100% of Total Income (excluding Development Contributions and Vested Assets Income)
- Total Debt is no more than 10% of Total Equity
- Total External Interest Cost is no more than 6.25% of Total Income (excluding Development Contributions and Vested Assets Income)
- Total External Interest Cost is no more than 12.5% of Total Rates

These ratios have remained unchanged from the 2015-2025 Long term plan.

Based on the budget information for the LTP, the Council will not exceed any of these limits over the period of the LTP.

Implications of the Council's Financial Strategy

The Local Government Act requires us to assess whether we have the ability to provide and maintain existing levels of services and meet additional demands for services within the rates and debt limits as set out within the financial strategy.

Council will be reliant on the level of funding provided by New Zealand Transport Agency to ensure that the levels of service are maintained for the roading network. The budgets have proposed an increase to the roading programme to meet the levels of service and the NZTA subsidies and the Council's rating input are critical to ensure that programme is achieved.

For the three waters assets, as part of the development of the Infrastructure Strategy, the focus has moved from determining renewals on an age basis to a performance based approach. This means that assets, which have reached the end of their theoretical useful lives, may not necessarily be replaced if the asset is still performing effectively. Council has allowed for an unallocated level of renewals for the three waters throughout the Long Term Plan budgets. Should the renewal requirement be significantly greater than the level allowed for, Council will need to consider the funding options available (which may include extending debt levels) as necessary.

We are not contemplating taking on debt greater than \$45 million and the maximum amount of interest expected to be charged on the external debt is budgeted at less than \$2.18 million. Therefore, with the exception of the roading network due to circumstances outlined earlier and the need to prioritise the renewal programme for our three water assets, our assessment is that we do have the ability to maintain the existing levels of service and to meet additional demands for service within those debt limits.

Council strategy

The Council had confirmed its Strategy in July 2017. The Strategy provided for five key focus areas:

- One Hurunui
- Growth
- Communication
- Finances
- Relationships

Finances is the key focus area relating directly to the Financial Strategy. The Council Strategy goes on to state:

Finances: Our financial strategy supports Council’s strategic direction and the sustainable, affordable delivery of services and facilities.			
Ensure financial policies and strategy provide communities with good, affordable infrastructure and services	Reflect prudent financial, debt and risk management in financial policies and the financial strategy	Recognise the importance of the HSTPS to the financial wellbeing of the Hurunui	Strengthen the financial literacy of council, staff and committees
<p>Summary of elected members aspirations:</p> <ul style="list-style-type: none"> • Manage and reduce debt • Provide affordable infrastructure and services • Ensure the financial strategy supports Council’s strategy and plans • Nurture the importance of HSTPS to the district and to offset debt • Create efficiencies to reduce the opportunity for wastage or double ups 			

Key factors for our financial strategy

In context of the Council’s strategies, the Council has stated that our financial strategy supports the Council’s strategic direction and the sustainable, affordable delivery of services and facilities.

The Council’s key funding mechanisms are:

- Rates, both District Wide and Targeted rates
- The appropriate use of the surpluses derived by the Hanmer Springs Thermal Pools and Spa
- Funding of Depreciation including the continued funding of depreciation on the Council’s Three Waters Assets which began from 2015.
- The use of the debt, both internal and external.

We want to ensure that our infrastructure and services remain affordable

With the 2015-2025 Long Term Plan, the Council undertook a process of ensuring that the current infrastructure remained affordable to all consumers. To achieve this, a district wide structure to the rating for water and sewer was adopted, where all consumers will pay the same rate for the same service throughout the district. This was also coupled with a decision to cap the rate increase to 6% per annum for the first five years of the plan and then a 3% increase for the remainder of the plan. After consultation, these increases were accepted by the community.

Since adopting that LTP, some of the pressures on Council rates has not changed. The issues around compliance with drinking water standards and increased environmental standards for sewage treatment and disposal remain at the forefront and the Council’s capital programme still reflects these key projects.

New pressures on Council rates have emerged in the preparation of the 2018-2028 LTP. Council realised and continues to realise a shortfall in funding the response and reinstatement costs of the November 2016 earthquakes. In addition, Council is planning for an increased work programme for roading to meet the levels of service set out in the Asset Management Plans.

With the 2018-2028 Long Term Plan, the Council will continue to manage debt appropriately, through fully (or staged) funding of depreciation on the three waters assets and also continue the staged approach to the change to the use of the surpluses derived from the Hanmer Springs Thermal Pools.

We want to maintain or improve our current levels of service

We are committed to maintaining our levels of service. In some areas, we intend to increase the levels of service, through:

- Complying with the increased Drinking Water Standards
- Improving the treatment of sewage, particularly in Hanmer Springs
- Improving management and maintenance of stormwater throughout the District
- Carrying out a comprehensive repair programme to all footpaths throughout the District to eliminate trip hazards.
- Increase the work programme of the roading network with assistance from the New Zealand Transport Agency (NZTA).

The use of our key funding arms

We have various arms to our funding structure to meet the operating and capital expenditure planned for the period of the LTP.

1. Rates

Under the Local Government (Rating) Act 2002, we have the ability to set rates to fund the activities we undertake. The way we set our rates is set out in the Funding Impact Statement and Rates System section.

This Financial Strategy also sets out requirements for us to place limits on rate increases and this is discussed further below.

2. Appropriate Use of the Hanmer Springs Thermal Pools and Spa Profits

The 2015-2025 Long Term Plan proposed a change to the direction of the financing of the HSTP&S, by promoting the ability for some of the surpluses to be used to repay internal debt and by doing so, would assist in the Council reducing its external debt.

The results recorded for the past three years has proved that the debt levels for the HSTP&S has reduced, but this has been achieved by Council using retained earnings from past years to fund the shortfall between the desired level of Reserve Expenditure being funded and the dividend received from the HSTP&S. In the 2015-2025 LTP, it was planned that from the 2018/2019 year, that the Council would gradually fund those reserve costs from rates. This intention has not changed in the 2018-2028 LTP.

3. Debt

Council had developed an internal financing structure to provide a consistent approach to funding capital expenditure across the organisation. This system is important to enable communities to access funding to undertake capital expenditure projects rather than being required to fund such project through other sources, such as rates. Our Internal Financing Policy is fully discussed in this Long Term Plan.

The structure is based on individual activities essentially holding its own bank account. Income (rates, development contributions, etc.) are deposited into the account and expenditure, both operating and capital, is withdrawn from the account. Like other bank accounts, the account can be in funds or overdrawn. When the balance is in funds, we pay an amount of interest and if the balance is overdrawn, then that activity pay interest to us.

The result is that communities are able to undertake capital expenditure projects by allowing the capital balance to go into overdraft. This allows those communities to spread the cost of required capital work over a period of time, rather than having to fund it entirely in the year that it is incurred. This has the effect of applying the cost of some capital works to the generations that will benefit from it, rather than placing the cost purely on the existing ratepayers.

For utilities, the requirement to fund depreciation through rates provided the debt repayment amount, whereas those activities where depreciation is not funded, there is the requirement for the community of interest to increase the rates to cover debt repayments and make provision for future renewals or replacement of those assets.

The internal financing structure also allows communities to start building up funds by budgeting to continue to set rates at a higher level than required to meet all operating costs, even if there is no debt. This will be particularly prevalent for those activities where depreciation is funded. This will mean that the excess operating income will be held for that community to meet capital expenditure requirements in the future. The benefit to those communities in this position is that we pay interest to those communities, which further increases their account balances.

The key benefit from the use of the internal financing structure and building up fund is that it avoids large increases in rates as it allowed the Council and the individual communities to smooth the rating effect of large capital projects.

The balances over the ten year period are further disclosed in the Reserve Funds sections of this Long Term Plan.

4. Other sources

The Council also uses external sources of funding where appropriate. These other sources are discussed in the Non-Rates Income section of this Financial Strategy.

Financial position

Financial position as at 2018:

Our financial position at the start of the LTP period is set out in the 2017/2018 Annual Plan but amended where reforecasts (particularly around Earthquake Recovery work) were appropriate. The key numbers are shown below:

- The total rates were set at \$17.6 million; of which \$7.2 million are in District Wide rates and \$10.4 million are in targeted rates.
- Total income from non-rate sources was \$32.5 million, which includes \$12.5 million in gross revenue derived from the Hanmer Springs Thermal Pools and Spa.
- Total Operating Expenditure is forecast at \$48.9 million and Capital expenditure for the 2017-2018 year is expected to be \$17.0 million.
- External Debt is forecast to be \$30.0 million at the end of June 2018.
- Internal Debt is expected to total \$30.9 million as at 30 June 2018.
- Total Assets is forecast to be \$454 million as at 30 June 2018, of which \$358 million related to our infrastructure.

The relevance of the current financial situation to the financial strategy:

- The current financial situation is relevant to the financial strategy as it provides the starting point for the development of the budgets for the LTP.
- There have been relatively low levels of rate increases for the past in the past, although Council had allowed for increases in the 2015-2025 year to allow for staging in of Depreciation on three waters assets and the change to the funding structure for the HSTP&S.
- Council's external debt has increased to a forecast of \$30.5 million as at 30 June 2018. The key issue consulted on in the 2015-2025 LTP was managing the level of debt that the Council held. This focus of Council remains a key issue in Council's Strategy, particularly as there are key capital projects forecast for the next ten year period.
- The financial performance of the Hanmer Springs Thermal Pools and Spa remains critical to our ability to keep rates at an affordable level. The Council has the ability to use some of the surpluses derived from the HSTP&S to offset the various costs relating to reserves throughout the district. If we did not have these surpluses to offset these costs, then they would need to be rated for.

Forecast financial position as at 2028:

At the end of the LTP period, our position is forecast as follows:

- Total rates revenue of \$28.9 million; of which \$13.0 million are in District Wide rates and \$15.9 million are in targeted rates.
- Total income from non-rate sources is expected to be \$32.2 million, which includes \$19.6 million in gross revenue derived from the HSTP&S.
- Total Operating Expenditure is forecast at \$53.9 million and Capital expenditure for the 2027/2028 year is expected to be \$16.2 million.

- External Debt is expected to be \$32.5 million at the end of June 2028.
- Internal Debt is expected to be \$34.9 million by the end of June 2028, with key internal debt on Water Supplies (\$30.4 million) and Sewer (\$13.2 million).
- Total Assets as at 30 June 2028 is forecast to be \$585 million, of which an estimated \$475 million relates to infrastructure.

Key movements over the ten year period:

Rates – Over the ten year period, we are forecasting to receive a total of \$243 million in Rates. This is broken down to \$111 million in District Wide Rates and \$132 million in Targeted Rates. To achieve the total increase in rates over the period, the Council has budgeted the rates increase at 8.0% in year 1, 6.0% in year 2, 5.0% in years 3 to 5 and 3.0% in years 6 to 10.

Non-Rate Income – excluding gains in asset valuation and vested assets, we are forecasting that a total of \$283 million will be received from other forms of income. Roothing Subsidies make up \$49 million over the period, Development Contributions are forecast at \$6.6 million and the gross revenues from the HSTP&S are forecast at \$163 million.

Operating Expenditure – Total Operating Expenditure is expected to be \$489 million over the ten years.

Capital Expenditure – Over the ten year period, we are forecasting to spend a total of \$147 million on Capital Expenditure. \$12 million is scheduled to fund projects required due to growth, further \$76 million relates to projects that will assist in improving the levels of services we provide and the remaining \$59 million will be used to replace existing assets when they reach the end of their useful lives.

External Debt – This is forecast to increase from the \$30.0 million as forecast at the end of June 2018 to reach a maximum of \$43.0 million in the 2024/2025 year. With communities required to repay certain levels of debt each year through rates and depreciation funding, we are forecasting that the external debt will reduce to \$32.5 million by the end of June 2028.

Internal Debt – Internal Debt is forecast to increase to \$34.9 million as at 30 June 2028.

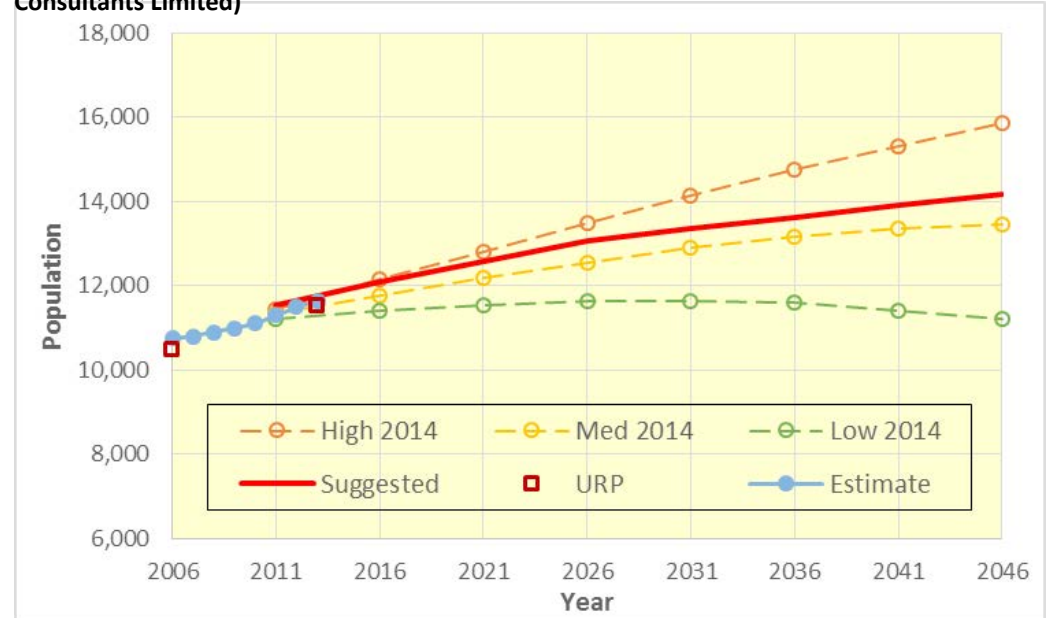
Assets – It is expected that the value of our total assets will be \$586 million as at 30 June 2028. This increase of \$110 million has been brought about by the level of Capital expenditure to be incurred over the ten years, but also due to the fact that the assets are required to be revalued on a regular basis. It is forecast that the increase in the asset values will account for \$90 million of the increase over the ten years.

Population changes

Population

The Census was carried out in on 5 March 2013. The information has been developed by Opus International Consultants Limited to assist the Council in developing growth projections for Asset Management Planning. The following graph shows the population projection for the Hurunui District over the next 30 year period.

Graph: Long term population projections in the Hurunui District (Opus International Consultants Limited)



The Census recorded the population of the Hurunui District at 11,529, ranking it as the 53rd in size out of the 67 territorial authorities in the country.

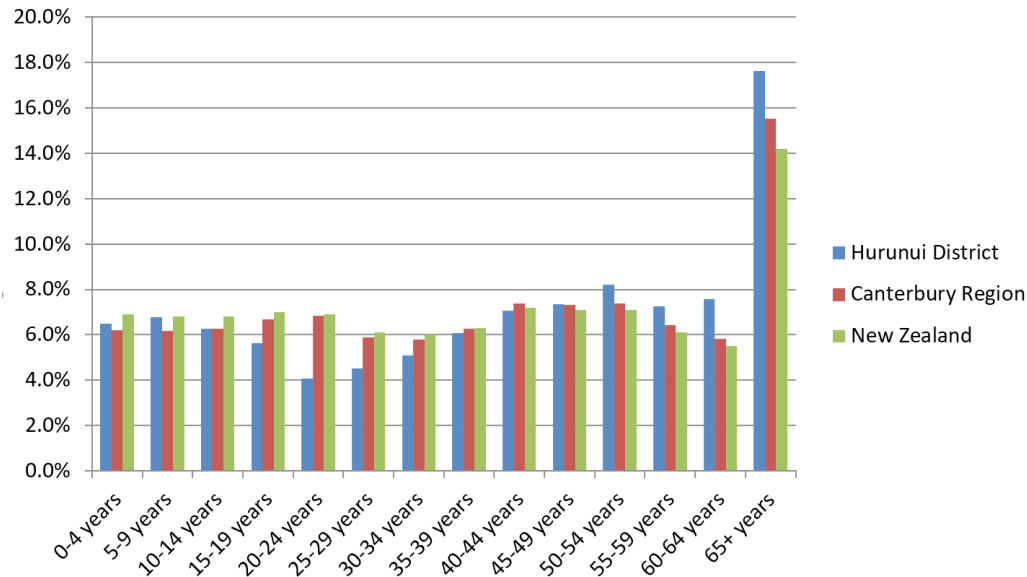
The recommendations provided by Opus International Consultants Limited, which were subsequently endorsed by Council and indicated by the solid red line of the graph, was that the population of the District will increase to 14,162 by 2046.

This information is particularly relevant in determining growth projections for the period and has been also used for the Development Contributions methodology. As set out in the Development Contributions section of the LTP, calculations as to how many new sections are created in the District vary depending on the area, particularly in Hanmer Springs, which, because it is a tourist town, there are a significant number of properties that are owned by non-resident ratepayers, so the direct comparison population and sections must be altered.

Age

It is acknowledged that the population of the Hurunui is older than the national average. The national median age at the 2013 census was 38.0, the median age for the Canterbury Region is 39.9 and the median for residents of the Hurunui District is 43.7. This presents issues around ensuring there are appropriate facilities and services for older people. We committed to providing buildings for medical centres to ensure that health services are adequately provided to the community. The following graph (using the 2013 Census data) shows the age distribution for the Hurunui in comparison with Canterbury and New Zealand:

Graph: Age of the Population in the Hurunui District



Capital and Operating Costs of providing for changes in Population

In response to the demands of increasing population, we have identified key projects proposed to respond to the anticipated growth. These are further discussed in the Development Contributions Policy but include the following:

1. Water supplies upgrades undertaken on Amberley, Ashley Rural, Cheviot, Hanmer Springs and Hurunui Rural water supplies which built in capacity to ensure both existing ratepayers and future ratepayers are serviced.
2. Sewerage systems have had capacity built into upgrade work on ponds in both Amberley and Hanmer Springs to allow for future growth. In addition, provision has been made to allow for new areas to be reticulated in Amberley.
3. Upgrades to both the Amberley Domain Pavilion and the Hanmer Springs Hall have been undertaken to provide additional facilities for both existing and future ratepayers. In addition, the Council has allowed for the construction of a new Swimming Pool in Amberley and an upgraded domain in Hanmer Springs.

4. Provision has been made to develop new and upgrade existing reserves to cater for increased population.
5. Stormwater provision to be factored in the development of new areas in Amberley and Hanmer Springs.

Changes in land use

The Hurunui District has historically been an agriculture based district, primarily beef and sheep. Over the past ten years, there have been marked changes to the use of land throughout the District.

The growth in tourism, especially Hanmer Springs and centered around the development of the HSTP&S, has resulted in increased number of accommodation providers and other businesses associated with tourism, as well as more holiday homes.

For a period, there was significant growth in viticulture, in particular in the Waipara area, which provides ideal conditions from growing premium quality grapes. With access to irrigation, there may be a move to further intensification of rural land.

The following table shows the current land use of properties in the Hurunui District as at September 2016 (the date of the last District revaluation):

Category of Land	Number of Assessments September 2016	Number of Assessments September 2013
Arable	12	25
Commercial	291	296
Dairying	116	109
Forestry & Mining	104	107
Horticulture	95	107
Industrial	69	64
Lifestyle	1,379	1,376
Other/Utilities	747	732
Pastoral	981	1,138
Residential	4,526	4332
Specialist Livestock	56	66
TOTAL	8,376	8,352

Capital and Operating Costs of providing for changes in Land Use

Because of the uncertainty of the changes in land use, no specific allowance has been made for changes to capital or operational costs to allow for this.

Key levels of service

Capital Expenditure Programme:

Capital expenditure requirements for our three waters assets and roads are dictated by the levels outlined in the Asset Management Plans (AMPs) for each activity. The AMPs are updated on a regular basis to ensure that various changes to the plan in the interim period are accounted for.

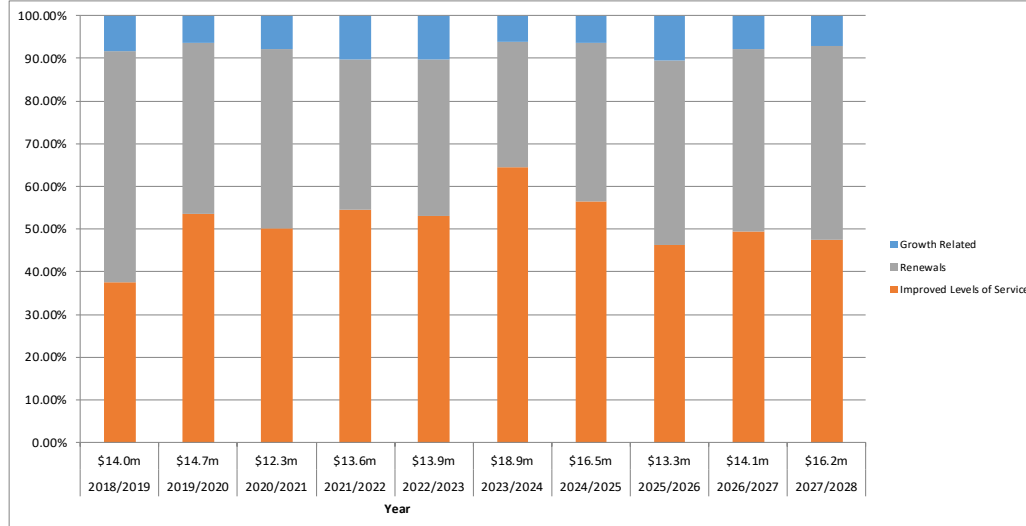
In general, Capital Expenditure is broken down to three key categories:

1. Capital expenditure relating to meeting the existing levels of service. This will be principally replacement of the existing assets
2. Capital expenditure aimed at improving the current levels of service
3. Capital expenditure on assets required due to growth.

Some items of Capital Expenditure may actually fall into more than one category. For example, the replacement of a length of water pipe is required to provide water to existing consumers, but the diameter of that length of pipe may be increased from its existing diameter to allow for greater capacity in the future.

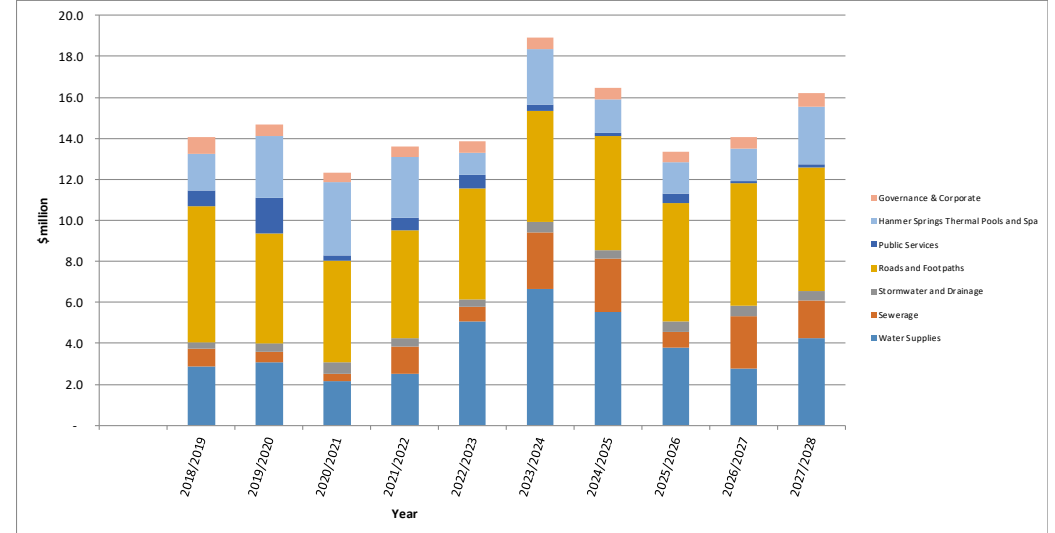
Over the period of the LTP, we have budgeted \$153 million to spend on Capital expenditure. Of this balance, \$65 million (43%) related to maintaining the existing levels of service by providing for replacement of current assets. A further \$76 million (50%) is aimed at making improvements to the level of service and the balance of \$11 million (7%) relates to projects scheduled due to growth. The following graph shows the percentages of the Capital Programme that relate to each category:

Graph: % of the capital programme that relates to growth, levels of service and renewals



The key area of capital expenditure is relating to the infrastructural assets. Of the total Capital Expenditure programme for the ten years of \$147 million; \$55million relates to Roads and Footpaths; \$39 million relates to Water Supplies, \$23 million on the Hammer Springs Thermal Pools and Spa and \$14 million relates to Sewerage Schemes. The following graph shows the split of the Capital Expenditure programme to each of the ten Groups of Activities for the ten year period.

Graph: Capital expenditure programme



Note – there is no specific capital projects projected for the Long Term Plan for the Regulatory or the Earthquake Recovery Groups of Activities.

Rates

We base the vast majority of the rates set on the either Capital Value of each property or a fixed cost to each property. We set our rates by way of District Wide Rates and Targeted Rates.

- District Wide rates are charged on all properties in the district, regardless of location. They are broken down further to: Governance; Roading; Planning; Waste Management; Canterbury Museum; Footpath Maintenance; Earthquake Recovery; Earthquake Prone Buildings and other General Rates.
- Targeted rates are charged for specific activities based on services provided or land use. They are broken down further to: Water; Sewer; Stormwater/Drainage/Land Protection; Ward Amenities; Refuse Collection Ward Medical Centres; Tourism and Other Sundry Targeted rates.

The rates and how they are set are further defined in the Funding Impact Statement.

There is a range of new rates set for the 2018-2019 year and these are as follows:

Earthquake Recovery Rate

The 14 November 2016 Hurunui/Kaikoura earthquake centered close to Waiau, had a severe impact on the Hurunui district and its residents. The consequence of the damage and subsequent repair to council owned infrastructure including roads, bridges, water pumps pipes and buildings left the Council with a debt of approximately \$3.2 million. This was the balance after insurance payouts, government assistance and external funding was provided. The Government commissioned an independent review of the Council's financial strategy immediately after the earthquake. The review concluded that Council's financial position was solid and robust and as a result, able to service the resulting debt required to fund the shortfall in the earthquake recovery. As a result, it is particularly important that we repay this debt without causing an undue additional burden to our ratepayers.

The Council's preferred option was to create a new uniform general rate across the district so that all ratepayers contribute toward the repayment of the earthquake debt. This new rate would be charged evenly across the district to minimise the cost for everyone rather than target ratepayers in specific areas. The rationale for applying a new district wide rate is to not only does this spread the financial burden, but and that at any time, any part of the district could be impacted effected by with future events which could also result in unexpected debt.

Earthquake Prone Buildings Rate

In recent years, earthquake standards for buildings have been tightened up, particularly post the Canterbury earthquakes in 2010 and 2011. The Council owns 50 buildings throughout the district that were built before 1976 – before earthquake standards were established. Of those 50, we have estimated that about 50% of them are potentially earthquake prone according to the National Building Standard.

The process to assess the strength of each building, identify what works are needed to bring them to the required code, to complete the actual strengthening work, and to work this through on a priority basis, is lengthy and costly. The total cost has not yet been estimated, but is expected to be several million over a number of years.

To commence the process, the proposal is to charge a new district wide rate for earthquake prone building assessments. This new rate will only fund the assessments, feasibility studies (where needed) and allow for some of the strengthening work.

The preferred option was for a new earthquake prone building district rate to be established. This would be phased in at, and to phase in a lower rate starting low for the first 5 years, and increasing the rate for the next 5 years.

It was also considered to be impractical to attempt implement a targeted rate system when ultimately, the Council buildings were collectively all for the benefit of the whole

district rather than specified areas. The strengthening work needed for the buildings will differ depending on a range of factors such as age, materials, and where the type of work is needed. A targeted rate could would result in a disproportionate rate for different wards or areas which could lead to unaffordability issues.

District Footpath Maintenance Rate

In 2017 an extensive footpath survey was undertaken in the district to provide information about the state of our existing footpaths. No such information existed as footpaths have always been treated as a local amenity, and decisions made about them have been made by local ward/ and community committees and the community board for each their particular wards. Although this has worked well, the main focus has traditionally been on new footpaths rather than the maintenance of existing ones.

The survey revealed 969 faults impacting on almost 5,500 square metres of footpaths in total. Many of these faults are potential trip hazards. Although amenity rates are collected for footpaths, little of this fund has been aimed at maintenance and is all planned expenditure for new footpaths. The survey identified, the maintenance work to cost is an estimated at \$1,296,340.

The Council's preferred option is that all footpath maintenance (the Trip Hazard work and the on-going annual maintenance) will be funded centrally with 80% of the cost as a fixed charge to all urban ratepayers and the remainder as a fixed charge to all rural ratepayers.

District Urban Stormwater Rate

Environment Canterbury had established the Land and Water Regional Plan (LWRP) in 2016. The implementation of the plan imposes greater requirements on Council to understand more about land and water in its area and management of it particularly in respect to stormwater. Extensive testing is required to determine the quality of water entering the townships.

As this cost will necessarily affect the urban areas of the District, it has been determined that the costs relating to this process will be funded by the urban areas.

Amberley Swimming Pool Operational Rate

The Council has proposed that the replacement of the Swimming Pool in Amberley will be completed in stages, with the first stage cost an estimated \$1.5 million. The Amberley Ward ratepayers have been paying a Capital Rate for this amount of \$64 each for the last two years and this is proposed to continue for the life of the LTP.

The operational costs of the Swimming Pool were previously funded as part of the Amberley Ward Amenities Rate. With the initial reviews of the potential for a year round facility, there was significant focus on the operational costs and as a result, it was determined that these costs be separated out as a separate rate. With the proposal to construct the swimming pool in stages, it was felt that separate rate line

for operating costs was still appropriate.

Leithfield Beach Tennis Courts Rate

After consultation, the Council resolved that the Tennis Courts at Leithfield Beach will be resurfaced at a budgeted cost of \$88,000. This will be funded by internal debt with the debt serviced by a rate imposed on Leithfield Township and Leithfield Beach Village Ratepayers.

Rate increases

In general terms, Council tries to keep the overall rate increase each year to the level of inflation. For various reasons, this cannot be achieved. From the last LTP, the following issues were identified:

- Council's decision to stage in the full funding of depreciation on its Three Waters Assets to reach a point where Council is meeting the operational costs of these activities through operational revenue.
- Council's decision to stage in the funding of the shortfall of the Reserve Expenditure that is no longer to be funded from the derived from the HSTP&S.

With the 2018-2028 LTP, there have been following issues that have placed further pressures on Council:

- Servicing the debt resulting from the November 2016 Earthquakes.
- Recognising the need to adequately allow for Earthquake Strengthening of the Council buildings.
- The increased work programme for Roothing to meet the levels of service outlined in the Asset Management Plans.

The Hurunui District has a small population (only 13 of the total 67 local authorities have smaller population bases), and because of this, various factors can have a marked effect on the rates increases in any one year as there are fewer people to spread the cost across.

When determining the overall rate increases, an allowance is made for growth in the capital value of the district each year. This is based on the number of new rating units calculated based on the assumed increase in population of the ten year period.

As there are numerous targeted rate charged in different areas, the overall increase in rates will not be consistent for each property throughout the district. It will depend on the targeted rates that are charged to that particular property and also the capital value of the property. To get an appreciation what levels of increase to the rates charged for particular properties, the Council has selected a total of 125 individual properties which attempt to show the movements in the rates over the first three years of the LTP. These properties have been selected to provide samples for properties connected to every water supply and sewerage scheme in the district and provide a wide range of values in the Rural and Urban areas of the District. The full

analysis of the sample properties is provided in the Rates chapter of this Long Term Plan.

Limits on rate increases

In preparing the LTP for the 2018/2028 period, the Council has taken the view that there is a target for rate increases that it will be maintained over the ten year period. The rating levels have been set to meet those targets.

To ensure that the Rate Increase Limit is not breached and the rate increases remain relatively smooth, Council has introduced a mechanism to balance the rates charged for roading on an annual basis. The use of this mechanism has been considered appropriate as it is a rate that it applied to all ratepayers across the district.

The mechanism defers or advances funding for the roading programme by using internal debt. The Council has also resolved to utilise \$540,518 of the Forestry Reserve Fund to offset the internal debt arising from the 2017/2018 year. The deferment or advancement of funding for Roothing for the ten years is as follows:

Year	Advanced/(Deferred)
2018/2019 (Year 1)	387,892
2019/2020 (Year 2)	(436,910)
2020/2021 (Year 3)	(598,152)
2021/2022 (Year 4)	(146,280)
2022/2023 (Year 5)	402,619
2023/2024 (Year 6)	648,585
2024/2025 (Year 7)	901,063
2025/2026 (Year 8)	1,275,777
2026/2027 (Year 9)	1,494,713
2027/2028 (Year 10)	1,823,661

Based on this advancement or deferment of roading rates, it is anticipated that there will be a total of \$5,174,827 of funds held for roading at the end of June 2028.

In addition to this, Council is staging in the effect of fully funding the shortfall between the reserve expenditure previously fully funded by the use of the Hanmer Springs Thermal Pools and Spa surpluses and the \$2 million cap that has been placed on the use of the surpluses.

- For the 2018/2019 year, the total reserve expenditure (including interest on the HSTP&S debt) is \$3,789,358, which means the shortfall from the \$2 million cap is \$1,789,358. 33% of this shortfall (\$590,488) is being funding by General Rates.
- For the 2019/2020 year, the total reserve expenditure (including interest on the HSTP&S debt) is \$3,802,309, which means the shortfall from the \$2 million cap is

\$1,802,309. 67% of this shortfall (\$1,189,524) is being funded by General Rates.

- For the 2020/2020 year, the total reserve expenditure (including interest on the HSTP&S debt) is \$3,930,776, which means the shortfall from the \$2 million cap is \$1,930,776. This entire amount will be funded by General Rates

Limits

In the previous LTP, the Council had set a rate increase limit of 6% for the first five years of the plan and the 3% for the remaining five years.

With the new pressures on rates as outlined above, the Council has been forced to reassess the rate increase limits.

For the ten year period the rate increase limits (after allowing for growth) have been set follows:

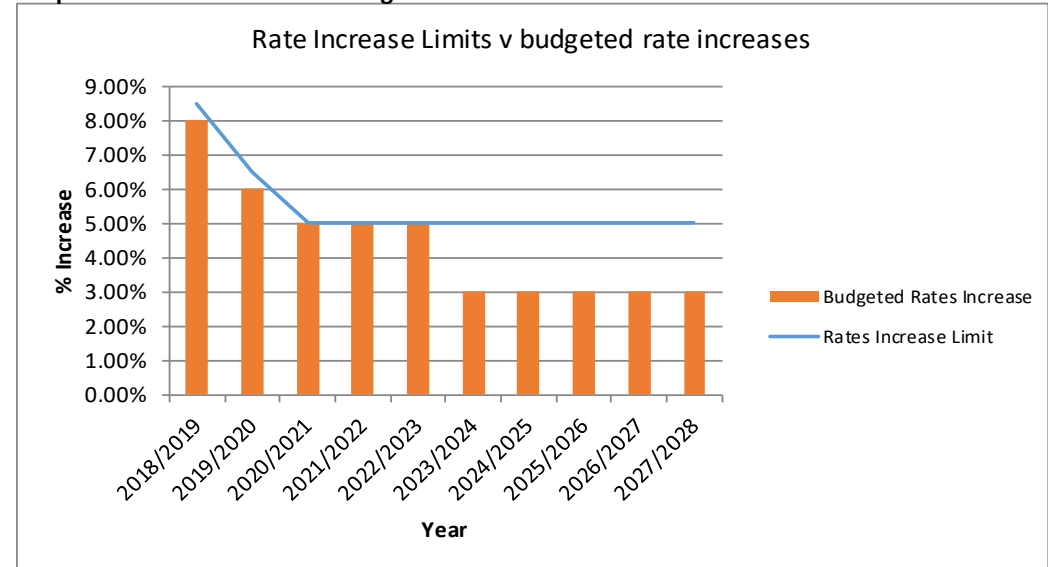
Year	Overall Increase
2018/2019 (Year 1)	8.50%
2019/2020 (Year 2)	6.50%
2020/2021 (Year 3)	5.00%
2021/2022 (Year 4)	5.00%
2022/2023 (Year 5)	5.00%
2023/2024 (Year 6)	5.00%
2024/2025 (Year 7)	5.00%
2025/2026 (Year 8)	5.00%
2026/2027 (Year 9)	5.00%
2027/2028 (Year 10)	5.00%

The Council’s proposed budgets are forecasting actual growth adjusted rate increases that have been allowed for in the LTP are as follows:

Year	Overall Increase
2018/2019 (Year 1)	8.00%
2019/2020 (Year 2)	6.00%
2020/2021 (Year 3)	5.00%
2021/2022 (Year 4)	5.00%
2022/2023 (Year 5)	5.00%
2023/2024 (Year 6)	3.00%
2024/2025 (Year 7)	3.00%
2025/2026 (Year 8)	3.00%
2026/2027 (Year 9)	3.00%
2027/2028 (Year 10)	3.00%

Again, because of the nature of the targeted rate structure, the increase (or decrease) in rates for any year for individual properties can vary markedly, hence the development of the sample property analysis to indicate the potential movements in rates.

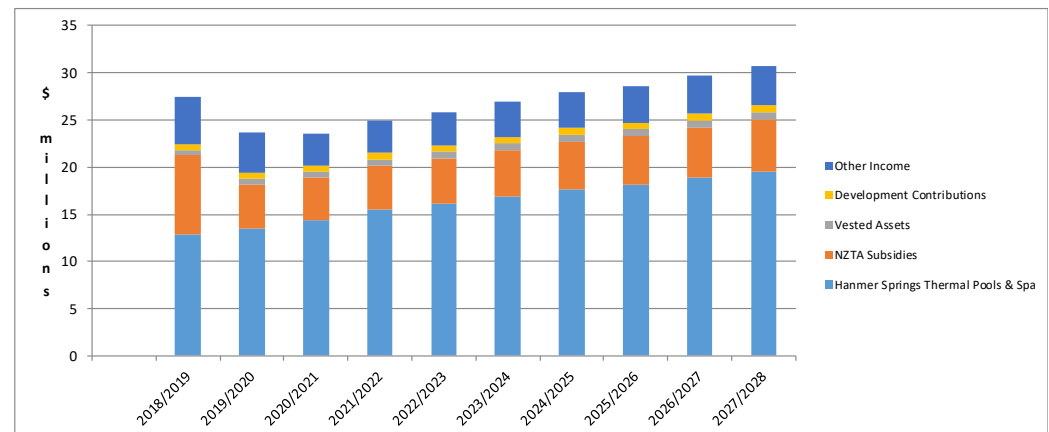
Graph: Rate increase limits v budgeted rate increases



Non-rates income

We rely heavily on other forms of income to finance our operations. For the period of the LTP, the budget has scheduled that \$284 million (or 54%) of our total income is generated from sources other than rates.

Graph: Total Income from sources other than rates



For 2018/2019, the income from non-rate sources is expected to total \$27.4 million and this is scheduled to increase to \$30.7 million by 2027/2028.

New Zealand Transport Authority Subsidies

The first key component of non-rate income is NZTA subsidies, which are used to fund both operating and capital expenditure relating to the roading network. We have assumed that the financial assistance rate provided by NZTA will be 51% for the entire LTP, with the remaining Earthquake Reinstatement Costs being subsidised at 84%. Further discussion of this is provided in the Forecasting Assumptions in this plan.

Hanmer Springs Thermal Pools and Spa Revenue

The other key component is the Revenue derived from the HSTP&S, which accounts for approximately one third of the total income received. The HSTP&S is run as a separate business unit of the Council and after allowing for Operating Expenses and Interest, the surpluses are actively used to fund reserve costs throughout the District. The reserve costs include: the cost of the library, cemeteries, public toilets and a range of district reserve costs. For the first five years of the 2018-2028 LTP, the use of the profits from the HSTP&S will be limited to \$2.0 million per annum with the excess profits being used to repay internal debt for the HSTP&S. In the 2023/2024 year (Year 6), the use of the profits will increase to \$2.5 million and then be inflation adjusted for the remainder of the ten year period.

Development Contributions

Development Contributions also form a key component for funding capital expenditure which has been required due to increased growth. It is anticipated that over the life of the LTP, we will receive a total of \$6.6 million in Development Contributions, however the amount actually received will be dependent on the level of growth experienced. Further information about the Development Contribution Policy is included in this Long Term Plan.

Fees and Charges

Fees and Charges account for the remaining non-rate income. We review our fees and charges each year and try to ensure that they help offset actual costs and that the activities are not overly reliant on rate funding instead. We also aim to make the fees and charges affordable and fair on those who use them.

Targets for investments

Cash Investments

Since September 2010, the Council has held term debt. The debt was primarily taken out to fund the \$8.8 million expansion of the HSTP&S, but large capital works such as the Amberley and Hanmer Springs Sewerage Treatment plants, Main Street Upgrades in Amberley and Hanmer Springs, the Medical Centre in Rotherham and the Transfer Station in Amberley, have meant that the debt has needed to be expanded. Over the

period of the LTP, we expect to remain as a net borrower, particularly as there are key capital projects relating to the increased environmental standards for Sewage disposal and compliance with Drinking Water Standards. As a result, we no longer hold any long term cash assets in the form of bonds or stock. Any spare cash funds are generally held on call or in a short term investment of less than three months to earn a small amount of interest as the interest rates are better than holding the funds in a current account.

Equity Investments

Currently, we hold two equity investments – one in Civic Financial Services Limited and the other in Transwaste Canterbury. Neither assets are readily tradable on the open market, but we have objectives for retaining ownerships of these investments.

Civic Financial Services Limited was previously named Civic Assurance. The company used to provide insurance options for local authorities. The company was heavily exposed to the settlement for the Canterbury Earthquake, which eroded to capital base. In 2012, the company undertook a capital-raising programme. The Council increased its shareholding in the company to ensure that the company maintained a presence in the Local Government insurance market. While not providing insurance to the sector anymore, the company does provide administration for the Local Authority Protection Programme (LAPP) and the provision of a Kiwisaver scheme providing benefits to local government employees.

We own 1.2% of Transwaste Canterbury, which owns and operates the Kate Valley Landfill. The value of our investment as at 30 June 2017 was \$689,448. The Company is 50% owned by the Councils in Canterbury and our objective for holding our investment is to continue to receive dividends from the Company. We have budgeted to receive \$150,000 per annum (plus an annual inflation adjustment) from this investment.

Forestry Investments

We hold approximately 240 hectares of land that has been used for Forestry. Forestry assets are held as long term investments on the basis of net positive discounted cash flows, factoring in projected market prices and annual maintenance and cutting costs. All income from forestry is included in the statement of comprehensive income, and this is used to fund replanting of the land. The Council may determine the use of any excess funds.

External debt

We have two key areas of borrowing - Internal and External. The Internal debt is pursuant to our Internal Financing Policy, as discussed above.

As our cash resources have been drawn down to fund key capital projects in the past few years, we needed to take on external debt to manage cash flow. Council is

expected to remain a net borrower for the period of the LTP.

Anticipated levels of external debt

As at 31 December 2017, the total amount of external debt we held was \$24.4 million. At the end of the ten year period, the debt is expected to be \$32.5 million; with the debt level is expected to peak at \$43.0 million over the period during the 2024/2025 year. The anticipated debt levels over the period are:

Year	Total Anticipated Debt	Total Anticipated Interest Expense
2018/2019 (Year 1)	\$35.0 million	\$1,586,600
2019/2020 (Year 2)	\$39.0 million	\$1,805,600
2020/2021 (Year 3)	\$40.0 million	\$1,927,600
2021/2022 (Year 4)	\$40.0 million	\$1,952,000
2022/2023 (Year 5)	\$39.0 million	\$1,927,600
2023/2024 (Year 6)	\$43.0 million	\$2,000,800
2024/2025 (Year 7)	\$43.0 million	\$2,098,400
2025/2026 (Year 8)	\$39.5 million	\$2,013,000
2026/2027 (Year 9)	\$35.5 million	\$1,830,000
2027/2028 (Year 10)	\$32.5 million	\$1,659,200

Limits on debt levels

Our External Liability Risk Management Policy, which is part of the Treasury Risk Management Policy, sets out the limits on the level of debt that we can take on. The ratios have been developed in accordance to the industry standard and have been set against the levels that are appropriate for us to take debt from the Local Government Funding Agency (LGFA).

The Policy allows for four key ratios that the Council needs to meet:

- Total Debt is no more than 100% of Total Income (excluding Development Contributions and Vested Assets Income)
- Total Debt is no more than 10% of the Net Equity
- Total External Interest Cost is no more than 6.25% of Total Income (excluding Development Contributions and Vested Assets Income)
- Total External Interest Cost is no more than 12.5% of Total Rates.

In addition, there is the requirement for the Liquidity ratio to be at least 110%. Under the Treasury Risk Management Policy, the Liquidity Ratio is calculated as follows:

$$\text{(External debt + committed loan facilities + available cash)} \div \text{Existing External Debt}$$

Council manages this ratio by ensuring that there is sufficient flexible bank loan facilities in place at all time.

While the Council has opted to set its external debt limit at 100% of Total Income, the Local Government Funding Agency (which holds the majority of Council’s debt) provides for a maximum of 175% for unrated councils. As a result, the Council does have scope to increase its debt limits should a further disaster befall the District.

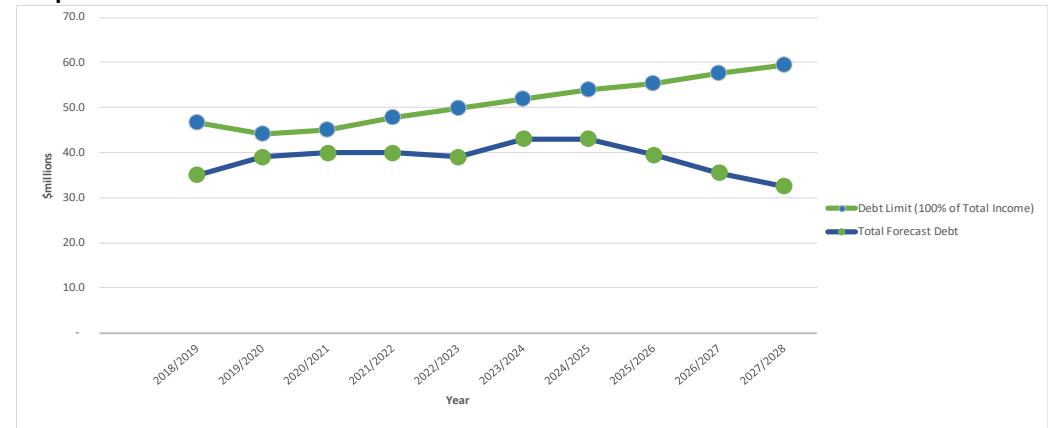
Total Debt to Total Income Ratio

The net debt limits provided for in the policy are that total debt shall be no more than 100% of total income. The income excludes Development Contributions and Vested Assets Income. Based on the levels of income allowed for in the LTP, the limit of the debt that could be taken on is \$59.5 million in the 2027/2028 year.

Year	Total Income excl DCs and Vested Assets)	Debt Limit at 100%	Total Anticipated Debt
2018/2019 (Year 1)	\$46.7 million	\$46.7 million	\$35.0 million
2019/2020 (Year 2)	\$44.1 million	\$44.1 million	\$39.0 million
2020/2021 (Year 3)	\$45.1 million	\$45.1 million	\$40.0 million
2021/2022 (Year 4)	\$47.7 million	\$47.7 million	\$40.0 million
2022/2023 (Year 5)	\$49.9 million	\$49.9 million	\$39.0 million
2023/2024 (Year 6)	\$51.9 million	\$51.9 million	\$43.0 million
2024/2025 (Year 7)	\$53.8 million	\$53.8 million	\$43.0 million
2025/2026 (Year 8)	\$55.4 million	\$55.4 million	\$39.5 million
2026/2027 (Year 9)	\$57.5 million	\$57.5 million	\$35.5 million
2027/2028 (Year 10)	\$59.5 million	\$59.5 million	\$32.5 million

Graphically, this is shown as follows:

Graph: Total debt versus total income



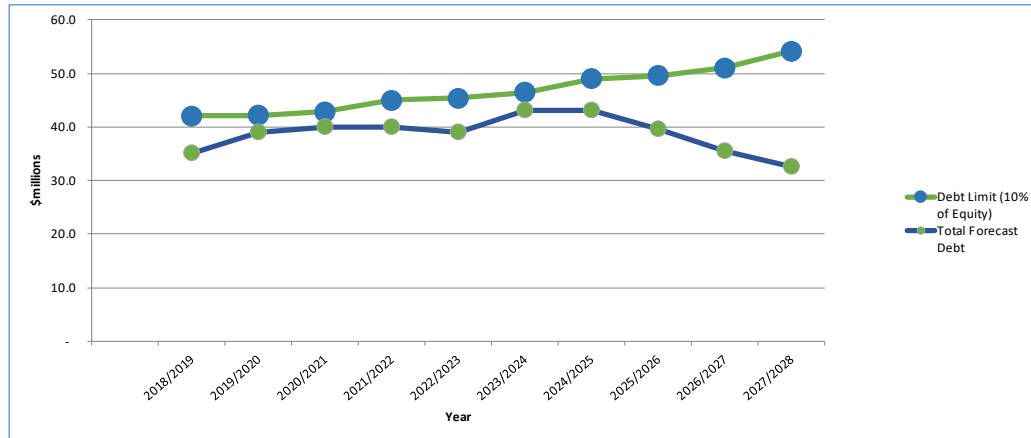
Total Debt to Equity Ratio

The net debt limits provided for in the policy are that total debt shall be no more than 10% of net equity. Based on the levels of income allowed for in the LTP, the limit of the debt that could be taken on is \$54.2 million in the 2027/2028 year.

Year	Net Equity	Debt Limit at 10%	Total Anticipated Debt
2018/2019 (Year 1)	\$421 million	\$42.1 million	\$35.0 million
2019/2020 (Year 2)	\$422 million	\$42.2 million	\$39.0 million
2020/2021 (Year 3)	\$429 million	\$42.9 million	\$40.0 million
2021/2022 (Year 4)	\$450 million	\$45.0 million	\$40.0 million
2022/2023 (Year 5)	\$454 million	\$45.4 million	\$39.0 million
2023/2024 (Year 6)	\$465 million	\$46.5 million	\$43.0 million
2024/2025 (Year 7)	\$490 million	\$49.0 million	\$43.0 million
2025/2026 (Year 8)	\$496 million	\$49.6 million	\$39.5 million
2026/2027 (Year 9)	\$511 million	\$51.1 million	\$35.5 million
2027/2028 (Year 10)	\$542 million	\$54.2 million	\$32.5 million

Graphically, this is shown as follows:

Graph: Total debt versus net equity



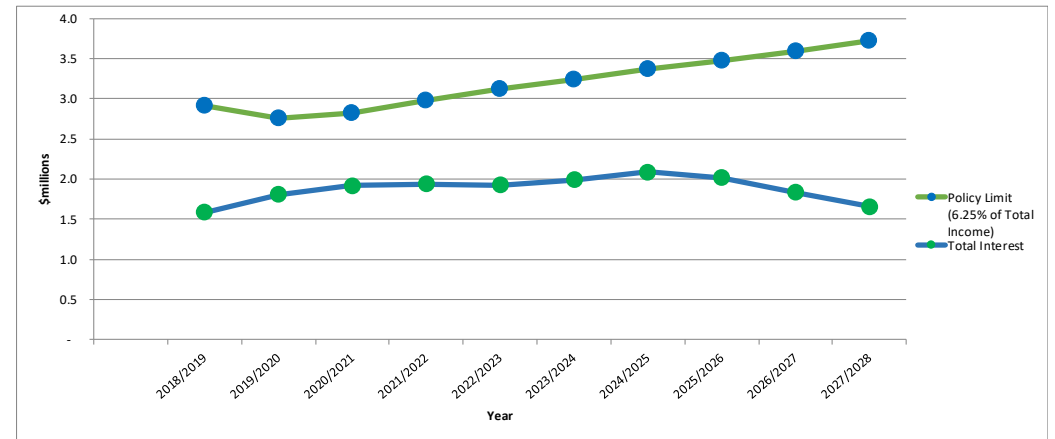
Total Interest to Total Income Ratio

The policy also provides for the total amount of interest expenses shall be no more than 6.25% of total income. Again, total income excludes Development Contributions and Vested Assets.

Year	Total Income (excl DCs and Vested Assets)	Limit at 6.25%	Total Anticipated Interest Expense
2018/2019 (Year 1)	\$46.7 million	\$2.9 million	\$1.59 million
2019/2020 (Year 2)	\$44.1 million	\$2.8 million	\$1.81 million
2020/2021 (Year 3)	\$45.1 million	\$2.8 million	\$1.93 million
2021/2022 (Year 4)	\$47.7 million	\$3.0 million	\$1.95 million
2022/2023 (Year 5)	\$49.9 million	\$3.1 million	\$1.93 million
2023/2024 (Year 6)	\$51.9 million	\$3.2 million	\$2.00 million
2024/2025 (Year 7)	\$53.8 million	\$3.4 million	\$2.10 million
2025/2026 (Year 8)	\$55.4 million	\$3.5 million	\$2.01 million
2026/2027 (Year 9)	\$57.5 million	\$3.6 million	\$1.83 million
2027/2028 (Year 10)	\$59.5 million	\$3.7 million	\$1.66 million

Graphically, this is shown as follows:

Graph: Total income versus total interest expense



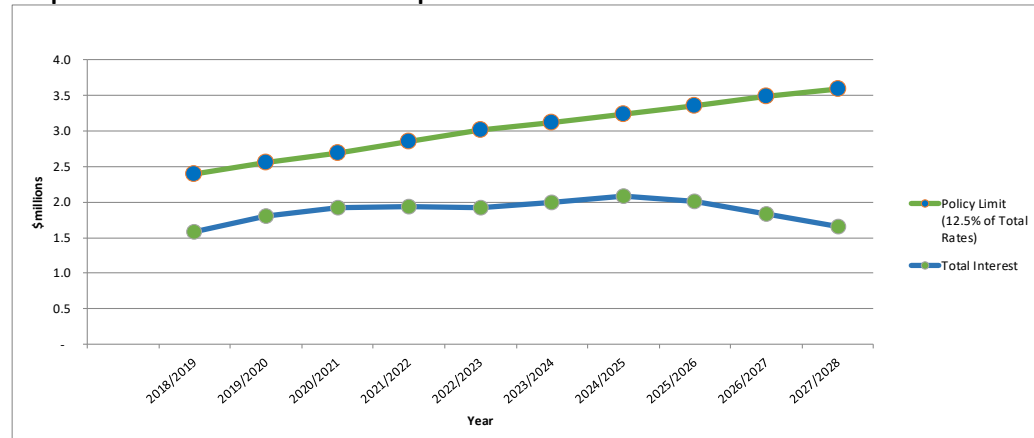
Total Interest to Total Rates Ratio

The policy also provides for the total amount of interest expenses shall be no more than 12.5% of total rates

Year	Total Rates	Limit at 12.5%	Total Anticipated Interest Expense
2018/2019 (Year 1)	\$19.2 million	\$2.4 million	\$1.59 million
2019/2020 (Year 2)	\$20.4 million	\$2.6 million	\$1.81 million
2020/2021 (Year 3)	\$21.6 million	\$2.7 million	\$1.93 million
2021/2022 (Year 4)	\$22.8 million	\$2.9 million	\$1.95 million
2022/2023 (Year 5)	\$24.1 million	\$3.0 million	\$1.93 million
2023/2024 (Year 6)	\$25.0 million	\$3.1 million	\$2.00 million
2024/2025 (Year 7)	\$25.9 million	\$3.2 million	\$2.10 million
2025/2026 (Year 8)	\$26.9 million	\$3.4 million	\$2.01 million
2026/2027 (Year 9)	\$27.9 million	\$3.5 million	\$1.83 million
2027/2028 (Year 10)	\$28.9 million	\$3.6 million	\$1.66 million

Graphically, this is shown as follows:

Graph: Total rates to total interest expense



Security for borrowing

Prior to taking on debt for the first time in September 2010, we prepared a Debenture Trust Deed and selected Perpetual Trust (now Covenant Trustees Services) as our Trustee. The Debenture Trust Deed is a standard security document for Councils. The key security available is that a charge can be made against the rates of the Council to repay debt so the market perspective on this is that a Debenture Trust Deed provides a low level of risk for an investor or funding provider, which in turn should allow for lower interest rates.

Holding a Debenture Trust Deed provides us with security for a range of different funding options:

- Registered Bank Debt
- Use of the Local Government Funding Agency
- Issuing Council Debt directly to the market

Further information is available in the External Liability Management Policy section of the Treasury Risk Management policy in this plan.

Implications of hurunui's financial strategy

Assessment of our ability to provide and maintain existing levels of service and to meet additional demands for service within those rate increase limits:

The Local Government Act requires us to assess whether we have the ability to provide and maintain existing levels of services and meet additional demands for services within the rates and debt limits as set out within the financial strategy.

Council will be reliant on the level of funding provided by New Zealand Transport Agency to ensure that the levels of service are maintained for the roading network. The budgets have proposed an increase to the roading programme to meet the levels of service and the NZTA subsidies and the Council's rating input are critical to ensure that programme is achieved.

For the three waters assets, as part of the development of the Infrastructure Strategy, the focus has moved from determining renewals on an age basis to a performance based approach. This means that assets, which have reached the end of their theoretical useful lives, may not necessarily be replaced if the asset is still performing effectively. Council has allowed for an unallocated level of renewals for the three waters throughout the Long Term Plan budgets. Should the renewal requirement be significantly greater than the level allowed for, Council will need to consider the funding options available (which may include extending debt levels) as necessary.

The continued success of the Hanmer Springs Thermal Pools and Spa is a key element to the ability for the Council to meet levels of service particularly in respect to expenditure on the reserves.

Assessment of our ability to provide and maintain existing levels of service and to meet additional demands for service within those debt limits:

We are not contemplating taking on debt greater than \$45 million and the maximum amount of interest expected to be charged on the external debt is budgeted at less than \$2.18 million. Therefore, with the exception of the roading network due to circumstances outlined earlier and the need to prioritise the renewal programme for our three water assets, our assessment is that we do have the ability to maintain the existing levels of service and to meet additional demands for service within those debt limits.

Balancing the budget statement

Introduction

In terms of the Local Government Act 2002, the Council is balancing the budget over the period of the Long Term Plan. Apart from the first year of the Plan, the annual budgeted operating income exceeds annual budgeted operating expenditure. There are some areas of expenditure that the Council has resolved not to fund, which are discussed further. The Council also has developed an internal financing policy to assist with funding for future capital expenditure requirements.

Local Government Act 2002

Under Section 100 of the Local Government Act 2002, the Council is required to balance the budget. The provisions of the sections specifically state that “A local authority must ensure that each year’s projected operating revenues are set at a level sufficient to meet that year’s projected operating expenses”. The Act goes further to state that a local authority may set projected operating revenues at a different level from that required if the Council resolves that it is financially prudent to do so, having regard to –

- a. The estimated expenses of achieving and maintaining the predicted levels of service provision set out in the Long Term Plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
- b. The projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
- c. The equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life; and
- d. The funding and financial policies set out in the Policies section of the LTP.

Use of Reserves

The Council is forecasting to record overall surpluses in most years of the Long Term Plan, however, in some activities, the Council has resolved not to set revenue to fund all of the costs relating to that activity. In some cases, the Council has resolved to use reserves to fund some specific expenditure. This is particularly the case where the Council actively uses the reserve built up by surpluses recorded from the Hanmer Springs Thermal Pools and Spa to fund the operating expenditure of other reserves throughout the entire district.

Receipt of Capital Income

For some of the Council activities, the Council has budgeted to receive various amounts of income that are of a capital nature. This capital income is in the form of development and reserve contributions and vested assets which are not used to reduce the amount of rates to be charged of a particular activity. These amounts are instead applied to the capital requirements of the activity that it relates to.

Funding of Depreciation Policy

Utilities: - For Water, Sewer and Stormwater, it has resolved that all depreciation will be funded; however, there will be staging in approach to this to control the impact on the rate increases across the District. Council is budgeting to fund 100% of depreciation on Sewer and Stormwater for the entire Long Term Plan and will be able to assess the full funding of depreciation on Water when the key drinking water standards compliance has been reached.

Roading – As the Council’s Co-Funder for the Roothing Network, New Zealand Transport Agency, only provides subsidies for direct operating and capital expenditure, the Council has resolved that it will not further fund for Depreciation, however, the level of Capital Expenditure is at a level that matches the cost of depreciation on a long term basis.

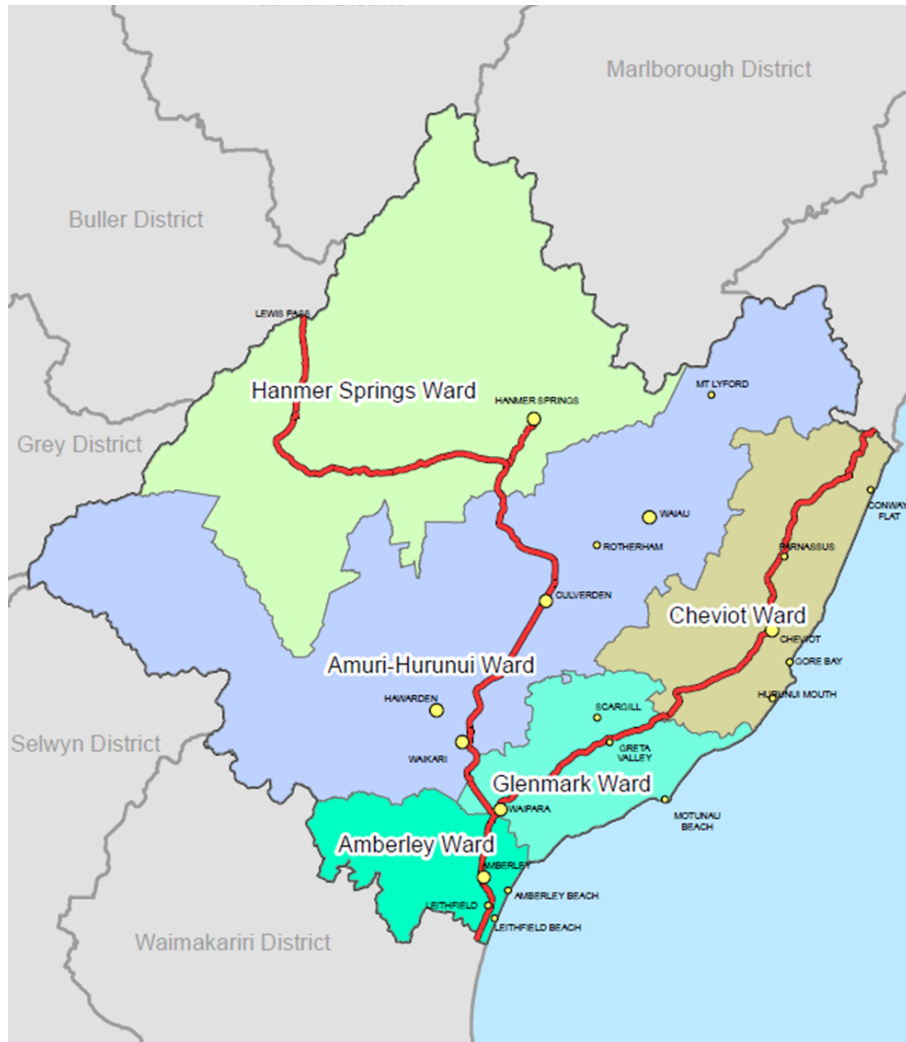
Hanmer Springs Thermal Pools and Spa – The Council has resolved that the depreciation for the assets associated with this activity will be fully funded. This is represented by a reduced surplus being available for the Council to utilised to offset the Reserve Costs of the District. The funds generated from funding the level of depreciation is used to repay internal debt.

Community Assets – For assets such as community halls, swimming pools, capital development of reserves and the District Library Building, the Council has continued its policy of not funding for depreciation. Should communities wish to undertake these projects, they may wish to undertake fundraising to replace the asset or utilise the Internal Financing Policy.

Community outcomes

Outcome	Definition	Council activities (how we contribute)	
		Groups	Individual services
A desirable and safe place to live.	<ul style="list-style-type: none"> We have attractive well designed townships Communities have access to adequate health and emergency services and systems and resources are available to meet civil defence emergencies Risks to public health are identified and appropriately managed. 	<ul style="list-style-type: none"> Public services Regulatory services Sewerage Stormwater & drainage Roads & footpaths. 	Library, waste minimisation, property (including township maintenance), reserves, emergency services, compliance and regulatory functions (such as building and resource consents, liquor, food and dog licences), sewerage schemes, stormwater, drainage, roads, footpaths.
A place where our traditional rural values and heritage make Hurunui unique.	<ul style="list-style-type: none"> People have a range of opportunities to participate in leisure and culture activities Our historic and cultural heritage is protected for future generations. 	<ul style="list-style-type: none"> Public services Hanmer Springs Thermal Pools & Spa. 	Library, property (such as community halls, public toilets, swimming pools), reserves, Hanmer Springs thermal pools.
A place with a thriving local economy.	<ul style="list-style-type: none"> We are seen as a good place to do business, to live and to visit. 	<ul style="list-style-type: none"> Regulatory services Hanmer Springs Thermal Pools & Spa. 	Planning, resource management, tourism, economic development (through Enterprise North Canterbury), Hanmer Springs thermal pools.
A place with essential and appropriate infrastructure.	<ul style="list-style-type: none"> We have a strong emphasis on service delivery across all infrastructure including roading, water (for drinking and development), waste water, stormwater and solid waste. 	<ul style="list-style-type: none"> Water Supply Sewerage Stormwater & Drainage Roads & Footpaths. 	Water and sewerage schemes, stormwater, roading (which includes roads, bridges, footpaths, street lighting, road safety).
A place that demonstrates environmental responsibility.	<ul style="list-style-type: none"> We protect our environment while preserving people's property rights We minimise solid waste to the fullest extent, and manage the rest in a sustainable way. 	<ul style="list-style-type: none"> Regulatory services Public services Sewerage Hanmer Springs Thermal Pools & Spa. 	Resource consents, District Plan rules, subdivision inspection, waste minimisation, Hanmer Springs thermal pools.

Hurunui district profile

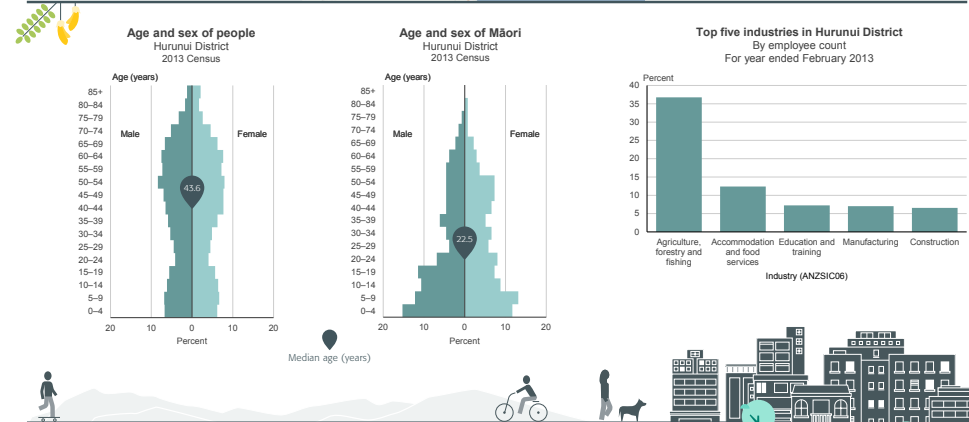
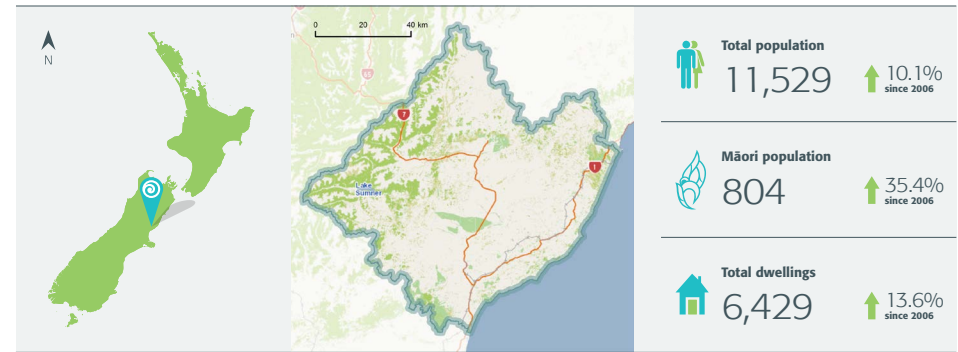


Statistics

The following information is based on/include Statistics New Zealand's data which are licensed by Statistics New Zealand for re-use under the Creative Commons Attribution 3.0 New Zealand licence.

Statistics New Zealand compile these statistics from data collected at the census. The last census data available is that collected in 2013. The next census took place in 2018 and the statistics from that census will not be generally available until 2019.

QuickStats about Hurunui District



How Hurunui District compares with the national average

Individuals		Households	
Major ethnic groups		Percent born overseas	Percent of households that own their dwelling*
European	93.4% vs 74.0%	15.0% vs 25.2%	68.9% vs 64.8%
Māori	7.3% vs 14.9%	Percent of people with a formal qualification*	Median weekly rent
Pacific peoples	0.8% vs 7.4%	76.1% vs 79.1%	\$180 vs \$280
Asian	2.3% vs 11.8%	Median income*	Percent of households with internet access
Middle Eastern/Latin American/African	0.6% vs 1.2%	\$28,600 vs \$28,500	75.1% vs 76.8%
Other	1.9% vs 1.7%	<small>*For people aged 15 years and over.</small>	<small>*Or hold it in a family trust.</small>

This poster summarises results from 2013 Census: QuickStats about a place. All results exclude responses that cannot be classified (eg 'not stated', 'response unidentifiable', 'response outside scope'). The data has been randomly rounded to protect confidentiality.

Source: Statistics New Zealand, and Land Information New Zealand & Eagle Technology Group Ltd. Visit our website for more information www.stats.govt.nz/2013Census



Our people

The population of the Hurunui District is predicted to grow steadily out to 2031. The greatest proportion of growth is occurring in the Amberley (31.1% growth since 2001) and Hanmer Springs (26.5% since 2001) wards. Census data reveals that the Hurunui District has an aging population (the largest age group being 50-54 year olds), and shows a steeper rise than that predicted for the country as a whole in the proportion of people aged 65 and over. Ethnic diversity is lower than that of New Zealand as a whole, but there has been a marked increase in overseas migrants with increasing numbers claiming to be born outside of New Zealand (2001=990, 2006=1239, 2013=1638).

The 2013 Census shows that the Hurunui District has a normal resident population of 11,529.

Census year	Population	Growth
2013	11,529	+10%
2006	10,476	+6%
2001	9,885	

The population is distributed by locale as follows:

Locale	2001	2006	2013
Hanmer Springs	681	732	840
Culverden	396	420	426
Waiau	255	252	261
Amuri	1,347	1,530	1,644
Parnassus	900	882	939
Cheviot	390	390	372
Hurunui	2,562	2,583	2,640
Amberley	1,137	1,302	1,575
Leithfield	2,217	2,385	2,832

And by ward:

Ward	2001	2006	2013
Hanmer Springs	849	933	1,074
Amuri-Hurunui	3,180	3,372	3,519
Cheviot	1,341	1,311	1,359
Glenmark	1,131	1,152	1,143
Amberley	3,381	3,708	4,431

Statistics New Zealand also produces low, medium and high estimates for the Hurunui population out to 2031. These are shown in the following table:

	Low	Medium	High
2016	11,400	11,750	12,150
2021	11,550	12,200	12,800
2026	11,650	12,550	13,500
2031	11,650	12,900	14,150

Though in much less detail, Statistics New Zealand's latest estimates for 2017 show an overall Hurunui District population of 12,800. This represents an 11% growth since 2013; at the high end of SNZ's 2013 estimates.

Further breakdowns of Hurunui population by age, sex, ethnicity and more, can be obtained from Statistics New Zealand:

<http://www.stats.govt.nz/Census/2013-census/profile-and-summary-reports/quickstats-about-a-place.aspx>

Our housing

At the 2013 Census, there were 6,429 dwellings in the Hurunui. 4,863 of these were occupied and 1,479 were unoccupied with a further 87 dwellings under construction.

23% of the dwellings in Hurunui were unoccupied compared to the national average of 10%.

Work

The unemployment rate in Hurunui District is 2.5 percent for people aged 15 years and over, compared with 7.1 percent for all of New Zealand.

The most common occupational group in Hurunui District is 'managers', and the top industry is "agriculture, forestry and fishing" (a single classification).

Education

15 years and over	Hurunui	New Zealand
No formal qualification	23.9%	20.9%
Levels 1-6	63.8%	59.1%
Degree or higher	12.3%	20.0%

Education by locale: 2013 (2006)

15 years and over	No formal qualification	Levels 1-6	Degree and higher
Hanmer Springs	105(105)	396(342)	111(57)
Culverden	81(96)	177(153)	30(27)
Waiau	75(84)	102(78)	15(6)
Amuri	213(243)	780(690)	168(117)
Parnassus	156(144)	438(441)	90(60)
Cheviot	102(114)	162(156)	24(21)
Hurunui	444(501)	1,227(1,149)	234(168)
Amberley	360(366)	699(525)	93(72)
Leithfield	453(459)	1,332(1,098)	267(207)

Recreation, Visitor Attractions, Parks and Reserves

The Hurunui is one of the few places in New Zealand's South Island that, in less than two hours traveling time, you can drive from the Lewis Pass (the northern most point of the Southern Alps) with its fresh mountain air, spectacular scenery and lush beech forests, to be sitting by the coast watching the waves from the Pacific Ocean crash onto the Beach. Activities include mountain walks, skiing, thermal bathing, river sports and recreation, surfing, fishing and spectacular walks amidst salt stone cliffs on our secluded beaches. The Waipara Valley is renowned for some of New Zealand's award winning wines, and this area offers the opportunity to discover many fine vineyards. The Hurunui has over 270 hectares of passive and recreation reserves including the world famous Hanmer Springs Thermal Pools and Spa. A significant recent addition is the former Queen Mary Hospital grounds in Hanmer Springs. The main beaches are at Leithfield, Amberley, Motunau and Gore Bay. The main recreational lakes are Lake Sumner, Lake Taylor and Lake Tennyson.

Main Industries

The Hurunui is continuing to experience growth and diversification in terms of industry. Historically the district has been primarily agriculture based, and this still continues to be the single largest contributor to the Hurunui economy. However, recent times have seen an expansion in both viticulture and tourism. The growth of Hanmer Springs, the district icon, as a tourist destination and the establishment of associated infrastructure, is unprecedented in the tourism sector New Zealand wide. The majority of the district's working population is employed in the "agriculture, forestry or fishing" industries (as defined by Statistics NZ). The second largest

employment industry category is "accommodation, cafes and restaurants", followed by "health and community services".

Development and Growth

The Hurunui District has a highly diversified economy based around agriculture, viticulture and tourism. Both domestic and international tourism have increased significantly over the past decade in recognition of the wide array of recreational opportunities within Hurunui from the coast to the mountains. The Hanmer Springs Thermal Pools & Spa, Mt Lyford Ski Field and Waipara wine producing area are recognised as anchor destinations that have been a catalyst for business investment in the District. Statistics New Zealand has estimated the Hurunui population at 2031 to be 12,900 on a medium growth projection. However because of a large absentee population owning lifestyle and holiday homes, the Council is planning for growth demands based upon trends in subdivision developments, and, upon this basis, indications are that district wide growth will be slower than what is indicated by the Statistics New Zealand projections, but the Amberley and Hanmer Springs Wards are more likely to be at the medium or even high growth rates.

Health

Indicators of health in the District include the Ministry of Health's "Deprivation Index", which has been shown to correlate with various health statistics (e.g. rates of cervical cancer, mental health problems). This index assigns deprivation scores (1 least deprived, to 10 most deprived) to each meshblock in New Zealand. Meshblocks are geographical units defined by Statistics New Zealand. Scores are based on variables like income, home ownership, unemployment, qualifications, household crowding, transportation, and access to telecommunications. These scores are assigned as measures of relative (rather than absolute) deprivation. Thus, 10% of meshblocks in New Zealand as a whole will always score 10. Scores for the Hurunui District indicate higher than average deprivation in Waiau and Cheviot (both scored 8) while Amuri and Leithfield scored 2 and 3 respectively.

Ratable values

Ward	District capital value	No of rateable properties
Amberley	\$1,451,203,200	2594
Amuri	\$1,882,784,730	1,078
Cheviot	\$890,356,300	982
Glenmark	\$773,529,500	787
Hanmer Springs	\$903,411,200	1,715
Hurunui	\$833,128,710	874
Utilities	\$162,975,000	13
Value as at 21 June 2018	\$6,897,388,600	8,043

Council activities

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Council activities introduction

This section contains more information about our plans for the next ten years, with particular focus on the immediate three year period. Our work is grouped into seven categories of our activities:

1. Water Supply
2. Sewerage
3. Stormwater and Drainage
4. Roads and Footpaths
5. Public Services
6. Regulatory Services
7. Hanmer Springs Thermal Pools and Spa

The following pages go into detail about each category and its associated activities. The format for each is similar and although some information is relevant for some activities and not for others. In each of the groups of activities, you will be able to find out:

- Council's overall aim in relation to the activity
- background to the activity
- how the activity will contribute towards the achievement of our community outcomes
- what the current situation is in relation to the activity
- what council's future plans are in relation to the activity
- how the activity is funded
- how the activity is maintained and operated
- what significant negative effects are caused through the activity
- assumptions and risks that are associated with the activity
- how we measure or monitor our progress
- financial forecasts.

Linkage to 30 Year Infrastructure Strategy

In preparing the budget for the next 10 years, we have considered what our 30 Year Infrastructure Strategy has indicated in respect to what needs to be upgraded or replaced in future years. This information has been prepared from our Asset Management plans (AMPs) which tells us what we own and when we should upgrade or replace specific items for water, sewer schemes, stormwater and the roading network.

For the roading network, the Council essentially has two funding sources – New Zealand Transport Agency (NZTA) subsidies and rates. The draft budgets for the Long Term Plan (LTP) were based on the information derived from the AMP for Roothing and consulted on that basis. The budgets were conditional on NZTA approving the Roothing Programme outlined in the AMP.

In early May, NZTA advised us of their indicative roading programme for the three-year period from 2018 to 2021. Based on this, the budgeted subsidised roading programme for the full ten-year period of the LTP has been reduced by \$8.3 million. Although there is a reduction in the budget; this is still a significant increase to the budgets allowed for in previous LTPs and Annual Plans. As the subsidised roading programme has now been budgeted at a lesser amount than the Asset Management Plans for Roothing indicate, Council will still have concerns about the ability to meet ideal levels of service over time. This is an area where we will continue to monitor the impact of having a lower budget to maintain our roads and to weigh up the consequence of possibly having to charge a higher rate in the future. This will be an issue when we next review our LTP in three years' time.

Contribution to community outcomes					
Group of Council activities	Community outcomes				
	A desirable and safe place to live	A place where our traditional rural values and heritage make Hurunui unique	A place with a thriving local economy	A place that demonstrates environmental responsibility	A place with essential infrastructure
Water supply					X
Sewerage	X			X	X
Stormwater and drainage	X				X
Roads and footpaths	X				X
Public services	X	X		X	
Regulatory services	X			X	
Hanmer Springs Thermal Pools and Spa		X	X		

Plan Review/Public Consultation

This long term plan will be comprehensively reviewed in three years. During the review and before the plan is next finalised, the public will have the opportunity to give their feedback through submissions through a special consultative procedure. Parts of the plan may be reviewed at other times if circumstances alter what we had intended in the plan. The next long term plan review is due in 2021.

Water supply

Overview

The Water Supply group of activities includes the various functions of rural and township water supplies.

Our Aim

We aim to provide a sustainable supply of water that meets the needs of present and future domestic and agricultural consumers, and complies with Drinking Water Standards New Zealand.

Why is the Council Involved?

The subject of water is of major importance to our Council and communities. It is an on-going challenge for us to provide a plentiful water supply, particularly given the drought prone nature of the Hurunui district and to have water that is of a good drinking standard while at the same time operating an efficient and cost effective service. Water is of primary importance to any community and has a direct influence and impact on economic development and quality of life for our population.

Community Outcomes

The Water Supply activity described in this section, primarily contributes to the community outcome below:-

A place with essential and appropriate infrastructure:

- We have a strong emphasis on service delivery across all infrastructure including roading, water (for drinking and development), waste water, stormwater and solid waste

Council Owned Assets

We own and maintain depots for 19 on-demand or restricted water supply systems to deliver our water supply services. These are as listed below:

On-demand water schemes (urban)

1. Amberley
2. Leithfield Beach
3. Culverden
4. Waiau
5. Waipara
6. Hanmer Springs
7. Hawarden-Waikari

Restricted water supplies (rural)

8. Ashley
9. Amuri Plains
10. Balmoral
11. Waiau Rural
12. Cheviot
13. Hurunui Number 1
14. Blythe
15. Kaiwara
16. Lower Waitohi
17. Upper Waitohi
18. Parnassus
19. Peaks

Current Situation

Having fit-for-purpose quality and secure quantity of drinking water in the Hurunui district remains a concern and priority for us.

The Council's 19 water schemes extract water from 24 different sources (intakes). Seven of these intake sources are on permanent boil water notices (which is a treatment method used for killing any bacteria, viruses, ova and cysts that may be present in potentially contaminated water).

All the schemes are overseen by the Council's Water Liaison Committee, represented by a nominated delegate from each of the 11 Local Water Advisory Groups. This committee reports directly to the Infrastructure Committee of Council and has delegated responsibility for input into the financial and technical planning and development of the respective schemes, while working closely with Council staff.

On-demand water is supplied to 8 of the district's urban communities from 7 high pressure schemes consisting of 10 water intakes. Other small urban communities (Leithfield, Cheviot, Gore Bay, Rotherham, Greta Valley, Scargill, Amberley Beach and Motunau Beach) are supplied via consumer tanks from restricted rural supplies. All rural communities in the district are serviced by Council operated restricted-flow water supplies providing water to consumers as "units" of water supplied into individual private tanks. One unit is 1,800 litres supplied over 24 hours, except for Balmoral and Amuri Plains, where a unit is 1,000 litres per day. The Ashley Scheme has three distinct intake sources and the supply area includes part of the Waimakariri district above the Ashley River.

All townships with on-demand supplies except Leithfield Beach, have metered connections. An annual water charge is applied along with the cost for actual water consumed. Meter connections are being installed at Leithfield Beach. Meters help us to monitor schemes for leaks and average water consumption use which also helps us plan for demand.

In 2013/14 we installed MIOX (mixed oxidant) water treatment plants at 10 of our most at-risk water intakes. This was to reduce the need to have permanent boil water notices once fully commissioned and operational. Unfortunately, on-going issues from these schemes has not eliminated the need for boil water notices altogether. From time to time, water testing has continued to show unacceptable levels of contaminants. In these cases, we have continued permanent boil water notices to protect our consumers until the issues have been resolved and further testing has been done to confirm that the water is safe at all times to drink.

Through 2016/17, assessments were completed on our water pipeline stock to prioritise pipeline renewals. That is, which pipelines would affect the most customers if they experienced breakages. This involved assessing how critical each pipeline

with the Ministry of Health (MoH) about the affordability issue for our small rural council with a low rating base to meet these costs. The expectation from MoH is that we will, as a minimum interim measure, provide drinking-water to our consumers that is bacteriologically free (meets compliance for maximum acceptable e-coli contamination levels, but is still safe to consume). In accordance with our WSP's and the category of each of our water sources, we are required to be fully compliant by no later than 2024/25 for our minor schemes and 2025/27 for the remaining small and neighbourhood schemes. We have included the capital cost into our 2020 to 2027 budgets through a district-wide general rate. Once all treatment systems are completed, the MIOX treatment processes will continue to provide a secondary barrier treatment to our distribution network. The initial scoping and investigations are to occur from 2020/21 (see Table 1).

Other initiatives will occur to check that we are not wasting water or resources and hence spending more than necessary. Water is one of New Zealand's most precious commodities, yet we're losing more than 100 billion litres of it every year nation-wide through leaks and wastage. We have a responsibility to not waste water and plan to initiate a programme of flow meters across all restricted supply schemes to track and eliminate leaks to the supply network.

We also plan to complete a full pump assessment to ensure that we have the correct pumps in the correct supply circumstances. Incorrect sized pumps create inefficiencies and unnecessary power consumption costs.

We will replace pipelines that have 12 breaks (maximum) per kilometer as being the most cost effective renewal approach. This will create savings over time and is a departure from current practice which has been to continue repairing breaks before the full cost of pipeline replacement was met. The level of breaks, alongside criticality, will determine which pipelines require condition assessments. A condition assessment is a means of determining the residual life left in a pipeline. Given that most AC pipelines (13.4% of our pipeline asset stock) were installed in the early 70's, with a theoretical life of 50 years, condition assessments provide a scientific measure for extending our pipeline asset stock and confidence in the projected replacement date and costs.

Infrastructure Strategy and Asset Management Plans

The Infrastructure Strategy and Asset Management Plans developed for water set out the renewal programmes for next 30 years. These are originally based on the theoretical useful lives of the assets, but the cost of replacing on age presents the Council (and ratepayers) with an unrealistic financial burden. In reality, assets do not fail just because they have reached a certain age. We have set replacement priorities based on ensuring that our assets will last longer than their theoretical useful lives.

Fig 2: District-wide pipeline renewal profile based on theoretical life of asset

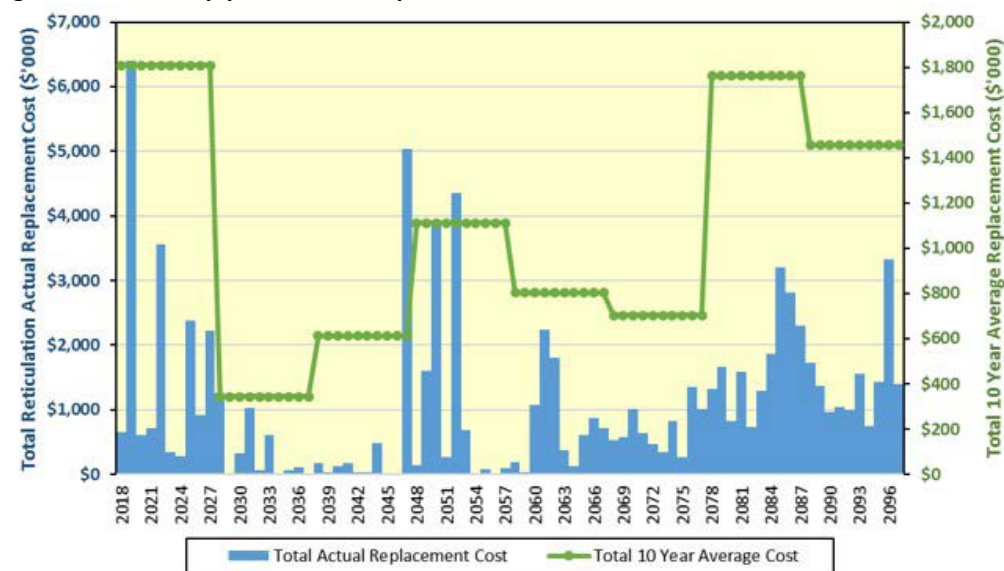


Table 2: Theoretical pipe material lifespan

Pipe material	Asset life (years)
AC	35-80
CICL	80
Galvanised	58
HDPE	80
MDPID (Medium Density Polyethylene - Internal Diameter)	80
MDPE (Medium Density Polyethylene - External Diameter)	80
PVC	80
RC	80
Steel	50

Major projects planned

Table 3: Water supply areas

Area and intake source	Type of intake	Connections served	Scheme category	Effective WSP Date (01 July)
Amberley town • SH1, Leithfield	Well	983	Minor	2014
Amberley Beach/Ashley Rural (north) • Racecourse	Well	998	Minor	2014
Amuri Plains	Well	155	Small	2015
• Ashley rural • main intake	Well	1,545	Minor	2014
Balmoral rural	Gallery	60	Small	2015
Cheviot rural • Main intake Waiau River	Well	670	Minor	2014
• Blythe	Well	27	Neighbourhood	2016
• Kaiwara	Gallery	75	Small	2015
• Parnassus	Well	74	Small	2015
Culverden	Well	211	Small	2015
Hanmer Springs town	Gallery	1,279	Minor	2014
Hawarden / Waikari	Well	479	Minor	2014
Hurunui rural • No. 1	Gallery	517	Minor	2014
• Peaks	Well	35	Neighbourhood	2016
• Upper Waitohi	Gallery	197	Small	2015
• Lower Waitohi	Gallery	136	Small	2015
Leithfield Beach	Well	231	Small	2015
Waiau rural	Well	99	Small	2015
Waiau town	Well	169	Small	2015
Waipara town	Well	150	Small	2015

Funding

Table 4: Major projects planned

	Year planned			
	2018/19	2019/20	2020/21	2021+
District wide renewals	\$337,000	\$309,000	\$316,000	\$2,180,000
Drinking water standards compliance			\$899,000	\$20,411,000
Amberley		\$1,013,000		\$4,008,000
Ashley	\$737,000	\$501,000	\$663,000	\$2,655,000
Amuri Plains		\$129,000		
Cheviot	\$184,000	\$130,000	\$176,000	\$213,000
Culverden	\$140,000			
Hanmer Springs	\$110,000	\$296,000		\$161,000
Hawarden - Waikari		\$581,000		
Hurunui rural	\$933,000			\$364,000
Waipara				\$325,000
Waiau Rural	\$153,000			
Waiau Town	\$130,000			

Table 5: Operational and capital costs

Activity	Operational costs	Capital costs
Water supply	For all on-demand supplies, a standard connection charge is applied regardless of the location. In addition, those connected to an on-demand supply are charged a standard charge for each cubic metre of water as recorded by individual water meters. Properties that have the ability to connect to an on-demand supply but are not connected (e.g. vacant sections) will be charged ½ the standard connection charge. For restricted supplies, except Balmoral, a staged increase is proposed to align all supplies to a common rate for each unit of water. The Balmoral Rural Water Supply is charged as a local uniform annual rate per water unit entitlement.	<ul style="list-style-type: none"> Capital expenditure is initially funded by a loan as per the Council’s Internal Financing Policy. The depreciation costs for all water supplies are included as part of the operational costs and charged as part of the targeted rate with the depreciation funds used for repayment of internal debt. If the capital expenditure caters for future growth of the scheme, then that portion of the cost that relates to growth may be funded through development contributions. Land owners will pay the cost of connection to the nearest main; plus if a new subdivision, the cost of a new sub-main and development contributions if they apply. Property owners individually pay for new connections.

Maintenance and Operating

We intend to retain the ownership of all public water supply assets on behalf of the communities. Asset management, basic design work, contract documentation, tendering, works and routine repairs will continue to be carried out by our own employees. Large projects, repairs or emergency work may be contracted externally when the work exceeds our internal capabilities or capacity.

Age and condition have an influence on the maintenance of assets, but do not necessarily impact on the performance of that asset. Breakages can occur due to nearby earthworks, natural emergency events, hydraulic pressure waves (from pumps) or illegal connections that can influence demand for water. Most of the network reticulation, although aging, is in good repair and operates under a policy of renewal when necessary (as discussed above). Table 6 shows the water network valuations as at 30 June 2017.

Table 6: Water network valuations (\$'000)

Network	Total replacement cost	Depreciated replacement values	Annual depreciation
Amberley	\$8,132	\$4,360	\$121
Amuri Plains	\$2,572	\$1,453	\$36
Ashley	\$24,892	\$16,575	\$382
Balmoral	\$1,966	\$1,142	\$28
Blythe	\$845	\$434	\$13
Cheviot	\$6,564	\$2,769	\$103
Culverden	\$2,297	\$471	\$16
Hanmer Springs	\$11,142	\$6,303	\$177
Hawarden-Waikari	\$5,051	\$1,474	\$83
Hurunui 1	\$10,152	\$4,419	\$135
Kaiwara	\$3,254	\$1,780	\$50
Leithfield Beach	\$1,655	\$1,059	\$26
Lower Waitohi	\$3,732	\$1,992	\$51
Parnassus	\$2,137	\$1,141	\$33
Peaks	\$793	\$461	\$11
Upper Waitohi	\$4,868	\$1,852	\$62
Waiau RWS	\$4,093	\$1,924	\$60
Waiau township	\$1,872	\$832	\$31
Waipara	\$1,538	\$425	\$30
Totals:	\$97,555	\$50,867	\$1,448

Assumptions and Risks

The outcome of Havelock North Inquiry 2 has resulted in strong recommendations to central government to make drastic changes to the way drinking water is managed at present. These proposed changes could well see our treatment plant installation programmed accelerated, bringing the associated cost and debt sooner than expected, including additional costs and debt with more treatment plants to our currently agreed secure intake sites. More water sampling and testing regimes may be imposed which will add further cost to our communities.

In response to the recommendations made by the Commissioner to the Havelock North inquiry, central government has opted to review how to it can improve the

management of drinking water, stormwater and wastewater (three waters) to better support New Zealand's prosperity, health, safety and environmental objectives. These three water services are currently a core service responsibility of local council. This 2-stage reform programme is intended to transform this sector and focus on the challenges facing the sector in terms of funding pressures, rising environmental standards, climate change and seasonal pressure from tourism, alongside the recommendations provided from the Havelock North inquiry. Stage 1 looked to explore the issues and opportunities within the three waters sector and was completed towards the end of 2017. Stage 2 will look at the management, service delivery, funding and regulatory arrangements prevailing and alternative options for improved delivery of the three waters. This second stage commenced March 2018 and should provide central government policy and funding decisions by October 2018. Hurunui District Council will continue to provide these services in the agreed manner, as per the LTP 2018 until advised differently.

Failure to supply safe drinking water has serious potential impacts on public health through water-borne diseases. In addition, the Hurunui district has several earthquake fault lines which can seriously damage our water supply and reticulation. We hold limited pipe and fittings stock at each depot and have built-in generators or external plugs at some of the main pump stations. Reservoir back-up, when intakes are out of commission, is very limited (except for Hanmer Springs and Waiau Township).

All water networks operate under resource consents to take water. These conditions are generally agreed between us and the Canterbury Regional Council (Environment Canterbury). The conditions relating to the approved consents are monitored and applied by our own staff and the Regional Council audits the consent from time to time for compliance reporting. All water intakes are within current consented limits at present. It is assumed that future demand will be able to be met with the capital projects planned and that the consents for such will continue to be renewed as necessary and will be able to be complied with.

Significant Negative Effects

There is potential for significant negative effects on the environmental and cultural wellbeing of the community if there is excessive abstraction of water. Abstraction is managed to minimise the chance of outages or disruption to supply. There are also potential negative public health effects in providing water in some areas that does not meet current drinking water guidelines for biological contaminants. We issue public "boil water" notices when positive tested samples are detected. We are working toward improving the standard of our water supply to meet the New Zealand drinking water standards. Ultimately, we aim to negate the need for all boil water notices in the near future.

Development contributions are being collected to offset the negative economic effects on ratepayers of upgrades of supplies in the district that are necessary to cater for growth. Such upgrades will help to ensure that the present level of provision of water supply services is sustainable.

Emergency Management

In an emergency, particularly a civil defence emergency, we will continue to deliver services as long as it is safe and practical to continue to do so. Water is a priority commodity at any time, and no less so in the event of a civil emergency. Every effort will be made to maintain our water services in an emergency situation, or when major damage has occurred for whatever reason.

Shared Services

We have an agreement with Waimakariri District Council to supply water to the Ashley, Loburn and Sefton parts of their district. As such, a high percentage of the customers to the Ashley Rural scheme (south) are Waimakariri residents who pay the water proportion of rates directly to us.

Financial Summary

A financial summary for this activity is at the end of this section on water supply.

Water supply performance measures

Safety

What we want to do	What we are going to measure	What we are aiming for	How we will measure this	Our current performance
Supply safe drinking water	Bacteria compliance ¹	No failed water tests	Drinking Water On Line (DWOL) database ²	10 failures in 2016/17 15 failures in 2015/16
	Protozoa compliance ³			Not measured

Maintenance

What we want to do	What we are going to measure	What we are aiming for	How we will measure this	Our current performance
Maintain water systems so water is not wasted or lost ⁴	Water loss from metered town supplies (on demand water)	To lose no more than 20% volume of water	The difference between water pumped to the water schemes and the consumed amount according to Council's water meters	15.5% losses in 2015/16
	Water loss from rural supplies (restricted water)		Currently unable to measure water loss from restricted supplies ⁵	Not measured

Response time

What we want to do	What we are going to measure	What we are aiming for	How we will measure this	Our current performance
To respond quickly to water supply call outs	The median time it takes for service personnel to reach a site in response to an urgent ⁶ call-out from the time we received the notification	To respond within 4 hours	Customer Service Request system	5.10 hours in 2016/17 2.3 hours in 2015/16
	The median time it takes for a person to attend site in response to non-urgent call outs from the time we received the notification	To respond within 3 days		21 hours in 2016/17 26.5 hours in 2015/16
	The median time it takes to resolve urgent call outs from the time we received the notification	To fix within 16 hours		19 hours in 2016/17 2.6 hours in 2015/16
	The median time it takes to resolve non-urgent call outs from the time we received the notification	To fix within one week		24.5 hours in 2016/17 42 hours in 2015/16

Customer satisfaction

What we want to do	What we are going to measure	What we are aiming for	How we will measure this	Our current performance
Reduce the number of water related complaints	Drinking water clarity	No complaints	Customer Service Request system	31 complaints in 2016/17 47 complains in 2015/16
	Drinking water taste			15 complaints in 2016/17 30 complaints in 2015/16
	Drinking water odour			7 complaints in 2016/17 11 complaints in 2015/16
	Drinking water pressure or flow			9 complaints in 2016/17 31 complaints in 2015/16
	Drinking water continuity			138 complaints in 2016/17 411 complaints in 2015/16
	The total number of complaints pertaining to the above issues per 1,000 connections			200 = 20 complaints per 1,000 connections in 2016/17 530 complaints in 2015/16

Demand management

What we want to do	What we are going to measure	What we are aiming for	How we will measure this	Our current performance
Have enough water to supply our consumers	The average consumption of drinking water per day per resident ⁷ on township supplies	To supply up to 285 litres of water per person per day	Council's water meters	292 litres in 2016/17 298 litres in 2015/16

¹ The Drinking Water Standards New Zealand stipulate that drinking water must have less than 1 e-coli per 100ml of drinking water tested. Any e-coli tests that are above that warrant a failed test.

² The DWOL data base is administered by the Ministry of Health. We will not be measuring protozoa compliance for several years in accordance with the Council's Water Services Plans approved by the Ministry of Health. Plans are in place to have all protozoa compliance treatment systems on at-risk intakes fully installed by 2024 (for minor schemes); 2025 (for small schemes); and 2026 (for neighbourhood schemes), unless substantial financial subsidies become available and are approved by Ministry of Health.

³ Protozoa means any of a large group of one-celled organisms (called protists) that live in water or as parasites.

⁴ Water losses can occur through leaks, meter inaccuracies or water theft, but excludes unauthorised emergency usage; for example to put out fires.

⁵ Restricted water supply schemes operate according to how many daily units of water are purchased from the consumer and supplied through set water restrictors into private tanks or reservoirs. However, the water supply shuts off when the receiving tank or reservoir is full. We are unable to measure the actual water consumed daily as this method is unmetered. The customer purchases their required water units per day which is supplied by Council through a restrictor geared at providing this quantity over a 24 hour period. This is the daily maximum demand. However, the actual usage of water remains unknown as these connections are not metered, and the demand is subject to the supply tank's full status to retain a 50mm gap between the inlet and the top surface of the maximum storage water. Thus it is impossible to account for the difference between the maximum daily demand and actual usage in context of possible water loss leakages. The cost to apply meters to all our restricted supply connections and the inherent operations and maintenance is not warranted when compared to the cost of the water loss predicted. Thus, officers will continue to be vigilant for visible leakages and any monitored pumping volumes that exceed the known maximum daily demand.

⁶ An urgent call-out is considered urgent when there is complete loss of water, otherwise it is regarded as non-urgent.

⁷ Note that we are only able to measure the consumption of those on township water supplies.

Measurement Period: All of the performance measures will be measured annually and reported in the Council's Annual Report each October.

Water Supplies - Group Activity Financial Summary

	<u>Annual Plan</u> <u>2017/2018</u>	<u>Year 1</u> <u>2018/2019</u>	<u>Year 2</u> <u>2019/2020</u>	<u>Year 3</u> <u>2020/2021</u>	<u>Year 4</u> <u>2021/2022</u>	<u>Year 5</u> <u>2022/2023</u>	<u>Year 6</u> <u>2023/2024</u>	<u>Year 7</u> <u>2024/2025</u>	<u>Year 8</u> <u>2025/2026</u>	<u>Year 9</u> <u>2026/2027</u>	<u>Year 10</u> <u>2027/2028</u>
<u>Operating Statement</u>											
Operating Revenue											
Targeted Rates	5,814,070	6,042,774	6,338,633	6,638,482	6,941,766	7,249,092	7,559,808	7,874,603	8,151,147	8,451,945	8,779,726
Other Income	124,096	376,140	927,589	166,974	170,671	174,528	178,529	182,834	187,315	192,085	197,174
Internal Interest Received	8,511	0	0	0	0	0	0	0	0	0	0
Development Contributions	355,966	373,477	381,854	389,571	398,312	407,551	417,819	428,215	438,613	449,872	461,926
Total Operating Revenue	6,302,643	6,792,391	7,648,076	7,195,028	7,510,749	7,831,171	8,156,157	8,485,653	8,777,076	9,093,902	9,438,826
Operating Expenditure											
Employee Benefits	587,381	937,986	1,124,633	985,591	1,011,146	1,011,969	1,038,515	1,194,477	1,161,957	1,197,476	1,204,879
Direct Operating Expenditure	3,002,227	2,656,507	3,220,649	2,645,363	2,720,229	2,808,398	2,928,400	3,021,548	3,126,827	3,255,321	3,366,419
Internal Interest Paid	578,414	514,809	594,479	686,698	718,619	760,779	942,501	1,222,088	1,447,616	1,574,283	1,640,210
Council Overheads Expenditure	1,039,591	1,190,514	1,215,374	1,245,278	1,264,366	1,292,326	1,329,583	1,352,507	1,384,954	1,428,336	1,456,250
Depreciation	1,569,880	1,633,887	1,669,867	1,711,118	1,828,548	1,848,852	1,943,703	2,209,258	2,307,724	2,352,260	2,531,462
Total Operating Expenditure	6,777,493	6,933,704	7,825,002	7,274,048	7,542,907	7,722,324	8,182,701	8,999,878	9,429,079	9,807,677	10,199,221
Operating Surplus (Deficit)	(474,850)	(141,313)	(176,927)	(79,020)	(32,158)	108,847	(26,544)	(514,225)	(652,003)	(713,774)	(760,395)
<u>Capital Statement</u>											
Capital Expenditure											
District Wide Water	61,051	337,200	308,879	315,587	296,951	303,906	311,139	305,145	312,572	320,771	329,476
District Wide Water - Full Drinking Water Standards	0	0	0	865,725	1,580,819	3,918,439	5,621,078	4,923,359	1,400,821	1,672,540	0
Amberley Water	304,653	58,750	1,013,157	40,467	41,362	42,331	43,338	47,285	162,920	528,694	3,142,211
Leithfield Beach Water	8,289	0	0	0	0	0	0	0	0	0	0
Ashley Rural Water	527,844	737,000	500,829	663,131	104,072	472,463	584,923	114,630	614,107	117,488	647,317
Culverden Town Water	3,579	140,000	12,776	10,443	10,674	10,924	11,184	14,329	11,742	12,050	12,377
Waiau Town Water	0	130,350	34,496	3,916	4,003	4,097	4,194	4,299	4,403	4,519	4,641
Amuri Plains Water	6,742	6,250	129,040	6,527	6,671	6,828	6,990	7,164	7,339	7,531	7,736
Balmoral Water	0	13,000	6,133	34,462	69,381	1,092	1,118	24,072	1,203,555	1,205	1,238
Waiau Rural Water	0	153,100	22,997	2,611	2,669	2,731	2,796	2,866	2,936	3,013	3,094
Cheviot Water	427,156	184,000	129,704	175,965	56,039	24,579	25,164	25,792	26,420	27,113	27,848
Waipara Town Water	11,450	6,250	6,388	6,527	166,781	118,799	6,990	7,164	7,339	7,531	10,830
Hanmer Springs Water	15,789	110,000	296,409	20,886	21,348	21,848	22,368	22,926	23,484	24,100	24,754
Hawarden-Waikari Water	91,041	38,750	581,319	9,138	9,340	9,559	9,786	10,030	10,274	10,544	10,830
Hurunui Rural Water	705,601	932,850	19,164	19,581	143,298	110,606	20,970	21,493	22,016	22,594	23,207
Total Capital Expenditure	2,163,195	2,847,500	3,061,292	2,174,964	2,513,407	5,048,199	6,672,039	5,530,554	3,809,927	2,759,691	4,245,559
Funds Required											
Operating Deficit	474,850	141,313	176,927	79,020	32,158	0	26,544	514,225	652,003	713,774	760,395
Capital Expenditure	2,163,195	2,847,500	3,061,292	2,174,964	2,513,407	5,048,199	6,672,039	5,530,554	3,809,927	2,759,691	4,245,559
Repayment of Internal Loans from Operating Income	1,095,030	1,492,574	1,492,940	1,632,098	1,796,390	1,957,699	1,917,159	1,695,033	1,655,721	1,638,486	1,771,067
	3,733,075	4,481,387	4,731,159	3,886,082	4,341,955	7,005,898	8,615,742	7,739,812	6,117,651	5,111,951	6,777,021
Funded by											
Operating Surplus	0	0	0	0	0	108,847	0	0	0	0	0
Non Cash Expenditure - Depreciation	1,569,880	1,633,887	1,669,867	1,711,118	1,828,548	1,848,852	1,943,703	2,209,258	2,307,724	2,352,260	2,531,462
Capital Expenditure funded through Internal Loans	2,163,195	2,847,500	3,061,292	2,174,964	2,513,407	5,048,199	6,672,039	5,530,554	3,809,927	2,759,691	4,245,559
	3,733,075	4,481,387	4,731,159	3,886,082	4,341,955	7,005,898	8,615,742	7,739,812	6,117,651	5,111,951	6,777,021

Sewerage

Overview

The Sewerage group of activities includes the various functions of the seven sewerage schemes in the district.

Our Aim

We aim to provide proficient, compliant, cost-effective sewage disposal schemes relevant to the needs of the community.

Why is the Council Involved?

We provide sewerage services to support the development of the district and to protect the physical environment and health of the community through good sanitary practices. We try to ensure that any known adverse environmental impacts are avoided, minimised or eased.

Community Outcomes

The Sewerage activity described in this section, primarily contributes to three of our community outcomes:

1. A desirable and safe place to live:
 - We have attractive well designed townships
 - Communities have access to adequate health and emergency services and systems and resources are available to meet civil defence emergencies
 - Risks to public health are identified and appropriately managed
2. A place with essential and appropriate infrastructure:
 - We have a strong emphasis on service delivery across all infrastructure including roading, water (for drinking and development), waste water, stormwater and solid waste
3. A place that demonstrates environmental responsibility:
 - We protect our environment while preserving people's property rights

Council Owned Assets

We own and maintain 7 sewerage schemes servicing the areas listed below:

Current Situation

The seven sewerage schemes serve all our larger urban localities. All schemes use oxidation ponds for treatment of sewage and 19 pump stations are operated within these pipe network systems.

Table 7 sets out the number of connections each sewerage scheme services.

Table 7: Connections per sewerage scheme

Scheme	Active connections	Reticulation length (km)	Population served*
Amberley	1,448	58.6	1,548
Cheviot	211	7.2	435
Greta Valley	30	5.3	50
Motunau Beach	128	4.9	86
Hanmer Springs	1,217	41.1	846
Hawarden	123	4.9	219
Waikari	144	10.3	261

* as per population census 2013

Fortunately our sewerage pipeline systems across the district suffered very little damage in the 14 November 2016 earthquake. The main damage to the pipelines was mostly located in Hanmer Springs, and the Hanmer Springs and Motunua Beach treatment oxidation ponds suffered wall displacement. Insurance will cover the cost of these repairs.

The Council's seven sewerage schemes are outlined below:

1. Amberley: Reticulation was installed between 1974 and 1977 with a staged multi-pond treatment and land disposal onto pasture (free draining sandy soil) adjacent to the coast. A further upgrade including an additional pond and aerators was completed 2011/2012, with additional land disposal secured.
2. Cheviot: Reticulation and aeration tank was installed in 1964. This was upgraded to a single oxidation pond plus border-dyke disposal in 1982 and further improved in 1999/00 to a multi-pond facility. This is spray irrigated to pasture and overland flow discharge is to adjacent waterway through wetland when the irrigation area is saturated.
3. Greta Valley: Reticulation and the treatment/disposal facility was installed in 1979. This is a one pond treatment with disposal to land or to a nearby waterway when the soil conditions are too wet and saturated for irrigating.
4. Motunau Beach: Reticulation, treatment and disposal area was installed in 1987 using a dual pond for treatment and land based discharge onto pasture (private land).
5. Hanmer Springs: Reticulation was installed 1971 with dual pond treatment and discharge to the Chatterton River. This replaced the older reticulation and settling tank (installed in 1949) which was not meeting local or environmental expectations. A further upgrade including additional ponds and aerators and was

completed in 2007/08. Further investigations are underway for disposal to land to minimise discharge into waterways.

6. Hawarden: Reticulation and treatment/disposal facility was installed in 1966 with twin ponds and overflow to an open drain.
7. Waikari: Reticulation and treatment/disposal facility was installed in 1967 with twin ponds and overflow to the Waikari River. The discharge was altered to land disposal in 1996 onto an adjacent farmland. It has been further upgraded in 2005 with an additional pond and an increased effluent disposal area. Further investigations are underway to increase to another pond and decrease treated discharge to waterways.

A few years ago we investigated the feasibility of two new sewerage schemes; one in Culverden and the other in Waipara. Public feedback did not support proceeding due to the high cost of the building and maintaining the schemes. In general, residents did not consider there was a problem that needed to be fixed. Nothing further has been done since and there are no plans for reticulated schemes for Culverden and Waipara. Should there be any changes in legislation or we find there are adverse effects to the groundwater (in terms of effluent contamination), then we will need to reconsider our options going forward for the most cost-effective solution.

Plans for the Future

The main plans for the future involve maintaining our current systems with some improvements as follows:

- Further exploration is needed to provide better data to assess our sewerage assets against population and housing growth, the environmental impacts of effluent discharge (where and how) and the desludging of ponds. This will be undertaken from 2018/19.
- Future upgrade pipelines in Amberley are to be installed to replace aging infrastructure and add capacity to the network. There are also plant renewals planned.
- We will be seeking improved methods to reduce non-biodegradable objects from entering our treatment ponds in Hanmer Springs and Hawarden. This will help reduce costs for future desludging and increase treatment capacity into our treatment ponds as well as comply with our resource consents.

Infrastructure Strategy and Asset Management Plans

The Infrastructure Strategy and Asset Management Plans developed for sewerage sets out the renewal programmes for the next 30 years. These are originally based on the theoretical useful lives of the assets, but the cost of replacing based on age presents the Council (and ratepayers) with an unrealistic financial burden. Examinations of

our pipelines using CCTV technology gives us the confidence to assume the assets will last and still be useful for more years than the theoretical minimum number of years. Therefore, our Infrastructure Strategy and plans across 30 years are adjusted from a theoretical to a practical application.

Major Projects Planned

Table 8: Sewerage major projects planned

Project	Year planned			
	2018/19	2019/20	2020/21	2021+
Amberley - modelling, pipeline upgrades, desludging assessment, land purchase and resource consent compliance	\$103,500	\$25,553	\$5,222	\$4,426,797
Cheviot – desludging assessment/ works and modelling	\$10,500	\$76,658	\$26,108	\$248,977
Greta Valley – flow monitoring and desludging assessment	\$17,500	-	-	-
Motunau Beach – desludging assessment and improvements	\$52,000	-	-	\$263,328
Hanmer Springs – inlet screen upgrade, discharge structure improvements, aerator upgrade, modelling, desludging works and pond liner renewal	\$215,000	\$5,111	\$31,329	\$660,301
Hawarden – step screen upgrade, desludging assessment, aerator installation, new consent and modelling	\$143,500	\$29,130	\$3,655	\$1,478,665
Waikari – desludging works and modelling	-	\$40,884	-	\$54,666

Funding

Table 9: Sewerage funding

Activity	Operational costs	Capital costs
Sewerage	<p>Wastewater uniform annual charge applies:</p> <ul style="list-style-type: none"> to each connection for connected commercial properties a charge: <ul style="list-style-type: none"> full charge for the first toilet pan ½ charges on the second toilet pan ¼ charges on the third and subsequent toilet pans Vacant properties within the urban sewerage scheme area will be charged ½ the uniform annual charge. 	<p>Capital expenditure is initially funded by a loan as per the Council's Internal Financing Policy. The depreciation costs for all sewerage schemes are included as part of the operational costs and charged as part of the targeted rate with the depreciation funds used for repayment of internal debt. If the capital expenditure caters for future growth of the scheme, then that portion of the cost that relates to growth may be funded through development contributions. Land owners will pay the cost of connection to the nearest main; plus if a new subdivision, the cost of a new sub-main and development contributions if they apply. Property owners individually pay for new connections.</p>

Maintenance and operations

We intend to retain ownership of all sewerage assets on behalf of the communities they serve. Asset management, design work, contract documentation, tendering, works and routine repairs and maintenance are carried out by our own in-house employees.

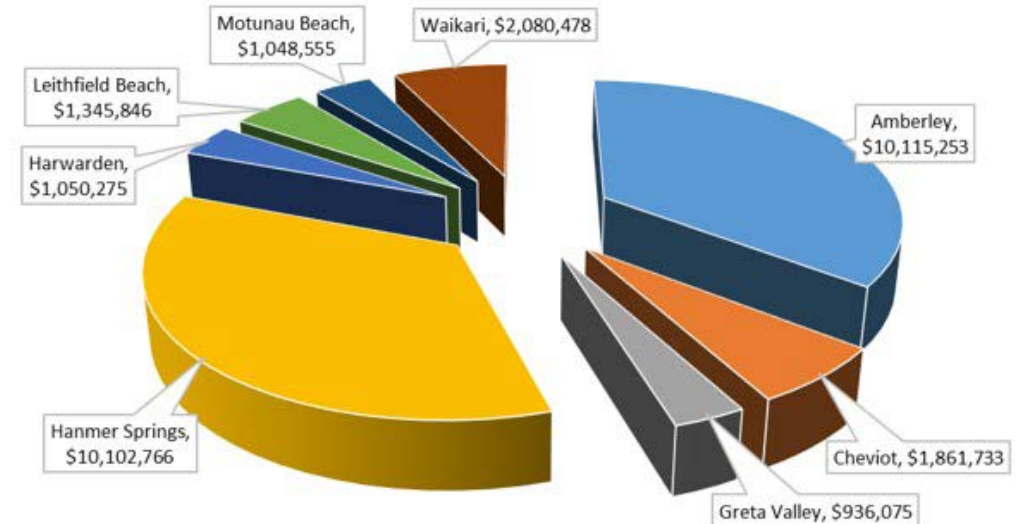
Large projects, repairs or emergency work may be contracted externally when the work exceeds our internal capabilities or capacity. Decisions affecting sewerage networks are made in conjunction with local committees to get local input. Table 2 shows the sewerage network valuations as at 30 June 2017 which includes all pipe, point and plant assets.

Table 10: Sewerage network valuations

Network	Total replacement cost	Depreciation values	Annual depreciation
Amberley *	\$11,461,099	\$7,242,040	\$153,040
Cheviot	\$1,861,733	\$540,683	\$31,640
Greta Valley	\$936,075	\$368,062	\$14,457
Hanmer Springs	\$10,102,766	\$6,344,338	\$135,207
Hawarden	\$1,050,275	\$345,208	\$16,456
Motunau Beach	\$1,048,555	\$560,771	\$11,536
Waikari	\$2,080,478	\$653,044	\$34,572
Totals	\$28,540,981	\$16,054,146	\$396,908

* Includes Leithfield Beach

Fig.2: Sewerage total replacement cost

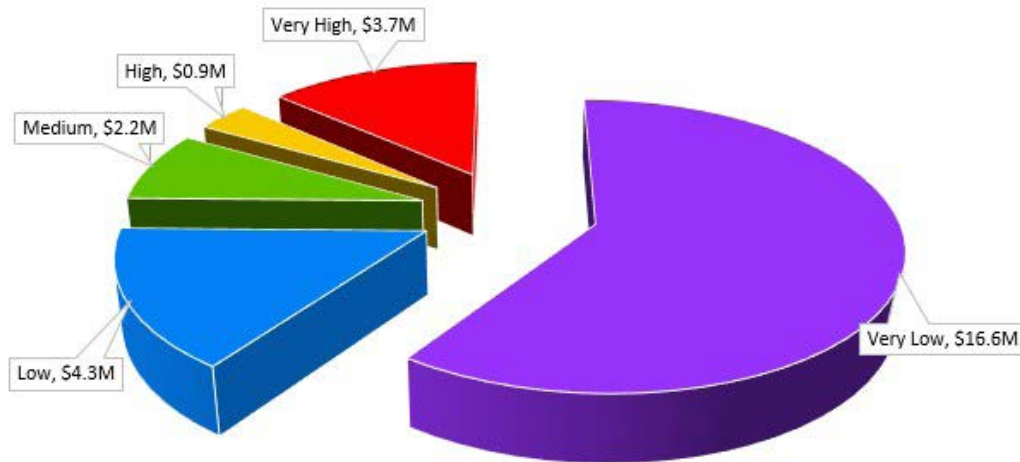


Assumptions and Risks

Most of our sewerage network reticulation is AC pipe, with the newer pipes being PVC. The expected life for manholes and PVC is 80 years whereas AC is 50 years. There are a number of factors which determine the useful life period of assets such as soil conditions, quality of materials and installation, the loadings, trade waste, effluence and maintenance regimes. Assumptions are made about all of these factors and the resulting impact. Modern technology has enabled us to make better assumptions,

for example using CCTV footage. In recent times, we have been able to see into pipes rather than relying only on sections being repaired or replaced. This has helped us to prioritise our maintenance and replacement programme and assess the importance (or criticality) of the pipes. One sixth have been assessed as high or very high. See Figure 3.

Fig.3: Sewerage criticality based on pipeline valuation only



Our Asset Management Plans (AMPs) provide us with the information we need to project when to replace our assets and with cost projections alongside what the Council considers to be an affordable budget based on making our assets last as long as possible. If we followed the AMP based on theoretical life of assets, we would be replacing assets that could still last several more years and not receive full return on the initial investment. This does present us with the risk that some of the assets could break down and we have not provided a sufficient budget to replace them. We have used our best estimates to try to mitigate the likelihood of this occurring.

All sewerage networks operate under resource consents for all emissions and discharges. These conditions are generally agreed between us and the Canterbury Regional Council (Environment Canterbury). The conditions relating to the approved consents are monitored and applied by our own staff and the Regional Council audits the consent from time to time for compliance reporting. We have a responsibility to comply with the consents and failure to do so can result in financial penalties and negative environmental impacts.

Significant Negative Effects

There are significant negative effects to the environment, people and animals from the sewerage activity if it is not managed well. The disposal of treated effluent to

land and waterways carries physical, cultural and health risks, although these are minimised by ensuring that the reticulation and disposal systems comply with the resource consents. All facilities are based around pond treatment, which means any overflow or failure at these locations will involve the release of treated or partially treated material to the environment. The lack of reticulated sewerage systems can be a negative to local communities, but the cost of installing such systems at this stage have an even bigger negative effect in terms of the affordability.

Emergency Management

In an emergency, particularly a civil defence emergency, we will continue to deliver services as long as it is safe and practical to continue to do so. Sewerage issues will receive priority in the event of a civil emergency, as they did in the November 2016 earthquake. Every effort will be made to effectively and safely dispose of sewerage to minimise any possible health risks.

Financial Summary

A financial summary for this activity is shown at the end of this section on sewerage.

Sewerage performance measures

System and adequacy

What we want to do	What we are going to measure	What we are aiming for	How we will measure this	Our current performance
Sewerage systems to operate as they should	The number of 'dry weather' sewage overflows per 1,000 connections to Council sewerage systems	No sewerage overflows	Customer Service Request system and ECan's rain data	12 overflows in 2016/17 13 overflows in 2015/16

Discharge compliance

What we want to do	What we are going to measure	What we are aiming for	How we will measure this	Our current performance
Comply with all sewerage discharge consents issued by Environment Canterbury (ECan)	The number of abatement notices	No abatement notices	ECan's consent monitoring reports	No notices or convictions in recent years.
	The number of infringement notices	No infringement notices		
	The number of enforcement notices	No enforcement notices		
	The number of convictions	No convictions	Number of successful prosecutions against the Council	

Response time

What we want to do	What we are going to measure	What we are aiming for	How we will measure this	Our current performance
To respond quickly to sewerage system faults	The median time it takes for service personnel to reach the site in response to sewerage system overflows from the time we received the notification	To respond within 2 hours	Customer Service Request system	1.18 hours 2016/17 2.4 hours 2015/16
To quickly resolve sewerage system faults	The median time it takes to resolve sewerage system overflows from the time we received the notification	To fix within 12 hours		1.83 hours 2016/17 2.8 hours 2015/16

Customer satisfaction

What we want to do	What we are going to measure	What we are aiming for	How we will measure this	Our current performance
Reduce the number of sewerage related complaints	The number of complaints about sewerage odour	No complaints	Customer Service Request system	0 in 2016/17 6 in 2015/16
	The number complaints about sewerage system faults			2 in 2016/17 3 in 2015/16
	The number of complaints about sewerage system blockages			19 in 2016/17 18 in 2015/16
	The total number of complaints pertaining to the above issues per 1,000 connections			6 per 1,000 (3,307 connections in total) 2016/17 5.8 per 1,000 (3,106 connections in total) 2015/16

Measurement Period: All of the performance measures will be measured annually and reported in the Council's Annual Report each October.

Sewerage - Group Activity Financial Summary

	<u>Annual Plan</u> <u>2017/2018</u>	<u>Year 1</u> <u>2018/2019</u>	<u>Year 2</u> <u>2019/2020</u>	<u>Year 3</u> <u>2020/2021</u>	<u>Year 4</u> <u>2021/2022</u>	<u>Year 5</u> <u>2022/2023</u>	<u>Year 6</u> <u>2023/2024</u>	<u>Year 7</u> <u>2024/2025</u>	<u>Year 8</u> <u>2025/2026</u>	<u>Year 9</u> <u>2026/2027</u>	<u>Year 10</u> <u>2027/2028</u>
<u>Operating Statement</u>											
Operating Revenue											
Targeted Rates	1,715,919	1,825,561	1,847,733	1,849,525	1,868,046	1,933,515	1,946,995	2,172,026	2,333,474	2,341,491	2,556,766
Other Income	368	351	358	366	374	383	392	401	411	421	432
Internal Interest Received	12,490	0	0	0	0	0	0	0	0	0	0
Development Contributions	174,828	233,713	239,094	244,136	249,649	255,413	261,660	268,159	274,656	281,890	289,374
Total Operating Revenue	1,903,605	2,059,625	2,087,186	2,094,027	2,118,069	2,189,311	2,209,046	2,440,586	2,608,542	2,623,803	2,846,573
Operating Expenditure											
Employee Benefits	80,802	134,030	137,187	140,489	143,949	147,569	151,340	155,401	159,641	164,265	169,102
Direct Operating Expenditure	700,678	382,168	389,959	402,780	416,292	430,520	445,449	461,507	478,407	496,470	515,822
Internal Interest Paid	426,757	510,741	514,063	494,645	461,908	488,098	476,088	581,279	671,807	652,183	737,037
Council Overheads Expenditure	154,086	176,374	180,064	184,500	187,339	191,489	197,015	200,422	205,238	211,672	215,819
Depreciation	614,386	622,599	626,819	627,477	658,931	676,222	677,495	773,819	818,791	817,322	919,418
Total Operating Expenditure	1,976,709	1,825,912	1,848,091	1,849,891	1,868,419	1,933,898	1,947,386	2,172,427	2,333,885	2,341,913	2,557,198
Operating Surplus (Deficit)	(73,104)	233,713	239,095	244,136	249,650	255,413	261,660	268,159	274,656	281,890	289,374
<u>Capital Statement</u>											
Capital Expenditure											
District Wide Sewer	100,734	370,800	358,348	248,543	388,107	308,057	314,047	1,211,066	403,338	1,084,259	1,690,574
Amberley Sewer	1,559,485	103,500	25,553	5,222	850,067	218,873	2,242,392	1,115,465	0	0	0
Cheviot Sewer	15,789	10,500	76,658	26,108	112,077	87,392	0	0	0	0	49,508
Greta Valley Sewer	0	17,500	0	0	0	0	0	0	0	0	0
Motunau Beach Sewer	0	52,000	0	0	0	0	0	0	117,420	96,400	49,508
Hanmer Springs Sewer	3,719,961	215,000	5,111	31,329	0	109,240	167,760	171,945	211,356	0	0
Hawarden Sewer	0	143,500	29,130	3,655	3,736	3,823	3,914	77,948	27,594	1,361,650	0
Waikari Sewer	634,707	0	40,884	0	0	0	0	5,158	0	0	49,508
Total Capital Expenditure	6,030,676	912,800	535,683	314,856	1,353,986	727,385	2,728,113	2,581,582	759,707	2,542,309	1,839,098
Funds Required											
Operating Deficit	73,104	0	0	0	0	0	0	0	0	0	0
Capital Expenditure	6,030,676	912,800	535,683	314,856	1,353,986	727,385	2,728,113	2,581,582	759,707	2,542,309	1,839,098
Repayment of Internal Loans from Operating Income	541,282	884,909	910,807	871,613	933,342	931,635	939,155	1,041,978	1,093,447	1,099,212	1,208,792
	6,645,062	1,797,709	1,446,489	1,186,470	2,287,328	1,659,020	3,667,268	3,623,560	1,853,155	3,641,521	3,047,891
Funded by											
Operating Surplus	0	233,713	239,095	244,136	249,650	255,413	261,660	268,159	274,656	281,890	289,374
Non Cash Expenditure - Depreciation	614,386	622,599	626,819	627,477	658,931	676,222	677,495	773,819	818,791	817,322	919,418
Transfer from Special Funds	0	28,597	44,893	0	24,761	0	0	0	0	0	0
Capital Expenditure funded through Internal Loans	6,030,676	912,800	535,683	314,856	1,353,986	727,385	2,728,113	2,581,582	759,707	2,542,309	1,839,098
	6,645,062	1,797,709	1,446,489	1,186,470	2,287,328	1,659,020	3,667,268	3,623,560	1,853,155	3,641,521	3,047,891

Stormwater and drainage

Overview

The Stormwater and Drainage activity includes the various functions of land drainage schemes and resultant flood protection.

Our Aim

We aim to prevent or minimise the adverse effects of surface flooding and stormwater discharge and improve the quality of discharges into natural waterways.

Why is the Council Involved?

Both our Council and the Canterbury Regional Council (Environment Canterbury) have joint responsibilities regarding the management of stormwater drainage, flood control and stormwater quality in our district. We provide drainage services where communities have requested our involvement or where it is more efficient for us to be involved. This includes managing drainage in localised areas to protect them from the negative effects of surface flooding. Stormwater is rainfall that has run off hard surfaces such as roofs, roads, land and car parks and permeable surfaces such as gardens and road verges. We monitor and audit stormwater systems to ultimately minimise any flooding damage to property and/or the environment.

Community Outcomes

The Stormwater and Drainage activity described in this section primarily contributes to two of our community outcomes:-

1. A desirable and safe place to live:
 - We have attractive, well designed townships
 - Communities have access to adequate health and emergency services, and systems and resources are available to meet civil defence emergencies
 - Risks to public health are identified and appropriately managed
2. A place with essential and appropriate infrastructure:
 - We have a strong emphasis on service delivery across all infrastructure, including roading, water (for drinking and development), waste water, stormwater and solid waste

Council Owned Assets

We do not have many assets in relation to stormwater and drainage, but do own and maintain the following land drainage schemes and physical assets:

- Ashworths drains
- Leithfield Outfall drain
- Newcombes Road drains

- Dock Creek
- Dry Gully
- Goldminer's Gully
- Jed River drains
- Pipes, sumps, inlets and outlets (Amberley, Leithfield Beach, Leithfield, Waipara, Hanmer Springs, Culverden, Hawarden, Waikari, Cheviot, Greta Valley, Motunau Beach and Gore Bay)

Current Situation

The four land drainage schemes (Ashworths, Leithfield Beach, Newcombes and Jed River) were originally set up by the former North Canterbury Catchment Board. We have only a very small quantity of stormwater pipes in our townships as most stormwater is disposed of to kerb and channelling, then through open drains to a natural waterway. The majority of stormwater pipes are in Hanmer Springs (approximately 5,860 metres) and in Amberley (around 4,985 metres).

Much of the district's stormwater disposal systems are maintained by private, individual property owners, such as on-site soakage disposal, open drains or creeks, piped network outfalls, silt traps, and detention structures.

The most recent substantial work on our stormwater systems has been done in the Amberley Ward. These works included drain improvements in Hursley Terrace, Seadown Crescent, Courage Road, McLean Drive, Mays Road, Reserve Road, Carters Road, Glasnevin Road, and to the Eastern Drain, Newcombs Drain and Teviots Drain. This work was necessary to prevent a reoccurrence of the flooding we experienced in Amberley after extreme rainfall in 2008.

Some improvement works to deal with historic flooding issues were also completed in Motunau Beach, Cheviot, Hawarden and Waikari.

Plans for the Future

We will continue developing a district-wide stormwater catchment and management plan. This includes undertaking a range of tasks to fully understand the flow of all our district-wide drainage systems from land to sea. This information will result in us planning for effective stormwater systems and to have appropriate maintenance and renewal programmes. Once we fully understand stormwater run-off in the upper catchment reaches for each urban area, we can progressively manage all of our urban stormwater responsibilities more holistically for the life of the systems. This will include remedial works to the stormwater flow paths to alleviate historic flooding problems. The district-wide catchment and management plans will go a long way to better understanding these potential 'pinch-points' and resultant flood risk areas. Other planned works includes:

- A flood flow diversion from the Eastern Drain across to the Amberley North lagoon in the 2018/19 year to complete the flood mitigation works in Amberley.
- Soakage/detention storage at the end of Hilton Drive and Johnson Avenue, Amberley and Scarborough Terrace, Hanmer Springs drainage improvements in 2018/19.
- Further works will depend on the outcome of the completed stormwater catchment and management plan and will be captured when the LTP is next updated in 2021.

Infrastructure Strategy and Asset Management Plans

The Infrastructure Strategy and Asset Management Plans developed for stormwater and drainage set out the renewal programmes for next 30 years. These are originally based on the theoretical useful lives of the assets. If we did replace all of the assets based on the life of the asset, the cost is considered too great. In reality, assets do not fail just because they have reached a certain age. Preliminary condition assessments confirm that these assets will exceed the estimated useful lives, and as a result, we have re-set replacement priorities on these assets based on these assets lasting longer than their theoretical useful lives. More focus will be placed on maintenance and looking after what we currently have.

Major projects planned

Table 11: Stormwater and drainage major projects planned

Project	Year planned			
	2018/19	2019/20	2020/21	2021+
Hanmer Springs improvements, storage, upgrades & connections	\$83,000	\$148,205	\$245,411	\$1,259,960
Amberley Township improvements & upgrades	\$90,000	\$25,553	-	\$770,332
Amberley Beach Eastern Drain flow diversion	-	\$76,658	\$78,323	-
Leithfield Beach outfall remediation	-	-	\$114,873	\$57,315
Cheviot flow diversion	-	-	-	\$50,000

Funding

Table 12: Stormwater and drainage funding

Activity	Operational costs	Capital costs
Stormwater & Drainage	Urban wide rate for stormwater assessment work and operational costs.	<ul style="list-style-type: none"> • Capital expenditure is initially funded by a loan as per the Council's Internal Financing Policy. • The depreciation costs relating to the capital renewal or replacement of stormwater assets is charged as a targeted rate to those properties which benefit from a particular stormwater outlet or drain. The depreciation funds are used for repayment of internal debt. • If the capital expenditure caters for future growth of the scheme, then that portion of the cost that relates to growth may be funded through development contributions.

Maintenance and Operating

We will continue to maintain our small drainage systems and drainage channels as per our operations and maintenance plans for urban area. Contractors will be engaged to carry out regular works to maintain the system as and when required.

Assumptions and Risks

We are assuming that land-owners will give their continued support and approval for any flood mitigation construction works that we may plan, engage and undertake. Land owners refusal to do so could contribute to delays in undergoing essential works or flooding issues being exacerbated.

Significant Negative Effects

There is potential for significant negative impacts on the environment and private property due to occasional flooding, but this is offset by ensuring that the disposal of stormwater is managed to minimise contaminants and ease peak rainfall flows. Drainage systems may not always cope with heavy volumes of rainfall, with subsequent negative effects of flooding on roads and properties. This may cause additional social problems such as public health, road access and the safety of transport systems. However, such problems are mitigated by the provision

of stormwater systems to reduce the likelihood of flooding. Drain maintenance clearances can have potential adverse effects on the biodiversity, ecosystems and water quality, but such clearances are necessary. The negative effects that they have are short lived.

Emergency Management

In an emergency, particularly a civil defence emergency, we will continue to deliver services as long as it is safe and practical to continue to do so. Stormwater and drainage will receive priority in the event of emergencies involving flooding and community isolation.

Financial Summary

A financial summary for this activity is shown at the end of this section on stormwater and drainage.

Stormwater and drainage performance measures

System and adequacy

What we want to do	What we are going to measure	What we are aiming for	How we will measure this	Our current performance
Have good stormwater drainage systems to prevent people's homes from flooding	The number of flooding events where any habitable floors (homes) are flooded.	No flooding events	Customer Service Request system	No flooded habitable homes in recent years
	The number of habitable floors per 1,000 properties connected to the Council's stormwater system	No homes flooded		

Discharge compliance

What we want to do	What we are going to measure	What we are aiming for	How we will measure this	Our current performance
Comply with resource consents for discharge from the Council's stormwater systems	The number of abatement notices	No abatement notices	ECan's consent monitoring reports	No notices or convictions in recent years.
	The number of infringement notices	No infringement notices		
	The number of enforcement notices	No enforcement notices		
	The number of convictions	No convictions	Number of successful prosecutions against the Council	

Response time

What we want to do	What we are going to measure	What we are aiming for	How we will measure this	Our current performance
To respond quickly to flooded homes	The median response time for service personnel to reach a site to respond to a flooding event call out from the time we received the notification	To respond in less than 2 hours	Customer Service Request system	No flooded homes to attend to.

Customer satisfaction

What we want to do	What we are going to measure	What we are aiming for	How we will measure this	Our current performance
Have stormwater drainage systems which work well	The total number of complaints, expressed per 1,000 properties connected to the Council's stormwater system	No complaints	Customer Service Request system	18 complaints in 2016/17 29 complaints in 2015/16

Measurement Period: All of the performance measures will be measured annually and reported in the Council's Annual Report each October.

Stormwater and Drainage - Group Activity Financial Summary

	<u>Annual Plan</u> <u>2017/2018</u>	<u>Year 1</u> <u>2018/2019</u>	<u>Year 2</u> <u>2019/2020</u>	<u>Year 3</u> <u>2020/2021</u>	<u>Year 4</u> <u>2021/2022</u>	<u>Year 5</u> <u>2022/2023</u>	<u>Year 6</u> <u>2023/2024</u>	<u>Year 7</u> <u>2024/2025</u>	<u>Year 8</u> <u>2025/2026</u>	<u>Year 9</u> <u>2026/2027</u>	<u>Year 10</u> <u>2027/2028</u>
Operating Statement											
Operating Revenue											
District Wide Rates	31,714	0	0	0	0	0	0	0	0	0	0
Targeted Rates	424,184	540,286	601,710	704,853	750,827	841,806	974,593	1,062,570	1,197,823	1,377,059	1,532,137
Internal Interest Received	3,999	2,736	3,499	4,361	3,076	2,602	3,486	2,096	2,999	3,974	2,555
Development Contributions	115,133	151,918	155,309	158,715	162,097	165,870	169,944	174,101	178,424	182,990	187,946
Total Operating Revenue	575,030	694,939	760,518	867,928	916,000	1,010,278	1,148,023	1,238,767	1,379,246	1,564,023	1,722,638
Operating Expenditure											
Employee Benefits	21,234	79,985	83,893	86,084	92,546	96,975	100,221	108,227	112,835	117,448	127,993
Direct Operating Expenditure	176,475	155,319	162,732	267,632	180,047	190,064	296,606	210,947	221,869	330,828	247,495
Internal Interest Paid	143,583	141,569	142,981	146,194	157,231	152,829	143,716	136,716	119,304	96,440	65,592
Council Overheads Expenditure	13,318	15,281	15,595	15,974	16,211	16,563	17,037	17,323	17,732	18,284	18,634
Depreciation	103,438	116,999	120,066	124,394	169,446	143,839	147,587	163,389	167,961	173,229	191,448
Total Operating Expenditure	458,048	509,153	525,268	640,279	615,480	600,271	705,168	636,602	639,701	736,230	651,161
Operating Surplus (Deficit)	116,982	185,786	235,250	227,649	300,519	410,006	442,855	602,165	739,545	827,793	1,071,477
Capital Statement											
Capital Expenditure											
District Wide Stormwater	100,734	132,000	134,917	137,848	140,897	144,197	147,629	151,312	154,994	159,060	163,376
Amberley Stormwater	183,925	90,000	102,210	193,196	89,662	81,930	83,880	103,167	164,388	180,750	123,770
Amberley Stormwater DC Fund	0	0	0	0	0	0	0	0	0	0	0
Cheviot Stormwater	0	0	0	0	50,000	0	0	0	0	0	0
Motunau Beach Stormwater	0	0	0	0	0	0	0	0	0	0	0
Hanmer Springs Stormwater	268,000	83,000	148,205	245,411	128,088	147,474	279,600	189,140	171,433	177,135	167,090
Hawarden Stormwater	0	0	0	0	0	0	0	0	0	0	0
Waikari Stormwater	0	0	0	0	0	0	0	0	0	0	0
Total Capital Expenditure	552,659	305,000	385,332	576,454	408,647	373,601	511,109	443,618	490,816	516,945	454,236
Funds Required											
Capital Expenditure	552,659	305,000	385,332	576,454	408,647	373,601	511,109	443,618	490,816	516,945	454,236
Repayment of Internal Loans from Operating Income	220,420	302,785	355,316	352,043	469,965	553,845	590,442	765,554	907,506	1,001,022	1,262,925
	773,079	607,785	740,648	928,497	878,612	927,446	1,101,551	1,209,172	1,398,322	1,517,967	1,717,161
Funded by											
Operating Surplus	116,982	185,786	235,250	227,649	300,519	410,006	442,855	602,165	739,545	827,793	1,071,477
Non Cash Expenditure - Depreciation	103,438	116,999	120,066	124,394	169,446	143,839	147,587	163,389	167,961	173,229	191,448
Capital Expenditure funded through Internal Loans	552,659	305,000	385,332	576,454	408,647	373,601	511,109	443,618	490,816	516,945	454,236
	773,079	607,785	740,648	928,497	878,612	927,446	1,101,551	1,209,172	1,398,322	1,517,967	1,717,161

Roads and footpaths

Overview

The Roads and Footpaths activity includes the various functions of street lighting, bridges and road safety, as well as all local roads and township footpaths.

Our Aim

We aim to provide a transport network that is safe, affordable and accessible for all people throughout the district.

Why is the Council Involved?

The Local Government Act 1974 vests ownership of roads, other than State Highways, in the Council. This makes continued Council ownership the only available option. State Highways are vested in the Crown and are maintained by New Zealand Transport Agency (NZTA). Aside from legislation, we consider that roads and footpaths are a core function of local government. We employ our own professional expertise to manage our roading network. NZTA provides some co-investment funding for road construction projects and on-going maintenance and renewal works. Public ownership of roads and footpaths ensures that everyone has appropriate property access and unimpeded rite and choice of passage to travel throughout the district on maintained roads and footpaths.

Community Outcomes

The Roads and Footpaths activity described in this section, primarily contributes to two of our community outcomes:

1. A desirable and safe place to live
 - We have attractive well designed townships
 - Communities have access to adequate health and emergency services and systems and resources are available to meet civil defence emergencies
 - Risks to public health are identified and appropriately managed
2. A place with essential and appropriate infrastructure:
 - We have a strong emphasis on service delivery across all infrastructure including roading, water (for drinking and development), waste water, stormwater and solid waste

Council Owned Assets

We own and maintain the district's roading assets as summarised in table 13 adjacent. The table sets out the asset quantities and replacement values with a depreciated replacement cost as at 30 June 2016, of \$276 million and total replacement cost of \$389 million, excluding the land value (land under the roads valued at \$12.1 million).

Table 13: Roading assets

Asset type	Category	Quantity (at 25/7/17)	Replacement cost \$millions
Road pavements	Sealed	616.1 km	\$177.6
	Unsealed	843.8 km	
	Urban	80.9 km	
	Rural	1,378.9 km	
Drainage	Total length	59.3 km	\$53.6
Footpaths	On-road	76.8 km	\$8.2
Bridges	Non-timber	196, totalling 6,468 m	\$108.9
	Timber	26 totalling 338 m	
	Culverts > 3.4 m ²	64	
	Total number	286	
Traffic services	Street lights	1,004	\$8.3
	Signs	7,715	
	Markings	to be verified	
Cycleways		0 km	Nil
Total			\$356.6

Current Situation

The Council is responsible for dealing with the asset management and day-to-day operations which includes maintenance, new works, signage, street lighting, parking, bridge maintenance, footpaths and various road safety improvements.

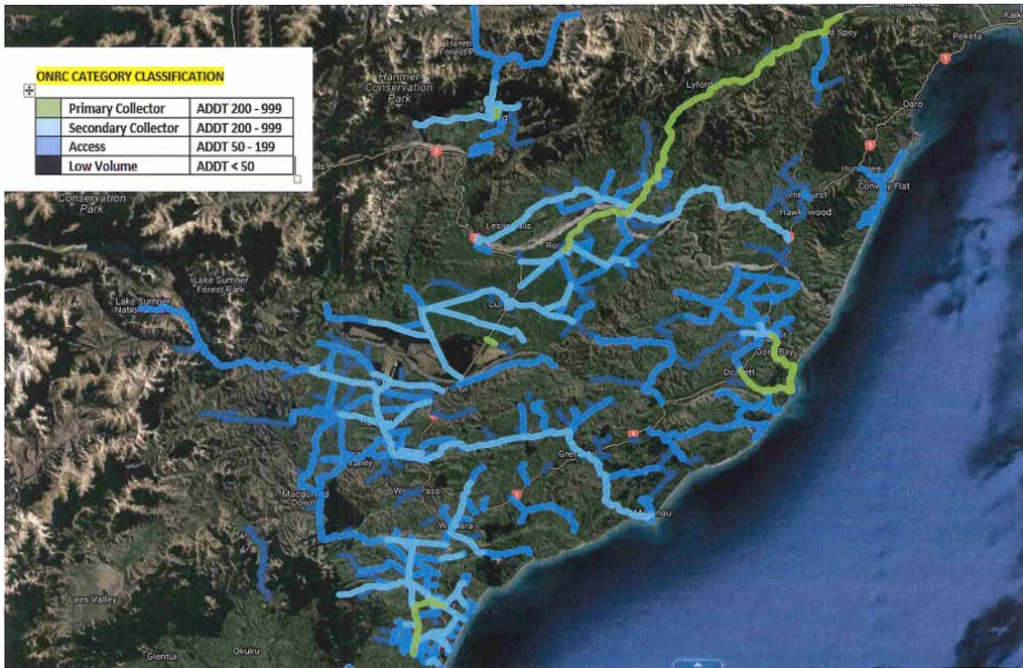
The Roads and Footpaths activity is one of the Council's largest annual expenditure. Our roads are maintained and built using subsidy funds from NZTA and monies collected through rates. State highways are not the Council's responsibility – these are funded and maintained solely through NZTA. The subsidy we receive from NZTA is 51% of our approved National Land Transport Programme for maintaining and improving our local road and footpath network. The government places priority for funding to reduce road deaths and serious injuries across our local road network, including priority consideration to ensure route resilience and to enable more access to economic and social opportunities, thus providing road users more choice in modal option, especially alternative physical mobility across the transport system. Reducing the adverse effects of roading activities upon the natural environment remains a continued focus, as well as ensuring that all road controlling authorities remain

resolute to delivering the right infrastructure and services to the right level at the best cost.

One Network Road Classification

NZTA categorise roads according to its One Network Road Classification (ONRC) - see Fig 5. Hurunui's roading network has been categorised in accordance with ONRC definitions based in general terms on customer, efficiency and cost (Fig.4) Our funding programme cases are aligned to ONRC standards which were established to:

Fig.4: Map showing ONRC classification for roads in the Hurunui district



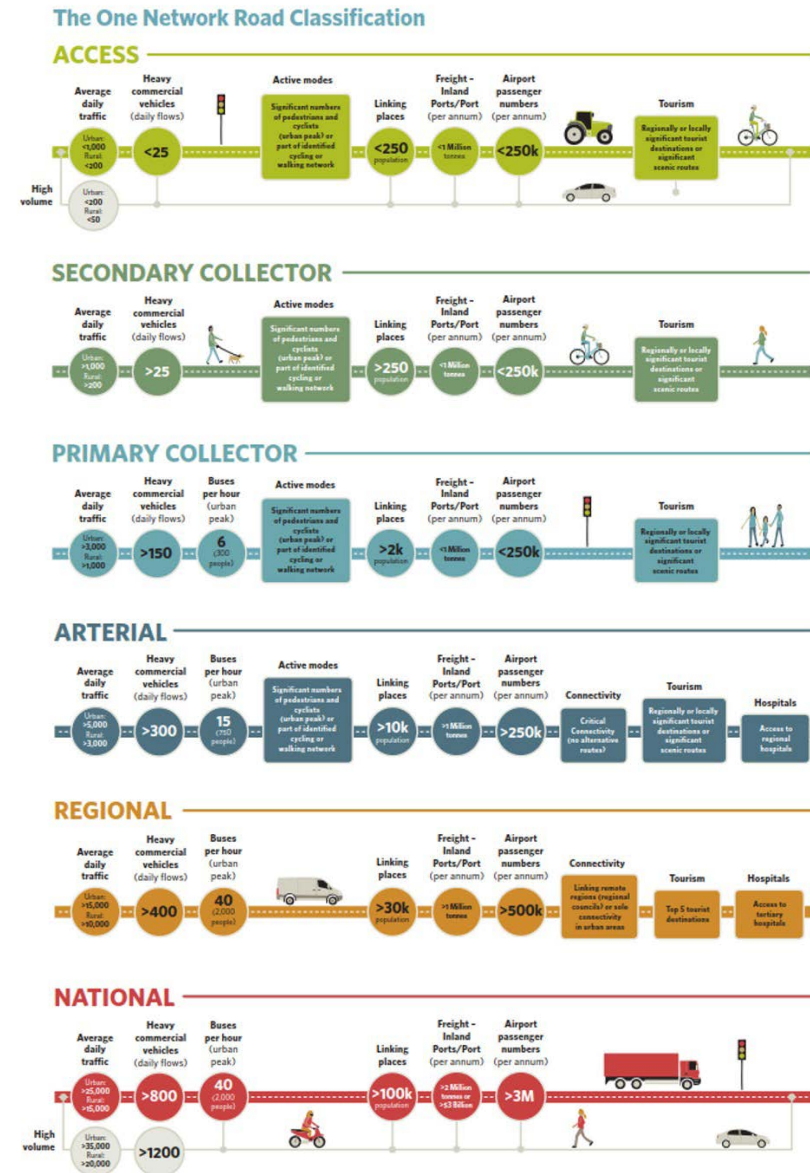
“Help local government and the Transport Agency to plan, invest in, maintain and operate the road network in a more strategic, consistent and affordable way throughout the country. It will also give road users more consistency and certainty about what standard and services to expect on the overall national road network.”

NZTA has made it clear that its share of the funding will be tied to delivery of ONRC standards, and that it will not financially support the delivery of higher standards.

Because roads are different in terms of use, traffic volume, size, rural/urban etc, a road hierarchy helps to define service levels and importance of each road in our local and national network. In general terms, the higher the road status in the ONRC hierarchy, the more traffic a road will carry.

Fig.5: ONRC road classification

One Network Road Classification (ONRC)



Inland Road

One of our roads, the Inland Road, became a critical route to and from Kaikoura after the November 2016 earthquake and the resulting closure of State Highway 1 (SH1). Although the Inland Road was extensively damaged, traffic volumes increased substantially because it became the most viable access road between Kaikoura and Christchurch. At the time of writing (early 2018), the increased use of this road has continued with SH1 often being closed or partially closed south of Kaikoura.

The Inland Road is undergoing repairs and has been managed by NZTA since late November 2016 under agreement. The repair bill is in the many tens of \$millions to date and the full extent won't be known for some time to come. The management of this 'route' will be returned to the Council once it has been fully repaired to its fit for purpose status. The long term ownership may change due to the critical nature of this road and the cost to maintain it in the future, with the possibility that it may be reclassified as a state highway.

Footpaths

For the first time we now have a good set of information relating to the footpaths in the district. We undertook a condition survey in 2016 to assess the current state of all footpaths in the district. The survey will enable us to plan better for the future and be more realistic about the cost of maintaining our footpaths, assess the need for new footpaths and where they should be. Up until recently, each ward's local committee or Community Board has determined where new footpaths were to go and prioritised those needing maintenance and repair. Now that we have up to date information, we will be able to do our maintenance in a coordinated manner across the district rather than the previous ward by ward method.

A new work category under the National Land Transport Programme (NLTP) has been created to provide maintenance and renewal of local footpath stock, thus now attracting financial co-investment funding from NZTA. Recognising that footpaths provide alternative transport modal options and encourage more active and healthier outcomes, monies have been provided to ensure that footpaths are safe, fit-for-purpose and continuous as an alternative choice.

Plans for the Future

Over the past 3 years, we have attempted to deliver the same service with less funding overall, but we cannot continue to do so without there being a negative impact on our assets, our level of maintenance or overall levels of service. We have done our best to get greater efficiencies within our current road maintenance contracts without affecting the current levels of service, but to continue to meet the levels of service into the future a higher level of funding is required.

The unconfirmed intention for NZTA to fund a 51% share of our roading programme when met with the remaining 49% rate contribution will go a long way towards alleviating the situation. The budgets for the 2018/2019 year are based on an indicative programme provided by NZTA however; this is still to be confirmed. Based in that programme, it is budgeted that there will be a \$394,494 increase to the subsidised roading programme from what was allowed for in the 2017/2018 Annual Plan.

So far, we have done better than the national rural average for Smooth Travel Exposure on our sealed roads. We will continue to monitor our key performance indicator for this road condition to establish if there is any loss of predicted asset life and the extent of any decline in levels of service. Over a long period of time, if our funding continues to be significantly less than our AMPs indicate, levels of service will gradually be driven down and subsequently decrease. Increasing rates for roads in the future may be the only way to maintain current levels of service, or we could accept that a reduced level of service is necessary and for HDC to jointly decide with our ratepayers, what that will be and look like.

We are not facing this problem alone. Nationally, there are on-going investigations into how we establish the point of critical failure for our roads so that we are able to confidently 'sweat our assets' before we must proactively intervene. At this stage, we still do not have the demonstrable answers and continue to expect that this will be a resolved as a key national topic with the road efficiency groups when we review our long term plan again in three years.

Infrastructure Strategy and Asset Management Plans

The Infrastructure Strategy and Asset Management Plans developed for roads and footpaths set out the renewal programmes for the next 30 years. These are originally based on the theoretical useful lives of the assets, but the cost of replacing on age presents the Council (and ratepayers) with an unrealistic financial burden. In reality, assets do not fail just because they have reached a certain age. We have set replacement priorities based on ensuring that our assets will last longer than their theoretical useful lives.

Our Asset Management Plan (AMP) holds information about our roading assets and guides our planning for upgrades, maintenance and new work. We review the AMP every three years so that information is kept up to date. Information and established business cases from the AMP are used to justify the funding we receive from NZTA. The NZTA subsidy does not match all of the income we need to maintain our roading network to the level our AMPs stipulate. Some of our business cases have gap information to evidence our concerns raised, which will be redressed in the following three years to strengthen our RLTP requests in the future.

We have based our costs on essential works identified from the AMP. Whereas the AMP provides important information for the theoretical work programming, we also routinely monitor and assess, using traffic counts and visual inspections to collect data about trends, for actual conditions of our roads and to plan our required work programmes.

The Council is required to match the level of NZTA funding. This is then passed on to our ratepayers through our roading rate.

Major projects planned

Table 14: Roading major projects planned

Project	Year planned			
	2018/19	2019/20	2020/21	2021+
Road maintenance	\$3.531m	\$3.420m	\$3.414m	\$3.8m pa
Road renewals	\$4.051m	\$3.830m	\$3.737m	\$4.2m pa
Road capital works	\$1.150m	\$1.411m	\$1.201m	\$1.4m pa
Footpath repair & maintenance	\$1.501m	\$207k	\$118k	\$151k pa

Funding

Table 15: Roading funding

Activity	Operational costs	Capital costs
Roads	District Rate for operations, roads and bridges known as the 'Roading Rate'.	<ul style="list-style-type: none"> Subsidised capital expenditure (through NZTA) is funded as operational. If the capital expenditure caters for future growth, then the portion of the expenditure that relates to growth may be funded from financial contributions. For resealing work that does not qualify for a government subsidy (from NZTA), ratepayers on that particular road are to meet the full cost (as per the Road Seal Extension Policy).
Footpaths	Footpaths are funded through a local rate on ward or community rating areas.	Funded through a local rate on ward or community rating areas. A variation will be provided to our draft RLTP 2018 to include request for co-investment funding from NZTA based on strength of business case provided. This level of approved subsidy funding will remain unknown till the end of August 2018 when the final NLTP is released.

Maintenance and Operating

We employ staff to manage our asset management plans and external contracts. All physical maintenance activities are carried out under external road maintenance contract, currently SICON. We do not employ staff to do physical road works.

Our operational maintenance strategy is to provide the most cost effective maintenance solution for our roads. All of our assets (roads, bridges etc) are checked through routine monitoring, auditing and analysing customer complaints and on-site

condition reports. Service levels are managed by assessing the consequences of asset failure against agreed customer expectations.

NZTA pays 51% of the cost of the maintenance activities carried out on our local roads. This is commonly called a “subsidy or co-investment” but more correctly termed the financial assistance rate (FAR). It is only available when the work meets the particular funding criteria specified by NZTA, and is generally not available for amenity works or off-road facilities.

The Inland Road between Mt Lyford and the Conway River is an exception to the normal subsidy. This section of road (17km) was designated a Special Purpose Road because of its national significance and the Council’s inability to match fund NZTA’s FAR due to the high cost. It currently attracts a 100% maintenance subsidy. However, NZTA intends to reduce this from July 2024 onwards. NZTA plans to phase in a reducing FAR through 2021/2024 for this section of road. This is a concern and will have a significant impact on our ability to fund this section of road if there is no significant NZTA financial support. The value of this road’s route has been recognised after the 2016 earthquake. New interest from a national resilience assessment will hopefully support a more favourable discussion as we approach 2021.

Assumptions and Risks

We aim to maintain our roads so that they are safe for all road users. Road crashes are on the increase; a trend evident since 2011. Of note are crashes involving loss of control, both at bends and on straights, speed and inexperience. The potential for this trend to continue to increase is a major concern. Refer to Fig. 6.

Dairying and forestry industries impact on the local road network, both in terms of additional heavy vehicles loadings and potentially safety impacts (mixed travel modes). Many of the rural roads are narrow and do not have the inherent structural strength to cope with the current and potential increased heavy loads over an extended period of time without targeted improvement interventions. As roads deteriorate, this increases the risk to drivers and puts greater demand on the Council to invest in maintenance and renewal programmes. Refer to Fig. 7..

Increases in population, vehicle ownership, heavy vehicles, over-sized vehicles, industrial growth, development and tourism; all have an impact on the use of our local roads and community footpaths. Increasing traffic volumes (numbers and type) are expected to impact on the road network and aging bridge structures.

Plans for the roading network have been based on the assumption that we will qualify for NZTA funding for certain improvement and maintenance projects. We have also assumed that NZTA will continue to meet their share of those costs that are currently subsidised, again based on the assumption that the subsidy rate will not change over the full ten year period. If NZTA do not include inflation in future subsidies, we will

Fig.6: Crash trends on the district’s network (excl. State Highways)

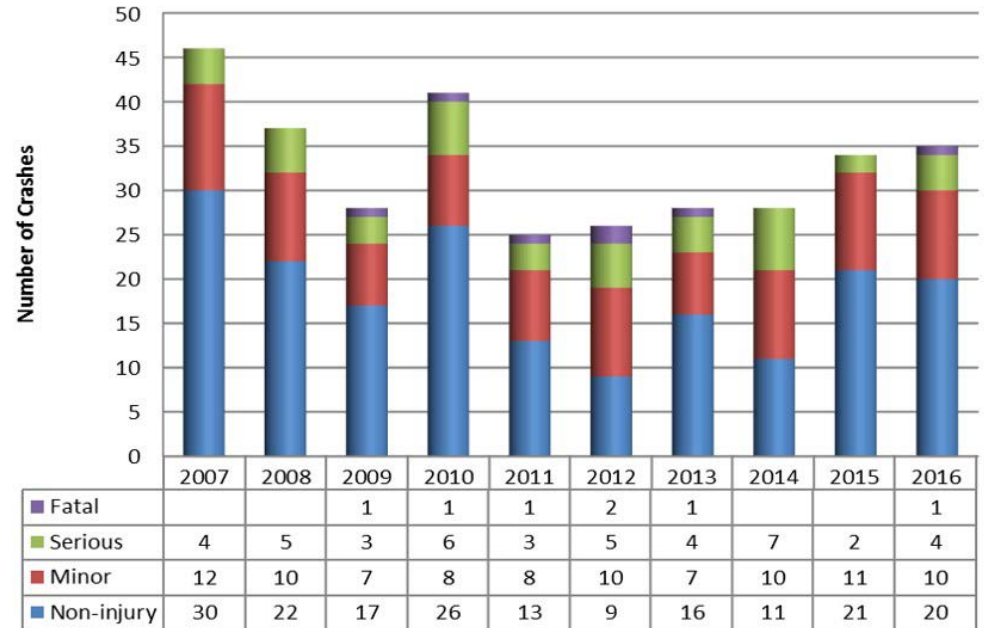
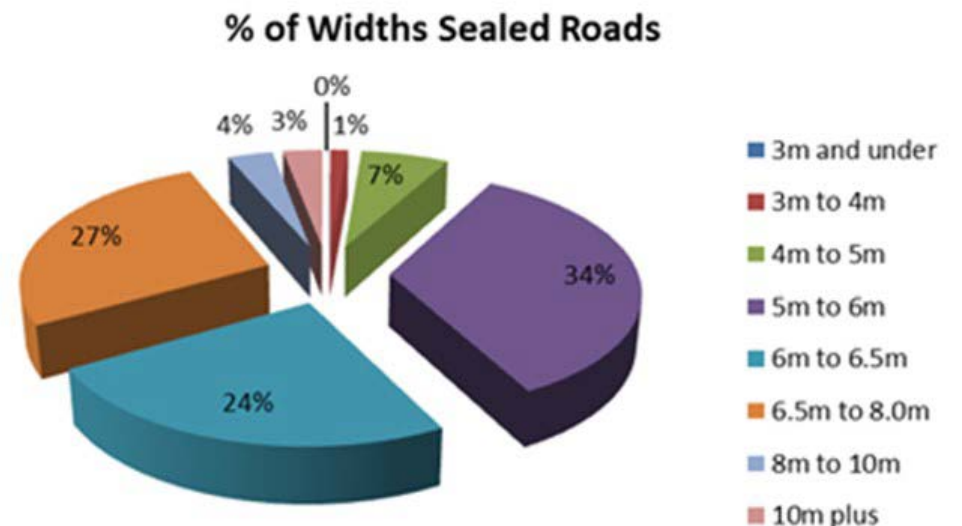


Fig.7: % width of sealed roads



have to pass the difference in costs to our ratepayers annually to maintain our current service levels. If we don't, then this will leave us with a future financial shortfall that is further susceptible to maintenance cost increases through peak oil and bitumen cost increases in particular. We can either put up our annual rates to provide more local unsubsidised funds to keep our roads in their current condition, or we can accept that there will be a marked deterioration in our road conditions (structurally, appearance, driving quality and travel-time assurance) from here onwards.

Historically, the level of cost we budgeted for in our previous LTPs has fallen short of the information our AMP calculated. We have applied for an increased level of funding but the final result will not be released by NZTA until end August 2018. The indicative programme provided by NZTA has allowed for an increase from last year's Annual Plan but at a lower level that was applied for. If the indicative programme is confirmed, then we will reassess the risks with a reduced work programme and how we will manage these risks through to the next funding request in 2021.

Our AMP has been prepared based on the best available asset management information. Valuations shown for each network asset type are as at 2017 according to historical cost estimates and current contract prices. These are approximate replacement values and may not reflect current, actual, market values.

We have a comprehensive Risk Management Strategy which identifies risks such as land use change, seasonal impacts on roading requirements, fluctuating oil prices, supply of bitumen and petroleum, peak oil, climate change, demand for recreational facilities, geographic issues and inherent fault lines. The risk management strategy includes ways to mitigate the effects as a result of these identified factors.

Significant Negative Effects

Our roading structure provides transport routes for people to get to where they want to go. This comes with some significant environmental costs. High volumes of traffic produce noise, air, and light pollution. Dust from unsealed roads causes a nuisance on neighbouring properties and impacts on road safety due to decreased visibility and traction. Any negative impacts caused through having roads and footpaths are outweighed by the need to have transport infrastructure for local communities, economic and social reasons and for visitors (regional, national and international) to the district. Some of these negative effects are beyond our control, but measures can be taken to alleviate the effect of many of these and this is taken into account during design and construction of projects and other related works.

Emergency Management

In an emergency, particularly a civil defence emergency, we will continue to deliver services as long as it is safe and practical to continue to do so. As in the November

2016 earthquake, the roading network will receive initial priority in the event of a civil emergency. Every effort will be made to make the roads are clear and safe to drive on, driven by the hierarchal status of the road within the network and to give people continued access.

With the severity of the 2016 earthquake and the ensuing damage this had on our roads and bridges, NZTA agreed to pay 84% of the costs associated with response and recovery to get our roads back-up and running. However, the estimated of \$14 million worth of damages has still left the Council with the remaining 16% of costs estimated at around \$2.25 million. We do not include contingency funding in our budgets and acknowledge that in such events, unplanned expenditure is likely to occur again at some stage.

Shared Services

We have a shared maintenance agreement with Waimakariri District Council for Sicon (their maintenance contractor) to undertake the maintenance of Okuku Pass Road and a small portion of Balcairn/Amberley Road, where the road is a shared road between both districts. The costs for this small section are shared between both Hurunui and Waimakariri's Councils.

We also have a shared service contract with Mainpower for street lighting for economy of scale efficiencies, and another one for network assessments with BECA.

Financial Summary

A financial summary for this activity is shown at the end of this section on roads and footpaths.

Roads and footpaths performance measures

Road safety

What we want to do	What we are going to measure	What we are aiming for	How we will measure this	Our current performance
Have roads which are safe to drive on	The change in the total number of fatalities and serious injury crashes compared with last year	No fatalities and serious injury crashes	NZTA's Crash Accident Statistics data with NZ Police investigation reports	2 fatalities in 2016/17 0 fatalities in 2015/16

Road condition

What we want to do	What we are going to measure	What we are aiming for	How we will measure this	Our current performance
Have sealed roads in good condition	The smoothness rating of our local roads	100% smooth travel rating	NZTA's 'Smooth Travel Exposure' data	98% in 2016/17 99% in 2015/16

Road maintenance

What we want to do	What we are going to measure	What we are aiming for	How we will measure this	Our current performance
Maintain our roads to be in good condition	The % of all sealed roads that are resurfaced	To reseal more than 5% of our local roads every year	Actual % of resealing work	3.5% in 2016/17 5.5% in 2015/16
	The number of potholes or corrugations	No large potholes or corrugations ¹	Contractor audit results	0 in 2016/17 0 in 2015/16

Condition of footpaths

What we want to do	What we are going to measure	What we are aiming for	How we will measure this	Our current performance
Have footpaths in good condition	The percentage of footpaths that are within the service standard in our annual maintenance plan	No tripping hazards greater than 20mm high	Data collected from inspections and audits	4% of network in 2016/17 (not measured in previous years)

Response to customer requests

What we want to do	What we are going to measure	What we are aiming for	How we will measure this	Our current performance
To respond to customer requests about road issues	The percentage of customer requests relating to roads and footpaths which are responded to within one week	To respond to customers within one week ²	Customer Service Request system	100% in 2016/17 100% in 2015/16

¹ To aim for no potholes on unsealed roads would be at a cost which would outweigh the benefits. Therefore, the measure is to not have unsafe potholes. Large potholes on low volume access and access roads are defined as being bigger than 70mm deep and 300mm in diameter.

² *The time to respond to a customer will often occur well within one week depending on the urgency of the request. For example, concerns about potentially dangerous issues such as very large pot holes or severe flooding on roads would often be inspected on the same day of the complaint or request. Non urgent requests may take the full week to respond depending on the availability of the road crew and the work programme. Not all issues will be fixed quickly depending on the safety aspect and the timing of the work programme. For example, a customer may be concerned about corrugations in a road and that road is already programmed to be graded the following month. If safe to leave until the work programme it will be. The important aspect will be making sure the customer is provided with that information.*

Measurement Period: All of the performance measures will be measured annually and reported in the Council's Annual Report each October.

Roading and Footpaths - Group Activity Financial Summary

	<u>Annual Plan</u> <u>2017/2018</u>	<u>Year 1</u> <u>2018/2019</u>	<u>Year 2</u> <u>2019/2020</u>	<u>Year 3</u> <u>2020/2021</u>	<u>Year 4</u> <u>2021/2022</u>	<u>Year 5</u> <u>2022/2023</u>	<u>Year 6</u> <u>2023/2024</u>	<u>Year 7</u> <u>2024/2025</u>	<u>Year 8</u> <u>2025/2026</u>	<u>Year 9</u> <u>2026/2027</u>	<u>Year 10</u> <u>2027/2028</u>
<u>Operating Statement</u>											
Operating Revenue											
District Wide Rates	3,738,720	4,760,812	3,950,173	3,659,788	4,292,988	4,968,143	5,353,177	5,753,356	6,286,369	6,676,022	7,188,245
Targeted Rates	170,457	0	0	0	33,903	25,118	0	0	0	0	0
Other Income	3,882,706	4,880,996	4,813,135	4,653,705	4,829,165	4,944,905	5,065,133	5,194,309	5,328,414	5,468,742	5,620,741
Internal Interest Received	0	11,479	7,334	3,624	2,971	870	932	930	965	997	1,031
Development Contributions	251,835	330,000	337,293	344,619	352,242	360,492	369,072	378,279	387,486	397,650	408,441
Total Operating Revenue	8,043,718	9,983,288	9,107,935	8,661,736	9,511,268	10,299,528	10,788,314	11,326,873	12,003,234	12,543,411	13,218,457
Operating Expenditure											
Employee Benefits	15,032	18,326	18,715	19,120	19,543	19,985	20,443	20,936	21,449	21,995	22,578
Direct Operating Expenditure	3,141,616	3,613,277	3,503,468	3,498,808	3,623,765	3,708,958	3,797,333	3,892,424	3,991,403	4,096,745	4,209,158
Internal Interest Paid	18,616	9,650	79,693	77,542	74,048	69,022	62,863	55,987	46,698	34,586	19,187
Council Overheads Expenditure	613,289	643,256	648,040	653,826	666,914	682,177	699,657	715,046	732,778	753,423	771,790
Depreciation	3,934,165	5,096,120	5,428,168	5,426,907	5,417,871	5,765,915	5,758,963	5,752,689	6,158,576	6,150,859	6,147,464
Total Operating Expenditure	7,722,718	9,380,629	9,678,084	9,676,201	9,802,141	10,246,057	10,339,259	10,437,081	10,950,904	11,057,609	11,170,177
Operating Surplus (Deficit)	321,000	602,659	(570,149)	(1,014,466)	(290,873)	53,471	449,055	889,792	1,052,330	1,485,802	2,048,281
<u>Capital Statement</u>											
Capital Expenditure											
Subsidised Roothing	4,061,115	5,035,972	5,015,793	4,712,119	4,963,525	5,084,454	5,210,220	5,345,177	5,484,641	5,629,119	5,787,294
Special Purpose Roothing	12,500	165,000	225,000	225,000	209,736	214,861	220,191	225,910	231,835	237,944	244,647
Unsubsidised Roothing	0	0	0	0	0	0	0	0	0	0	0
District Footpath Maintenance	0	1,284,540	0	0	0	0	0	0	0	0	0
Amberley Ward Roadside Construction	42,104	0	0	0	0	0	0	0	0	0	0
Amuri Ward Roadside Construction	42,104	40,000	40,884	17,271	0	0	0	0	0	0	0
Cheviot Ward Roadside Construction	63,156	35,000	33,231	0	0	0	0	0	0	0	0
Waipara Roadside Construction	21,052	0	0	0	0	0	0	0	0	0	0
Hanmer Springs Ward Roadside Construction	47,367	25,000	10,000	5,000	80,000	104,000	0	0	40,000	100,000	0
Hanmer Springs Subdivision Expenditure	5,263	5,000	10,221	10,443	10,674	10,924	11,184	11,348	11,742	12,050	12,253
Hurunui Ward Roadside Construction	21,052	30,000	29,228	0	0	0	0	0	0	0	0
Total Capital Expenditure	4,315,713	6,620,512	5,364,356	4,969,833	5,263,934	5,414,238	5,441,595	5,582,435	5,768,218	5,979,112	6,044,194
Funds Required											
Operating Deficit	0	0	570,149	1,014,466	290,873	0	0	0	0	0	0
Capital Expenditure	4,315,713	6,620,512	5,364,356	4,969,833	5,263,934	5,414,238	5,441,595	5,582,435	5,768,218	5,979,112	6,044,194
Repayment of Internal Loans from Operating Income	(60,548)	0	0	0	0	405,148	766,424	1,060,046	1,442,688	1,657,549	2,151,550
Funds Required	4,255,165	6,620,512	5,934,506	5,984,298	5,554,807	5,819,386	6,208,018	6,642,481	7,210,906	7,636,661	8,195,745
Funded by											
Operating Surplus	321,000	602,659	0	0	0	53,471	449,055	889,792	1,052,330	1,485,802	2,048,281
Non Cash Expenditure - Depreciation	3,934,165	5,096,120	5,428,168	5,426,907	5,417,871	5,765,915	5,758,963	5,752,689	6,158,576	6,150,859	6,147,464
Capital Expenditure funded through Internal Loans	0	921,733	506,338	557,391	136,936	0	0	0	0	0	0
Funded by	4,255,165	6,620,512	5,934,506	5,984,298	5,554,807	5,819,386	6,208,018	6,642,481	7,210,906	7,636,661	8,195,745

Public services

Overview

The Public Services group of activities includes the library, waste minimisation, property (township maintenance and physical buildings such as public toilets, halls, social housing, swimming pools and medical centres), reserves (including parks, playgrounds, cemeteries) and civil defence.

Our Aim

We aim to provide services that support the community to lead healthy and fulfilled lives and meet and extend their recreational and cultural needs.

Reason for Council's Involvement

We provide public services to ensure our communities have the type of facilities and services reasonably expected to be provided by the Council because they are unlikely to be privately supplied at an affordable cost.

Community Outcomes

The Public Services activity described in this section, primarily contributes to three of our community outcomes:

1. A desirable and safe place to live:
 - We have attractive well designed townships
 - Communities have access to adequate health and emergency services and systems and resources are available to meet civil defence emergencies
 - Risks to public health are identified and appropriately managed
2. A place where our traditional rural values and heritage make Hurunui unique:
 - People have a range of opportunities to participate in leisure and culture activities
 - Our historic and cultural heritage is protected for future generations
3. A place that demonstrates environmental responsibility
 - We protect our environment while preserving people's property rights
 - We minimise solid waste to the fullest extent, and manage the rest in a sustainable way

Council Owned Assets

We own and maintain a variety of buildings, land and assets to deliver our public services. These are listed in broad terms below:

- Some commercial premises that are leased to small businesses

- 34 housing units for the elderly – 12 in Amberley, 13 in Cheviot, 4 in Hanmer Springs and 5 in Waikari
- 2 residential houses – Leithfield Beach and Cheviot
- 5 water and sewerage depots
- 4 Council service centres/libraries - Amberley (the Hurunui Memorial Library and the Council's main administration office), Cheviot and Hanmer Springs
- Books and other library collateral (music CDs, DVDs, etc)
- 6 closed landfills - Cheviot, Culverden, Hanmer Springs, Waiau, Waikari and Waipara
- 5 transfer stations – Amberley, Cheviot, Culverden, Hanmer Springs, and Waiau
- 4 medical centres - Cheviot, Hanmer Springs, Rotherham and Waikari
- 3 doctors houses – Cheviot, Hanmer Springs and Rotherham
- 14 halls - throughout the district
- 24 public toilet blocks - throughout the district
- 2 public swimming pools (summer only) – Amberley and Rotherham
- 29 parks (picnic areas and playgrounds) – throughout the district
- 10 camping grounds – Amberley Beach, Leithfield Beach, Motunau Beach, Gore Bay Main Camp, Gore Bay Buxton Camp, Hurunui Mouth, Hanmer Springs Pines Holiday Park, Balmoral Reserve Camp, Culverden Reserve Camp, Waikari Reserve Camp
- 148 reserve and plantation areas – throughout the district
- 9 cemeteries - Balcairn, Cheviot (Homeview), Culverden, Glenmark, Hanmer Springs, Horsley Down, Rotherham, Waiau, and Waikari

Current situation and plans for the future

Library:

Current

Our library system was established in 1993. The Libraries in our district are an important educational and recreational resource as well as being places where the community comes together to interact on a formal and informal way. A public library system ensures that there is equitable opportunity for people to access the information that they want and need for all parts of their lives.

The library service operates from 8 public libraries and supports 2 school libraries in the district. Three of our libraries share premises with school libraries (Amuri, Greta Valley and Hawarden). The Hurunui Memorial Library based in Amberley, is the administrative library centre for the district. Hanmer Springs, Cheviot and Amuri (in Culverden) libraries are also council service centres. Greta Valley, Waiau and Leithfield community libraries are run by volunteers. We provide support to Greta Valley and Omihi primary schools. In addition, we provide resources to our rest homes and run a home delivery service.

Physical resources (books, magazines, DVDs, talking books etc) are rotated around the library network so that all parts of the district have access to the widest range. Online we provide 24/7 access to downloadable e-books, e-audio books, comics and magazines. We also run a talking book service.

Our internet and public computer network, delivered via Aotearoa People's Network Kaharoa (APNK), provides our communities with up to date technology and 24/7 wifi for access to information, software, scanning and printing. We have formal consortium purchasing agreements with groups of libraries from throughout New Zealand for the acquisition of resources and technology to reduce cost and get best value for our community.

Future

There are no major changes planned for the libraries. Our intention is to continue to run a good service to meet the needs of our mainly rural community. This involves taking advantage of changes to publishing and technology, and continue to work with other libraries to enhance the services offered to our district and to make efficiencies where possible.

We will continue to encourage the use of new services such as our e-materials and the delivery of the 'Stepping Up' computer training programme. This programme developed by the 20/20 Trust, focuses on providing free digital skills training for people to upskill and improve employment opportunities or enhance their lives. We will continue to work with other libraries to enhance the services offered to our district and to make efficiencies where possible.

Waste Minimisation:

Current

Our current delivery model for waste and recycling services has been in place since February 2014. Cost efficiency, while still providing a high standard of service, are our main drivers. We contract Waste Control NZ Ltd for weekly refuse and recycling kerbside collections. They also transport waste and recycling from the district's transfer stations to Amberley and Christchurch, and operate four of our transfer stations on behalf of the Council. We also contract Container Waste Ltd to backload glass from Amberley to Christchurch to crush and use to build roads.

We provide a weekly kerbside refuse and recycling collection service (household and commercial) to 18 urban areas using a single truck and trailer. We have recently gone to a system of using official Council refuse and recycling bags. People living in rural areas are able to buy the bags and leave them at designated locations for collection or take them into a local transfer station.

Of our five transfer stations, Amberley, Cheviot, Culverden and Waiau transfer stations are managed by Waste Control NZ, and we run the Hanmer Springs site though paid

staff. The Amberley transfer station is new and opened in mid-2014. We expect the refuse and recycling tonnages received through this site to continue to increase given the growth in Amberley and the wider district.

The November 2016 earthquake has had a significant impact of waste and recycling volumes particularly those received through the Amberley and Waiau transfer stations. Using funding from the Ministry of the Environment's Waste Minimisation Fund, a number of projects are being funded including an area for receiving cleanfill at Amberley transfer station, a programme for safely managing certain hazardous wastes, the costs of rebuilding Waiau transfer station and the purchase of infrastructure to assist with managing the increased volumes of waste and recycling.

We are a shareholder of Transwaste Canterbury Ltd (which opened Kate Valley landfill in 2005) along with four other Canterbury local authorities. The landfill is located at Waipara and we have an on-going responsibility to ensure operations always comply with the consent conditions granted by our Council and the Canterbury Regional Council.

Our Waste Management and Minimisation Plan describes the objectives, policies and targets to enable residents, businesses and ratepayers to have access to an efficient, reliable, safe and cost effective waste and recycling services.

Future

We have no major changes planned for waste in the foreseeable future other than the on-going challenge to manage the increasing volumes of waste. We intend to administer our waste and recycling services as they are currently, but continue to look for efficiencies to minimise the levels of waste being disposed of into landfill. The current contract for the provision of waste and recycling services in Hurunui will be retendered during 2019.

We will continue to run our waste minimisation education and awareness programme and expand it to incorporate businesses to provide guidance regarding how to reduce waste and maximise recycling.

Due to public demand, we will increase the number of recycling bins at more locations, providing these can be serviced in a cost effective manner. We will also continue look to expand the range of materials accepted for recycling through our transfer stations, as well as continue to improve and maintain these sites, including landscaping.

Property:

Current

The Council owns a large number of buildings around the district; most of which are for community use or for the Council to operate its business. With there being around 150 buildings, this is a challenging portfolio to manage within a budget that

is acceptable to the Council and community. The ideal is for all council owned property would to be well maintained at all times and to be fit for purpose. Local ward committees and boards are very interested in local community buildings and facilities and are influential in setting the standard for repairs and maintenance.

Some of our buildings and facilities are very old and decisions will need to be made about the future of them as to repair and upgrade or demolish. Often there is heritage and emotional connection to what we have and a desire to retain rather than demolish. The Building Act will have an impact on those decisions into the future, particularly regarding earthquake standards and when major repairs or upgrades are discussed. Recent changes to the Building Act require buildings less than 34% of the National Building Standard to be strengthened over a time period determined by the use of the building. Funding is to be set aside to start this process.

Future

Some of our buildings and facilities are very old and decisions will need to be made about the future of them as to repair and upgrade or demolish. Often there is heritage and emotional connection to what we have and a desire to retain rather than demolish. The Building Act will have an impact on those decisions into the future, particularly regarding earthquake standards and when major repairs or upgrades are discussed. Recent changes to the Building Act require buildings less than 34% of the National Building Standard to be strengthened over a time period determined by the use of the building. Funding is to be set aside to start this process.

The current focus is on earthquake repairs to important community buildings that were damaged in the November 2016 earthquake. Lotteries funding have assisted in repairs to buildings damaged to them to be able to be used by the community. External funding is being sought to help partner the repair and earthquake strengthening of the Kowai Archives, former Amuri County Chambers and the Waiau Hall.

The Amberley swimming pool has been the subject of much discussion in the past few years due to its aging condition and a community desire to pool that is modern, heated and operational all year round. It has been argued that this type of facility would attract more patrons from throughout the district and other areas. A fund raising society has been actively trying to raise funds for the pool but having difficulty securing large grants until a new pool has been properly scoped and planned.

The Council had set aside \$4.5 million in the previous Long Term Plan (2015/25) for the 2018/19 year conditional to \$1.75 million being fund raised to offset a portion of the cost. Recent estimates have put the operational costs at \$580,000 per year which has concerned the Council. Given the small population for the district, let alone Amberley, it was considered unrealistic to expect ratepayers to fund not only

the capital for a new swimming pool, but high operating costs whether or not they used the pool.

The Council now plans to renovate the existing pool if that is proven to be a practical option moving forward. This was agreed to after a proposal to stage the building of a new pool in two main phases was found to be unpopular with the public. After professional assessments have been made on the pool regarding renovating, there will be further public consultation before final plans are made. The intent at this stage is to modernise the pool and to make the conditions more comfortable including heated water. The Council agreed to retain \$1.5 million in the budget to do this.

The Queen Mary Historic Hospital Reserve in Hanmer Springs is vested in the Council. In 2013, a significant advertising campaign was undertaken to try to attract business ventures into the historic buildings (Soldiers and Chisholm Blocks and the Nurses Hostel). Using these premises for private ventures would enable the buildings to be preserved at no cost to our ratepayers. While there was interest shown in the Soldiers Block, the advertising did not attract any realistic external proposals for the other two buildings from those prepared to pay the commercial rentals needed to fund renovating the buildings. There is community interest in refurbishment and earthquake strengthening of the Soldiers Block and options will be explored to source the funding required for this refurbishment.

Reserves:

Current

The Hanmer Springs Thermal Pools and Spa is our most well-known reserve. Due to the importance of this reserve, it has its own activity section further in this document, and is not covered in the Public Services section. Another well-known reserve which is included in this section and also located in Hanmer Springs is the Queen Mary Hospital Historic Reserve. This covers approximately 6 hectares of land and is home to 3 historic buildings vested in the Council.

Our reserves are highly regarded by those who use them. We are fortunate that we have a large number of dedicated volunteers, who with their local councillors, are on local advisory groups delegated to manage them so that they are fit for purpose maintained and useful for people to enjoy. The work of all of these people is sincerely appreciated by the Council.

Our cemeteries are on reserve land and most of them have many years remaining before they will run out of space. It is predicted that the demand for plots within the district's cemeteries will increase gradually over the next 50 years, due to the increasing age of the population within the district. There is generally an increasing trend away from cemetery burials as people are moving towards cremation services, but this has not impacted on the sales of plots within the Hurunui.

Future

We have had a comprehensive District Reserve Management Plan which was last reviewed and adopted by the Council in December 2012. The Plan is not required to be reviewed again until 2022 but is updated when new reserves are added or the development plan of an existing reserve changes.

A major upgrade or replacement of the Hanmer Springs sport stadium was proposed in the previous LTP. There had been uncertainty over what improvements would be made and since then, a change of plans given this uncertainty and the affordability on top of what Hanmer Springs ratepayers are already paying. The budget has been reduced to \$200,000 and a lesser renovation is planned for 2022/23 instead of 2018/19.

After consultation, the Council has decided to increase the budget from \$200,000 to \$400,000.

We also have a separate reserve management plan for the Queen Mary Hospital Historic Reserve due to the separate cultural and historic values of this reserve and this was approved by the Minister of Conservation in 2011. That plan sets out the overall management goal for the reserve and is supported by policies in the plan. The Council has also recently adopted the Eastern Reserve and Coppard Reserve Management Plans in the Amberley Ward. Both are intended to be developed over the next 2 years.

Civil Defence:

Current

In a civil defence emergency situation, many organisations, volunteers and government agencies are involved. This collective effort is civil defence. The Council's role is to co-ordinate those efforts when an emergency situation gets beyond the capability and capacity of the lead agency. For example, in a fire, Fire Emergency New Zealand (FENZ) take control. But if the fire becomes larger than FENZ can manage, the situation may then become a civil defence emergency. A recent example of this was the 2017 Port Hills fire.

The Hurunui District has 106 kilometers of coastline. With heightened public awareness about the risk of tsunamis worldwide, a locally activated warning system is in place at Amberley Beach and Leithfield Beach.

We have 9 civil defence volunteer sectors in the Hurunui district to help us deal with civil defence emergency situations. The volunteers are generally local people who receive training so they know what to do should a disaster or emergency situation arise. The sectors are positioned in Cheviot, Culverden, Hawarden, Waiau, Mt Lyford, Hanmer Springs, Motunau Beach, Glenmark and Amberley. The emergency operation

centre (formerly known as the District Headquarters) is now based at the Amberley council office, with the Amberley library being an alternative venue. Since the 14 November 2016 Hurunui / Kaikoura earthquake, civil defence training for volunteers and council staff has increased. We have also increased our internal staffing from a ½ position to a full time emergency management officer.

To strengthen our ability to manage in a disaster, key relationships have been established with other councils in the wider Canterbury region, the Ministry of Civil Defence Emergency Management (MCDEM), critical emergency service partners and support agencies from both Government and non-Government organisations (such as Red Cross, St Johns Ambulance, Ministry of Social Development and North Canterbury Rural Support Trust). These relationships proved invaluable during the response to the 14 November 2016 Hurunui / Kaikoura earthquake.

Future

Our plans for the future mainly focus on capacity and capability building to increase our confidence for future civil defence emergency situations. This is challenging as it is normal for people to become disinterested in training for an event which may never happen in their lifetime. The increase in emergency and disaster events in New Zealand in recent years has for the meantime, heightened interest.

Training volunteers and staff will be a constant as both come and go over the years. Building and maintaining relationships with key personnel from other organisations is also ongoing as those personnel change over time too. Some investment will be put into increasing our physical capabilities such as installing radio repeaters in areas where there is limited or no telecommunications; and purchasing generators to operate our sector posts when there is no power. Technology is always being explored as to how this can help us but we are not doing this alone. The Ministry of Emergency Management and our own Regional Council civil defence group investigate and share their findings. For example, public alert systems for severe weather conditions and tsunamis are constantly being updated to find the right 'level' of alert so that people take warnings seriously and adequately prepare themselves.

We will be seeking ways to make our own website more informative to assist people prepare and protect themselves and know what is happening in future emergencies.

Major Projects Planned

Table 16: Public Services major projects planned

Project	Year planned			
	2018/19	2019/20	2020/21	2021+
Hanmer Springs Domain upgrade				\$427,000
Earthquake building standards – assessment and strengthening work on council owned buildings	\$200,000	\$200,000	\$200,000	\$2,900,000
Rebuild the Amberley Swimming Pool	\$50,000	\$1,450,000		

Funding

Table 17: Public Services funding

Activity	Operational costs	Capital costs
Library	User pay charges for items such as overdue fines, book reserves etc. The libraries (except those located at schools) are on reserves and the Council is able to apply funding from the Hanmer Springs Thermal Pools and Spa profits with any shortfall funded from the district rate.	<ul style="list-style-type: none"> Funded from the Hanmer Springs Thermal Pools and Spa profits, Council funds or loans according to the Council's Internal Financing Policy. If the capital cost caters for future growth, then the portion that relates to growth may be funded through development contributions.
Property	Residential properties are funded through rentals. Medical centres are funded through user charges. Any shortfall in funds is met from rates: <ul style="list-style-type: none"> local amenity rate for medical centres or local amenities district rate on capital value for rental properties 	Medical centres are loan funded and repaid through a targeted rate. If the capital cost caters for future growth, then the portion that relates to growth may be funded through development contributions.
Public toilets	Funded through a district rate.	Funded through a district rate. If the capital cost caters for future growth, then the portion that relates to growth may be funded through development contributions.
Waste minimisation	Refuse collection costs are all met through targeted rates for each dwelling or business in each urban area base on the cost of collection in that urban area.	Funded through a district rate. Income from the Council's reimbursement from the landfill levy maybe used for capital purchases.

Activity	Operational costs	Capital costs
Waste minimisation (continued)	Rural ratepayers on the route can have their rubbish collected at the same cost plus a marginal charge for the provision of the rural collection stickers. Transfer station costs are met through a fee structure. The fees are set to encourage use and discourage illegal dumping. Any shortfall in costs is met from a district rate. Litter bin collection costs are all met through a district rate.	
Reserves	Local reserves are funded through local amenity rates on the ward or rating area in which the reserve is located. District reserves are funded through the Hanmer Springs Thermal Pools and Spa's profits with any shortfall through a district rate. Camping grounds are funded through user charges with any shortfall met by a local amenity rate in the relevant ward or rating area. Four of the ten camping grounds are managed by a lessee. The Council receives a portion of the annual turnover from these camps as a rental. Cemeteries are largely funded through interment fees and the purchase of plots. Any shortfall in operational costs will be	District reserves and cemeteries are funded through the Hanmer Springs Thermal Pools and Spa profits and / or a district rate. Amenity Reserves are funded by a local amenity rate on the ward or rating area which the reserve is located. Contestable funding may be provided annually from the Hanmer Springs Thermal Pools and Spa profits to each ward or rating area for capital projects on amenity reserves. If the capital cost caters for future growth, then the portion that relates to growth may be funded through development contributions.
Reserves (continued)	charged as a district rate and/or from the Hanmer Springs Thermal Pools and Spa profits.	
Civil Defence	Civil defence is funded through a district rate and an annual government grant.	Funded through a district rate.

Maintenance and operating Library

No major changes are planned for the libraries other than to maintain them so that they are kept in good condition. Furniture does wear out over time, and these are either repaired or replaced depending on which is the most cost effective and appropriate for our customers.

Library resources (books, e-books, subscriptions, etc) are purchased through an annual budget provision. Donated or locally fundraised items are either vested in the Council or ownership is held by the donor as agreed. Book ownership within each individual library is discouraged as the district can enjoy a wider range of library resources when they are shared across the district.

Some of the library computers and software are owned and supported through the national Aotearoa People's Network Kaharoa (APNK) programme including associated maintenance and operating costs.

Waste minimisation

Most of our recycling and refuse services are contracted out by tender as this has been the most economical and efficient method. We test out this assumption at least every 6 years through a review process and especially before retendering the service.

We own the district's transfer stations and contract out the running of most of them and the cartage of residual waste to the landfill and recyclables.

Environmental consultants monitor groundwater bores at the district's closed landfills.

Property

A property review is undertaken every several years to assess the state of the Council's property portfolio to ensure there are suitable maintenance programmes in place. Generally, all properties are maintained to at least a level that keeps them functional.

The maintenance of these facilities, including cleaning and replenishing of supplies is contracted out with only a few exceptions. The Council does employ staff to clean some buildings such as offices and libraries.

Reserves

We act as an administering body for a large number of parks and reserves and cemeteries in the district. They are either owned by or vested in the Council to administer and maintain. Those that are vested are owned by the Crown.

Council appointed Reserve and Ward Committees and the Hanmer Springs Community Board are delegated to govern local reserves. The Council has a small garden and maintenance team, but lawn mowing and heavy maintenance is largely undertaken by contractors.

Grave topping, digging and landscaping at our cemeteries, is also undertaken by contractors.

Civil Defence

We will continue to manage and operate our civil defence emergency management functions from our Emergency Operations Centre at the Amberley council office and use the Hurunui Memorial Library in Amberley as our secondary EOC.

Assumptions and Risks

Library

We have assumed that the libraries will continue to operate in their current buildings and locations. However, we do need to be mindful that at any stage the schools could opt to discontinue their association with the Council and choose to quit the community libraries from their schools. We do not have contingency plans if this was to be the case, but this possibility is not likely in the near future.

We expect that the smaller volunteer run libraries will only continue as long as there are people willing to take on this responsibility on a volunteer basis. The Council's library service supports the local volunteer libraries to encourage their continuation.

The libraries have computers and internet services supplied through the national APNK programme at no cost to us. We cannot guarantee that this will be available to NZ's libraries for ever and at some point, we may need to carry this cost or reconsider ongoing free internet usage.

While the majority of funding for the district's libraries is through the Hanmer Springs Thermal Pools and Spa profits, the public appear content with the service as there is little or no direct cost to them. In the event that there is a library rate charged, we can expect more dissatisfaction from those not wanting to pay a library rate, particularly from people who do not use the library. At this stage, it is unknown what impact direct library rating would have on the service and people's expectations.

Waste minimisation

We are expecting bulk demolition material to come into the transfer stations for at least another couple of years following the 14 November 2016 earthquake. At the time of writing this section, few houses had been demolished or repaired. As home owners make decisions what to do with their damaged properties, it is difficult to know what impact this will have on our service. We will continue to anticipate the needs of our affected communities and provide low cost options for disposal.

We are assuming continued growth in the district, particularly in Hanmer Springs and the Amberley and Leithfield areas. This will cause an increase in household waste rather than a reduction. To manage this, our education programme is important to promote alternative methods of dealing with waste to reduce it. The growth of

disposable goods and packaging present us with an on-going challenge to ensure we are able to recycle and reuse as much waste as possible.

The Amberley transfer station has been more popular than we had anticipated when it was built in 2014. Up until then, the district only had small, modest transfer stations with limited capabilities. The Amberley transfer station is more in keeping with modern standards and used by people from outside the district as well as within. We are expecting this popularity to continue while it is considered to be a useful resource.

One of our major challenges is to find affordable ways to encourage people to minimise or dispose of their waste in the most environmentally sustainable way. High waste disposal costs lead some people to illegally dump goods, but setting charges too low means that everyone pays irrespective of their individual efforts to reduce waste. Higher standards for landfills add to the increasing costs.

Property

Many of the buildings that the Council owns are old and dated requiring major work to modernise and potentially earthquake strengthen. Some buildings were damaged in the 14 November 2016 earthquake and decisions to rebuild, repair or demolish will need to be made on a few. Community input will be sought before decisions are made about each individual building.

Aside from earthquake damaged buildings, it is assumed that we will continue to own the buildings we currently have, and we are not planning on increasing our stock. There is some risk in this, such as:

- We only provide pensioner housing in Amberley, Cheviot, Hanmer Springs and Waikari. This may inadvertently have social and cultural impacts upon the age demographics in local communities as the elderly population becomes concentrated in certain areas only. This may result in higher demands on some local services and facilities. Demand for pensioner housing in some parts of the district at times is greater than our supply. This could result in some older people leaving the district when we are in fact keen for residents of all ages to be able to live in the community of their choice.

- The Hurunui district has an aging population that is expected to increase over a number of years. This is expected to place additional demand for low cost housing options for aging and retired people, as well as retirement homes and villages. We believe that this demand is best met by the private sector.

We have assumed that the community will continue to support the need for us to build health centres and keep them relevant to the needs of modern medicine to attract doctors and trained medical staff to work in them. It is unknown how technology will impact on our community health centres in the near future, particularly as on-line medical diagnosis becomes more main stream.

Continued free use of our public toilets has been assumed. Consideration has been given to having a charge for use system but the disadvantages appear to be greater than the advantages. Growth in the district, particularly if tourism peaks, will probably result in the need for more public facilities such as toilets.

The Council has been unsuccessful in leasing the Queen Mary Historic Hospital Reserve (historic) buildings. The cost to upgrade them to make the buildings more attractive to lease is prohibitive for the district's small population. We are assuming we will continue to have difficulty renting out the buildings as is and plan to lobby the government to return two of the historic buildings (Nurses and Chisholm) and to retain the other and the land. If this is not successful, there is potential for the buildings to remain moth balled and suffer neglect over the years.

We are assuming that there will be significant public demand to replace the Amberley swimming pool and that the community will be prepared to pay for this. The existing pool may not last until a new pool is built and there is no back up plan in place. If the community is not prepared to pay for a new swimming pool, this will mean that Amberley may not have a public pool at some stage. We plan to run the existing pool during the summer months for as long as it can without needing substantial and costly repairs, or until a new pool is built.

Reserves

It is assumed that the district's communities will continue to support the preservation of the district's reserves and parks through the committee structure currently in place.

Plans for our cemeteries are based on the assumption that they will continue to meet the needs of our aging population for many years to come. There is always a risk that a natural disaster could severely damage any of the cemeteries, such as an earthquake or flooding. This has not been the case to date, but if it did, alternative sites (or site) may need to be identified.

Civil Defence

Planning and preparing for an emergency situation has become more important to our communities following the 14 November 2016 earthquake that severely impacted on parts of the district. Civil Defence Emergency Management planning is based on the assumption that future disasters will occur. The district sits across several major fault lines, and is at risk from tsunamis along the east coast. Other major risks include flooding, wild fires and the impacts of adverse weather conditions. Good planning and preparation is crucial, therefore we have taken our role in civil defence emergency management very seriously.

Significant Negative Effects

Most of the activities in the Public Services section do not pose any significant negative effects with the following exceptions:

- Waste and recycling activities have the potential to cause significant negative effects to people and the environment and it is our duty to reduce and minimise these. Contractors carrying rubbish and recycling are required to have vehicles which meet stringent conditions to avoid contamination. Landfills (operational and non-operational) are monitored to ensure any leachates are within acceptable levels. Health and safety standards are essential and a requirement of contracts pertaining to the collection of recycling and rubbish, and the management of the transfer stations. Hazardous materials such as asbestos can cause serious environmental issues into the future if they are not disposed of responsibly.
- Hanmer Springs is a well know tourism town with high volumes of vehicle and pedestrian traffic during holiday periods. Every effort has been made to minimise the risk of accidents occurring through the design of the footpaths, car parks, signage and speed limits (30 kph within the township).
- Similarly with public toilets, car parks have been designed to reduce congestion and hazards. Public toilets are positioned in well-lit areas close to main roads to reduce incidents of vandalism and undesirable anti-social behaviours.

Emergency Management

In an emergency, particularly a civil defence emergency, we will continue to deliver essential services as long as it is safe and practical to continue to do so. Civil defence management plans provide the Council with guidance and contingencies. However, in an extreme emergency, most of the services in the Public Services group would not be considered to be essential with the exception of civil defence. Our emergency operation centre would be activated for us to manage the response and recovery with volunteers and agencies required (such as police, fire and ambulance).

Shared Services

Library

We operate our community library service in conjunction with school libraries in two district area schools (Amuri and Hurunui). Our library management programme was a shared purchase with several other libraries throughout New Zealand to reduce the cost. This has a shared helpdesk and IT support. The library also has shared purchase agreements for e-materials and books.

Waste minimisation

The Kate Valley Landfill is situated within the Hurunui district but is a joint venture between Canterbury Waste Services Limited (which is owned by Transpacific Industries Group (NZ) Limited) and five Local authorities in Canterbury, including Hurunui District Council. The Council's collective share is 50% with 1.2% of that belonging to the Hurunui District Council. The company name is Transwaste Canterbury Ltd.

Civil defence

We have a collaborative arrangement with other councils in the Canterbury Region to strengthen all of our responses to civil defence emergencies. This collaboration has been named 'C10' and involves intensive training of a few staff from each council. In an emergency, teams of highly trained staff would move to the council or area where they are needed to assist the local team.

Financial Summary

A financial summary for this activity is shown at the end of this section on public services.

Public Services performance measures

Council public services

What we want to do	What we are going to measure	What we are aiming for	How we will measure this	Our current performance
Have customers satisfied with Council's public services	Customer satisfaction - library	To improve our customer satisfaction	Customer satisfaction surveys	A survey is being conducted currently and the results will be known in July. The previous resident satisfaction survey was conducted in 2016. Levels of satisfaction from the 2016 survey were: Library = 84% Waste collection = 80% Recycling collection = 78% Halls = 71% Public toilets = 77% Reserves/parks = 88% Cemeteries = 55% Civil defence = 52%
	Customer satisfaction – waste minimisation			
	Customer satisfaction – property (halls and public toilets)			
	Customer satisfaction – reserves and cemeteries			
	Customer satisfaction – civil defence			
Have libraries that are relevant and used by the public	Library membership numbers	That at least 50% of the District's population use Hurunui libraries	Library management system (Kotui)	Library membership has been consistently high over the past years with over 65% of the population being library members.
Renovate and upgrade the Amberley swimming pool	The date the renovated swimming pool is completed	To have the pool ready to use by 2020/21	The day the pool is open to the public	The current Amberley swimming pool is still in use.
	The cost of the renovation	To renovate the pool within budget	Council's data base (Magiq)	New measurement.

Residual waste disposed to landfill

What we want to do	What we are going to measure	What we are aiming for	How we will measure this	Our current performance
Increase the volume of recycling and reduce residual waste	The weight of waste to landfill	Reduce waste each year	Kate Valley Landfill records	Waste to landfill has decreased in 2018 from the previous year: 2017/18 = 3,503 tonnes* 2016/17 = 3,557 tonnes 2015/16 = 3,042 tonnes
	The weight of recyclable materials	Increase recycling each year	Transfer station weigh bridge records	Recycling levels increased in 2018 from the previous year: 2017/18 = 1,550 tonnes* 2016/17 = 1,422 tonnes 2015/16 = 1,462 tonnes

**Please note: This is the end of year estimate for 2017/18 but this cannot be confirmed until July 2018.*

Measurement Period: All of the performance measures will be measured annually (unless otherwise indicated within the Performance Target Outcome column) and reported in the Council's Annual Report each October.

Public Services - Group Activity Financial Summary

	<u>Annual Plan</u> <u>2017/2018</u>	<u>Year 1</u> <u>2018/2019</u>	<u>Year 2</u> <u>2019/2020</u>	<u>Year 3</u> <u>2020/2021</u>	<u>Year 4</u> <u>2021/2022</u>	<u>Year 5</u> <u>2022/2023</u>	<u>Year 6</u> <u>2023/2024</u>	<u>Year 7</u> <u>2024/2025</u>	<u>Year 8</u> <u>2025/2026</u>	<u>Year 9</u> <u>2026/2027</u>	<u>Year 10</u> <u>2027/2028</u>
Operating Statement											
Operating Revenue											
District Wide Rates	1,574,788	1,542,946	1,579,949	1,611,147	1,650,596	1,666,282	1,713,869	1,760,647	1,802,860	1,849,932	1,896,060
Targeted Rates	2,205,759	1,998,323	2,605,439	2,674,712	2,749,390	2,827,290	3,208,511	3,293,303	3,321,750	3,369,108	3,410,520
Other Income	1,691,524	2,156,959	2,056,035	2,014,981	2,068,750	2,135,111	2,281,146	2,274,517	2,326,408	2,435,197	2,477,134
Internal Interest Received	101,362	115,363	106,723	100,774	109,270	113,369	112,574	125,790	141,636	146,093	159,976
Development Contributions	191,886	176,752	180,557	183,559	183,365	183,598	188,404	192,448	197,526	181,176	176,094
Total Operating Revenue	5,765,319	5,990,342	6,528,702	6,585,173	6,761,371	6,925,651	7,504,504	7,646,705	7,790,181	7,981,506	8,119,784
Operating Expenditure											
Employee Benefits	1,399,712	1,552,467	1,561,381	1,595,119	1,630,704	1,667,339	1,705,507	1,746,635	1,789,503	1,835,306	1,868,819
Direct Operating Expenditure	4,695,106	4,987,102	5,166,888	5,256,433	5,382,422	5,383,237	5,815,855	5,990,957	6,101,061	6,237,873	6,419,999
Internal Interest Paid	318,527	302,346	280,149	325,579	307,303	298,960	287,074	269,454	241,621	213,907	183,780
Council Overheads Expenditure	1,381,941	1,585,648	1,618,176	1,657,503	1,682,095	1,718,679	1,767,829	1,797,465	1,839,970	1,897,256	1,933,480
Depreciation	498,568	482,895	486,497	516,181	539,754	539,754	544,484	544,484	544,484	553,207	553,207
Total Operating Expenditure	8,293,854	8,910,458	9,113,092	9,350,815	9,542,278	9,607,969	10,120,749	10,348,995	10,516,639	10,737,550	10,959,284
Operating Surplus (Deficit)	(2,528,535)	(2,920,116)	(2,584,389)	(2,765,642)	(2,780,907)	(2,682,318)	(2,616,245)	(2,702,290)	(2,726,459)	(2,756,043)	(2,839,500)
Capital Statement											
Capital Expenditure											
Community Services	0	0	0	0	0	0	0	0	0	0	0
Property	13,579	(129,000)	1,523,591	56,392	34,157	239,236	33,552	17,195	117,420	18,075	33,418
Reserves	186,091	777,500	147,179	102,864	464,319	312,754	190,128	34,389	264,665	18,075	37,131
Emergency Services	0	10,000	10,221	10,443	10,674	10,924	11,184	11,463	11,742	12,050	12,377
Library	73,250	73,500	75,124	76,756	78,454	80,291	82,202	84,253	86,304	88,568	90,971
Total Capital Expenditure	272,920	732,000	1,756,115	246,455	587,604	643,205	317,066	147,300	480,130	136,768	173,897
Funds Required											
Operating Deficit	2,528,535	2,920,116	2,584,389	2,765,642	2,780,907	2,682,318	2,616,245	2,702,290	2,726,459	2,756,043	2,839,500
Capital Expenditure	272,920	732,000	1,756,115	246,455	587,604	643,205	317,066	147,300	480,130	136,768	173,897
Repayment of Internal Loans from Operating Income	(594,393)	440,098	790,028	701,082	783,420	928,390	1,072,950	1,069,729	1,100,911	1,167,404	1,180,503
	2,207,062	4,092,214	5,130,532	3,713,179	4,151,930	4,253,913	4,006,262	3,919,319	4,307,500	4,060,215	4,193,900
Funded by											
Transfer from Hanmer Springs Thermal Reserve	1,435,574	2,877,319	2,887,919	2,950,543	3,024,573	3,070,954	3,144,711	3,227,535	3,282,885	3,370,240	3,466,796
Non Cash Expenditure - Depreciation	498,568	482,895	486,497	516,181	539,754	539,754	544,484	544,484	544,484	553,207	553,207
Capital Expenditure funded through Internal Loans	272,920	732,000	1,756,115	246,455	587,604	643,205	317,066	147,300	480,130	136,768	173,897
	2,207,062	4,092,214	5,130,532	3,713,179	4,151,930	4,253,913	4,006,262	3,919,319	4,307,500	4,060,215	4,193,900

Regulatory services

Overview

The Regulatory Services group of activities includes compliance and regulatory functions such as resource management, building controls, public health, alcohol licencing, and animal control.

Our Aim

We aim to protect people, animals and the environment from harmful activities, disease and hazards.

Reason for Council's Involvement

We provide regulatory services to ensure our communities and environment are protected from certain harm, to preserve what we have and leave it in good condition for future generations. We contribute toward our district being a desirable place through managing adverse effects of activities and conditions through our policies, bylaws and plans.

Community Outcomes

The Regulatory Services activity described in this section, primarily contributes to two of our community outcomes:

1. A desirable and safe place to live:
 - We have attractive well designed townships
 - Communities have access to adequate health and emergency services and systems and resources are available to meet civil defence emergencies
 - Risks to public health are identified and appropriately managed
2. A place that demonstrates environmental responsibility
 - We protect our environment while preserving people's property rights
 - We minimise solid waste to the fullest extent, and manage the rest in a sustainable way

Council Owned Assets

We do not own many assets to deliver our regulatory services other than those listed below:

- Vehicles to undertake inspections
- Animal pound in Balcairn

Current Situation

Building controls:

We are an IANZ accredited Building Consent Authority. Our main role is to process and

issue building consents, and to inspect buildings at several stages of their development to ensure that buildings constructed are safe and comply with the New Zealand Building Code. We issue between 400 and 650 building consents annually for private buildings, public buildings, and businesses. We experienced an increase in consents during 2017 following the 14 November 2016 Hurunui / Kaikoura earthquake. We expect to see a continued increase in consents in 2018 and 2019 as people assess their damaged homes and decide what to do with them (rebuild, repair or leave as is).

We currently have 80 live dangerous and/or insanitary notices (s124 notices) in place mainly related to badly earthquake-damaged buildings. In the 12 months after the Hurunui/Kaikoura earthquake we have carried out approximately 80 free chimney checks, many hundreds of re-inspections relating to placarded properties issued under the Civil Defence period. We have also set up a fast track consenting service for all earthquake-affected residents that require consent for repairs or rebuilds. We have experienced a considerable increase in the amount general building enquiries in the 12 month since the earthquake.

We also inspect private swimming pools to check that they comply with the New Zealand Building Act and Code. New Zealand has a history of accidental drownings and the Fencing Act is a national initiative to drive down the rate of drownings. There are over 300 known private pools in our district and schedule our audits to inspect one third of all pools annually.

Public health/alcohol licencing:

There are nearly 200 registered premises in the district which are inspected annually. These premises include food retailers, campgrounds, hairdressers, apiaries, and offensive trades (such as slink skin operators and septic tank cleaners). Compliance checks are undertaken at food stands and mobile shops at shows and events around the district to ensure that they follow good food safety procedures. We have actively promoted owners of food premises to adopt Food Control Plans to meet of the objectives of the Food Act 2014. We expect to have 90 premises on Food Control Plans by March 2018.

Notifiable infectious disease cases are investigated when referred by the Canterbury District Health Board. Investigations are also carried out on complaints received regarding nuisance activities or activities that may be injurious to health. These include noise, spraying, food safety concerns, and effluent and sewerage disposal.

Annually the District Licensing Committee receives approximately 60 applications (new and renewals) for on-licences, off-licences, and club licences, 90 applications for special licences and 150 applications (new and renewal) for managers' certificates. We currently have over 100 licenced premises (including both on and off licences) and have 328 current managers' certificates.

Inspections are carried out in association with issuing of licenses as well as routine and late night monitoring to ensure premises meet legal requirements and the terms of the license issued. The District Licensing Inspectors and secretary work closely with the police and Public Health Alcohol Harm Reduction Officers in both educational and enforcement aspects of the sale of alcohol. All applications for the sale of alcohol are determined by our District Licensing Committee.

Animal Control:

We have close to 5,500 registered dogs (with over 2,000 owners) in our district. Each year we receive around 500 complaints regarding dogs which require follow up or investigation. The majority of these are 'general nuisance' complaints, mostly involving barking, lost and found, aggressive and roaming dogs. It is not unusual for about 30 dogs to be impounded each year. Where possible we attempt to rehome unclaimed dogs.

In addition, we receive around 80 calls each year concerning stock, with the majority of the complaints being about wandering. Fortunately, very few incidents in the district have involved neglect. Of the few animals we impound, most are reclaimed by their owners.

Resource Management:

Our District Plan has been in place since 2003. This plan identifies key resource management issues for the District and our objectives, policies and methods for addressing each of those issues. The District Plan is a legal document which affects the day-to-day lives of everybody in the Hurunui District and is a requirement of the Resource Management Act 1991 (RMA). The purpose of the RMA is the sustainable management of natural and physical resources while avoiding, remedying or mitigating adverse environmental effects and providing for the wellbeing of communities. The Plan's framework provides objectives, policies and methods to manage the use and development of natural and physical resources to meet the purpose of the RMA.

We are required to review the Plan every 10 years and we have been undertaking this substantial project since 2013. This is a lengthy and complex process due to the implications the final plan has on people and what they can do to their land and homes. The Council has invested a lot of time in this process to ensure they come out with the best plan to suit our District. The Plan was fully finalised in May 2018.

We process more than 220 resource consent applications each year from people who want to do things that do not comply with the land use provisions of the plan or who want to subdivide their property. Two thirds of resource consents processed relate to subdivision consents. Most resource consent applications are processed and granted within 20 working days of receiving them. The exception is the small percentage of consents which are notified for a variety of reasons, including situations where

potentially affected parties have not given their written consents or the proposal sits outside the standard requirements of the District Plan and requires full public notification. These consents can take up to 70 working days to have a decision issued.

Plans for the Future

We intend to continue to improve and upgrade our technology to enable people to make applications for regulatory services on-line. We are keen to make our services available from anywhere and at any time.

There are no other major plans for the future for our regulatory services other than 'business as usual'.

Major Projects Planned

Table 18: Regulatory Services major projects planned

Project	Year planned			
	2018/19	2019/20	2020/21	2021+
Property files available on line	No cost			

Funding

Table 19: Regulatory Services funding

Activity	Operational costs	Capital costs
Building Controls	Building consent administration and inspections are funded through user charges. Building advice and complaint investigations are funded through the district rate. Swimming pool inspections are recovered from a targeted rate from the pool owner. Those which remain non-compliant will incur an inspection fee for any inspections.	<ul style="list-style-type: none"> Vehicle purchases are funded through the district rate.
Public health	User charges meet some of the cost with the shortfall to be met from the district rate.	Vehicle purchases are funded through the district rate.
Alcohol Licencing	Fees are charged as set out in legislation relating to the sale of alcohol with any shortfall from the district rate.	Vehicle purchases are funded through the district rate.

Activity	Operational costs	Capital costs
Animal Control	Dog administration costs are funded from dog registration fees. Stock control costs are charged to stock owners with any shortfall from the district rate.	Vehicle purchases are funded through the district rate.
Resource Management	Resource consents are funded through user charges with any shortfall from the district rate (known as the planning rate).	No capital costs.

Maintenance and Operating Building Controls

We employ staff to undertake our building control activities and engage contractors when demand exceeds our in-house capabilities. We expect to continue to use external contractors from time to time for an unknown period depending on potential growth in the district and workflow from earthquake building repairs and rebuilds.

Public Health & Alcohol Licencing

We employ staff to undertake environmental health and alcohol licensing functions. We intend to continue to using staff as this works well in our urban district.

Animal Control

This activity is managed through a mix of staff and contracted services to cover the district at any time of the day or night depending on need. Due to the number and variable nature of nuisance calls (noise as well as animal complaints), we need a system to be able to respond quickly.

Resource Management

We manage the Resource Management/Planning activity from our Amberley based office. We have our own policy and planning staff, and from time to time engage consultants for specialty areas or when demand exceeds staffing resources. We expect to continue in this manner as this is the most cost effective way to manage this service.

Assumptions and Risks Building Controls

Growth has continued in some parts of the district particularly post the 2010 and 2011 Canterbury earthquakes. Prior to the 2016 Hurunui / Kaikoura earthquake, building consents had slowed but increased again afterwards. The unknown aspect of growth and demand makes it challenging to anticipate need.

Public Health& Alcohol Licencing

It is assumed that there will be a continued demand for inspections and licensing. A challenge is to find a balance between enabling tourism to flourish (and therefore, enabling outlets to sell alcohol at all hours), and ensuring the communities and members of the public are not subjected to the effect of bad behaviour through alcohol abuse.

Animal Control

This is a business as usual activity and we do not anticipate any risks.

Resource Management

We have assumed that our District Plan provides adequate protection of outstanding natural features and landscapes from inappropriate subdivision, use and development and protection of the environment and private property rights. Changes to the Resource Management Act are likely to have a flow on effect to the District Plan. Changes to the District Plan are costly and lengthy.

Significant Negative Effects

The activities in the Regulatory Services section serve to mitigate significant negative effects on the district and its environment. The negative effects that this group of activities is aimed at negating or minimising includes:

- Unclean and dangerous food handling can have significant detrimental effects on the public through illness; therefore it is important we follow up complaints involving food premises promptly to prevent spread of any disease. Similarly with water, as infection and illness can spread quickly via drinking water in particular.
- We have a key role to reduce any negative effects of alcohol sale and purchase through the regulation of alcohol outlets (such as restaurants and retailers) and limiting the number of hours alcohol is for sale.
- Unruly dogs and animals pose dangerous risks to people and stock. There have been several cases of extreme dog attacks in recent years within New Zealand which has raised people's awareness of the potentially dangerous nature of dogs in particular and as a result, there is less tolerance to roaming animals or dog attacks. This has caused a demand for a higher level of service from us to respond quickly to complaints and to take measures to ensure compliance.
- Standards in the District Plan and legislation such as the Resource Management Act, attempt to minimise potential negative impacts on the environment.

Emergency Management

In an emergency, particularly a civil defence emergency, we will continue to deliver services as long as it is safe and practical to continue to do so. Many of the activities

within this group will be required in an emergency, depending on the problem. Public health concerns are often of paramount importance in certain disasters particularly when there are issues with water and sewerage disposal. Our building services may be required to operate to check the safety of buildings in certain circumstances such as earthquake and tsunami, as they were in the 14 November 2016 earthquake.

Shared Services

Building Controls

We work closely with the neighbouring Councils to share our building officers and resources to manage this area more efficiently. Skilled building officers can be in high demand during periods of high growth and property damage through earthquakes.

Financial Summary

A financial summary for this group of activities is shown at the end of this section.

Regulatory Services performance measures

Process consent applications

What we want to do	What we are going to measure	What we are aiming for	How we will measure this	Our current performance
Process all consent applications quickly	Building consent processing time	To issue consents within 20 working days	Council's data base (Magiq)	Most building and resource consents are processed within 20 days. Previous results* were: 2016/17 - Building consents 95% Resource consents 96% 2015/16 - Building consents 99.5% Resource consents 100%
	Resources consents (non-notified) processing time			

Compliance inspections

What we want to do	What we are going to measure	What we are aiming for	How we will measure this	Our current performance
Prevent drownings in swimming pools	Swimming pools for compliance with NZ safety standards	To inspect 30% of all known swimming pools every year	Council's data base (Magiq)	We have consistently met our targets for inspections. Previous results* were: 2016/17 - Swimming pools 37% Food premises 100% Liquor premises 100% 2015/16 - Swimming pools 34% Food premises 91% Liquor premises 100%
Reduce and manage health risks to the public	Licensed food premises for compliance with NZ legislation	To inspect all licensed food premises every year		
	On-licence alcohol premises for compliance with NZ legislation	To inspect all on-licence alcohol premises every year		

Animal complaints

What we want to do	What we are going to measure	What we are aiming for	How we will measure this	Our current performance
Stop animals causing danger or public nuisance	The time it takes to respond to complaints about aggressive dogs	To respond within 24 hours	Customer Service Requests system	We have good systems in place and consistently respond to animal complaints within 24 hours. Previous results* were: 2016/17 - Aggressive dogs 100% Wandering stock 100% 2015/16 - Aggressive dogs 100% Wandering stock 100%
	The time it takes to respond to wandering stock			

*Please note: The 2017/18 end of year results were not available when this document was published.

Measurement Period: All of the performance measures will be measured annually (unless otherwise indicated within the Performance Target Outcome column) and reported in the Council's Annual Report each October.

Regulatory - Group Activity Financial Summary

	<u>Annual Plan</u> <u>2017/2018</u>	<u>Year 1</u> <u>2018/2019</u>	<u>Year 2</u> <u>2019/2020</u>	<u>Year 3</u> <u>2020/2021</u>	<u>Year 4</u> <u>2021/2022</u>	<u>Year 5</u> <u>2022/2023</u>	<u>Year 6</u> <u>2023/2024</u>	<u>Year 7</u> <u>2024/2025</u>	<u>Year 8</u> <u>2025/2026</u>	<u>Year 9</u> <u>2026/2027</u>	<u>Year 10</u> <u>2027/2028</u>
<u>Operating Statement</u>											
Operating Revenue											
District Wide Rates	1,349,253	974,345	1,370,537	1,559,480	1,556,087	1,585,081	1,620,576	1,641,866	1,681,327	1,794,015	1,768,140
Targeted Rates	39,020	43,593	44,518	45,481	46,488	47,539	48,628	49,801	51,022	52,321	53,707
Other Income	1,592,646	2,266,158	1,784,559	1,658,254	1,694,970	1,738,728	1,784,166	1,838,615	1,883,679	1,931,640	1,982,820
Total Operating Revenue	2,980,919	3,284,096	3,199,614	3,263,215	3,297,545	3,371,347	3,453,370	3,530,282	3,616,027	3,777,975	3,804,667
Operating Expenditure											
Employee Benefits	1,657,213	1,759,932	1,632,401	1,664,947	1,701,811	1,740,271	1,780,167	1,823,095	1,867,779	1,980,146	1,966,083
Direct Operating Expenditure	633,932	780,750	767,962	808,853	764,911	812,731	800,129	851,411	839,508	894,489	883,693
Council Overheads Expenditure	674,351	773,755	789,628	808,818	820,818	838,671	862,654	877,116	897,857	925,811	943,488
Depreciation	26,500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total Operating Expenditure	2,991,996	3,315,437	3,190,990	3,283,618	3,288,540	3,392,673	3,443,951	3,552,623	3,606,144	3,801,446	3,794,264
Operating Surplus (Deficit)	(11,077)	(31,341)	8,623	(20,403)	9,005	(21,326)	9,420	(22,341)	9,883	(23,471)	10,403
<u>Capital Statement</u>											
Capital Expenditure											
Resource Management & Planning	0	0	0	0	0	0	0	0	0	0	0
Compliance & Regulatory Functions	26,315	0	0	0	0	0	0	0	0	0	0
Total Capital Expenditure	26,315	0	0	0	0	0	0	0	0	0	0
Funds Required											
Operating Deficit	11,077	31,341	0	20,403	0	21,326	0	22,341	0	23,471	0
Capital Expenditure	26,315	0	0	0	0	0	0	0	0	0	0
Transfer to Special Funds	0	0	8,623	0	9,005	0	9,420	0	9,883	0	10,403
Funds Required	37,392	31,341	8,623	20,403	9,005	21,326	9,420	22,341	9,883	23,471	10,403
Funded by											
Operating Surplus	0	0	8,623	0	9,005	0	9,420	0	9,883	0	10,403
General Council Reserves	26,315	0	0	0	0	0	0	0	0	0	0
Transfer from Special Funds	11,077	31,341	0	20,403	0	21,326	0	22,341	0	23,471	0
Funded by	37,392	31,341	8,623	20,403	9,005	21,326	9,420	22,341	9,883	23,471	10,403

Hanmer Springs Thermal Pools and Spa

Overview

The Hanmer Springs Thermal Pools and Spa group of activities includes the recreational and thermal pools, beauty spas, information centre (i-site) and the café on the thermal pools reserve site.

Our Aim

We aim to be recognised as the premier thermal pool and spa complex in Australasia.

Why is the Council Involved?

The Hanmer Springs Thermal Pools and Spa (HSTPS) was vested by the Crown in the Council and made a recreational reserve on 23 November 1990. In 2010 additional reserve land was added to the original footprint as HSTPS expanded its offering to cope with customer demand. We operate the HSTPS under the provisions of the Reserves Act 1977. As well as providing facilities for the social and recreational use of residents, HSTPS makes an important contribution to the local economy by attracting regional, national and international visitors to the district. HSTPS provides a substantial revenue stream to the Council and has made an important financial contribution toward the funding of other reserves in the district through the profits generated. As a result, the pools and spa complex has reduced the rates which would ordinarily be paid by the ratepayer.

Community Outcomes

The Hanmer Springs Thermal Pools and Spa activity described in this section, primarily contributes to three of our community outcomes:

1. A place where our traditional rural values and heritage make Hurunui unique:
 - People have a range of opportunities to participate in leisure and culture activities
 - Our historic and cultural heritage is protected for future generations
2. A place with a thriving local economy:
 - We are seen as a good place to do business, to live and to visit
3. A place that demonstrates environmental responsibility
 - We protect our environment while preserving people's property rights
 - We minimise solid waste to the fullest extent, and manage the rest in a sustainable way

Council Owned Assets

We own all of the pools, equipment, buildings and recreational items on the thermal complex. These are listed below:

- 17 thermal pools and associated stream
- 6 private pools
- 2 steam rooms
- 2 sauna rooms
- 25 meter freshwater pool with adjoining lazy river
- children's activity pool and children's aqua play area
- 3 water slides
- day spa (The Spa at Hanmer Springs)
- Tea kiosk, café and Grill
- visitor information centre (the i-site)
- 3 mechanical plant rooms and associated water filtration, treatment and heating equipment
- 1 office block
- equipment at the Artisan Spa (in the Village Shopping Centre)

Current Situation

HSTPS is one of New Zealand's premier tourist attractions. Each year over 500,000 customers visit the thermal pools to bathe in the waters, enjoy the water activities and partake in massage and beauty treatments. The Visitor Information Centre (i-site) forms part of the complex as does the Tea Kiosk, Café and Grill. The complex has undergone substantial renovations over the last several years to ensure it remains a top class attraction for not only our local residents, but national and international visitors. An additional beauty spa was added in 2016 to help meet the growing demand. This is located in rented premises in the Village Shopping Centre to provide a different experience to customers.

HSTPS is operated as a profitable business and the funds generated are used to augment the maintenance, development and promotion of the complex, with surpluses produced being used to assist funding of other reserves in the district.

The Council appointed a management committee to oversee the running of the complex and to set the long term direction and planning of the pools complex and surrounds. The present Committee membership comprises of the Mayor, three elected members of the Council, one Hanmer Springs Community Board member and two independently appointed representatives. The independent members act in a similar manner to directors and hold the positions as Chair and Deputy Chair of the Committee.

Plans for the Future

The HSTPS strategic plan confirmed in 2014 sets out a continuous programme to upgrade and continue to invest in the complex. To continue to get good returns from the pools and make sure it is a desirable asset into the future, the complex needs to maintain or improve its good condition to maintain its lead in the industry. Therefore it is essential that we have on-going plans which include upgrades for the future. The HSTPS is a competitive business and the plans are commercially sensitive. This is a challenging aspect for the Council to on the one hand, to be open and transparent, but on the other, to manage the commercial sensitivities without giving our competitors (current or future) an advantage by disclosing plans that have yet to materialise.

The HSTPS Management Committee has put forward a proposal to develop the Chisholm Ward on the Queen Mary Historic Hospital Reserve adjacent to the thermal complex. There is no funding put aside for this possible venture. Investors have been sought for this proposal but to date, there has been no successful conclusion to that process at this point in time.

Although we have a strategic plan in place, all projects and expenditure are proposals and conceptual. Before any are confirmed, the financial feasibility of each of them is done which takes into account the financial position of the HSTPS the Council, and the economic situation nationally and globally to make sure they are affordable and sustainable. After that has been done, initial approval of major projects or undertaking are approved by the Management Committee before finally being presented to the Council for approval.

Renewals

Over the period of the Long Term Plan, it is forecast that a range of assets will reach the end of their estimated useful lives. The capital expenditure budgets do not reflect specific replacement of those assets. When the estimated useful lives of these assets are reached, an assessment of the need for replacement will be carried out. If the replacement cannot be achieved within the capital expenditure budget then it will be reviewed by the Management Committee and if required a business case prepared for its replacement.

Major Projects Planned

Table 20: Hanmer Springs Thermal Pools and Spa major projects planned

Project	Year planned			
	2018/19	2019/20	2020/21	2021+
Renewals	\$200,000	\$307,000	\$470,000	\$2,665,000
Waterslide	\$1,500,000			
Cascade pools		\$2,044,000		
Private bathing			\$2,089,000	
New activities			\$1,044,000	\$10,360,000
Water and environmental		\$664,000		\$1,202,000

Funding

Table 21: Hanmer Springs Thermal Pools and Spa funding

Activity	Operational costs	Capital costs
HSTPS	User pays as per the HSTPS fee schedule.	Replacement of existing assets and expenditure on new assets are funded through an internal loan from the Council in accordance with the Internal Financing Policy. The Council charges HSTPS an interest rate of 2% above the Council's external borrowing rate. The additional interest derived from the internal financing to the HSTPS (\$20,000 per \$1 million of borrowings) provides a good return for the Council that contributes toward lower rates. Loans are serviced by HSTPS from a portion of the profits derived from the activity. The amount of depreciation that is charged is also used to repay debt.

Activity	Operational costs	Capital costs
Use of income derived from HSTPS	<p>HSTPS is situated on a Recreation Reserve which has been vested in the Council under the Reserves Act 1977. Under the Reserves Act, the Council is only able to apply any surpluses (profits) derived from the HSTPS to other reserves administered by the Council. The Council actively uses these surpluses to either fully or partially fund the costs relating to other district reserves, cemeteries, public toilets, and as the district library (Hurunui Memorial Library) has been built on a reserve, the costs associated with the library function is also subsidised by the profits from HSTPS.</p> <p>HSTPS has been going through an expansion and improvement programme since 2010 funded through an internal loan. The interest on the loan charged to the HSTPS by the Council creates a distinct flow of income from the use of the funds that the Council is investing. This income is able to be used differently to that of the profits from HSTPS. As a result, we now have two distinct streams of income generated from the Pools and Spa operation:</p> <ol style="list-style-type: none"> 1. one from internal interest, which the Council uses to offset general rates (in accordance with the Council's funding policies) 2. the other being on-going profits which are used to fund costs relating the reserves (as per the provisions of the Reserve Act 1977) 	

Maintenance and Operating

The HSTPS is owned by Council and this is intended to continue. The day to day operation of the complex is done by staff overseen by an appointed general manager.

The in house operations team runs the thermal pools complex including the machinery that operates the pools. The computers and general IT are maintained and programmed by our council staff in conjunction with the Pools Technology Manager. The pools and plant are maintained to a very high standard to minimise the risk of failure or poor performance. A maintenance programme is in place and is budgeted for annually. This is important in order for us to be competitive with other leisure activities available to people.

Assumptions and Risks

It has been assumed that the HSTPS complex will continue to attract national and international visitors, and continue to rate as a national icon. It is conservatively assumed that the HSTPS's revenue will increase due to predicted increases in price and some increase in patronage. Profit margins are based on improvements to the complex being completed on time. Sales revenue has been forecast conservatively, taking into account present tourism trends and challenges, and the projected outlook for the domestic economy, especially in the immediate years.

The risk to Council of borrowing money to fund capital works for the HSTPS is that should it not be able to return the anticipated profit we would be liable for the debt and would need to pass this on to ratepayers. The risk is considered low as the HSTPS has performed consistently and based future predictions of surpluses on assumptions taking into account tourism trends nationally and domestically, as well as the national economy.

The location of HSTPS contributes to its success but also poses substantial risk if an earthquake severely damaged the Hanmer Springs township, the complex and disrupted access to and from Hanmer. Other than be as prepared as we can, this risk cannot be mitigated. Another risk to the success of HSTPS relates to the continued availability of thermal water. The use of this is monitored and restricted through resource consent conditions in order to preserve this valuable resource.

Significant Negative Effects

This activity attracts significant numbers of tourists into the township. An increase in tourism and hence, people to the area, results in an increase in waste, air and noise pollution, traffic, and pressure on water and sewerage schemes as identified previously. The popularity of Hanmer Springs has created an increase in the cost of housing and competition to local businesses, and thus impacted on the local community. Those who have lived in and around Hanmer Springs for many years have seen significant growth in Hanmer Springs and changes to the original rural identity. The challenge for sustainable management will be to channel some of the undeniable benefits to economic development from this activity into initiatives that compensate for these negative effects and maintain our ideal of district and community wellness.

Emergency Management

In an emergency, particularly a civil defence emergency, we will continue to deliver services as long as it is safe and practical to continue to do so. Civil defence management plans provide the Council with guidance and contingencies. However, in an extreme emergency, the Thermal Pools and Spa is not considered in this context to be an essential service, but has its own plans in place to cope with emergency situations.

Financial Summary

A financial summary for this group of activities is shown at the end of this section.

Hanmer Springs Thermal Pools and Spa performance measures

Visitors

What we want to do	What we are going to measure	What we are aiming for	How we will measure this	Our current performance
Increase usage of the thermal pool and spa complex	Customer satisfaction	To maintain or improve customer satisfaction from the previous year	Customer satisfaction surveys	Have consistently increased satisfaction ratings over the years. Over 90% satisfaction across a range of factors. ¹
	Customer numbers	To increase customer numbers from the previous year	Thermal pool and spa records	534,000 in 2016/17 528,967 in 2015/16

Profitability

What we want to do	What we are going to measure	What we are aiming for	How we will measure this	Our current performance
Achieve our business plan	Profit	To make the profit which was forecast for each year: 2018/19 - \$2,274,635 2019/20 - \$2,507,382 2020/21 - \$2,879,835	Hanmer Springs Thermal Pools and Spa Annual Report	Profit for 2016/17 was almost \$1.9 million which was 8% more than 2015/16.

¹ Customer satisfaction ratings as follows:

- agree the complex is clean and tidy - 93% 2016/17; 94% 2015/16
- agree that our lifeguard supervision is adequate – 98% 2016/17; 93% 2015/16
- agree that pool temperatures are adequate – 98% 2016/17; not measured in 2015/16
- agree that our staff are friendly and professional – 97% 2016/17; 94% 2015/16

Measurement Period: All of the performance measures will be measured annually (unless otherwise indicated within the Performance Target Outcome column) and reported in the Council's Annual Report each October.

Hanmer Springs Thermal Pools and Spa - Group Activity Financial Summary

	<u>Annual Plan</u> <u>2017/2018</u>	<u>Year 1</u> <u>2018/2019</u>	<u>Year 2</u> <u>2019/2020</u>	<u>Year 3</u> <u>2020/2021</u>	<u>Year 4</u> <u>2021/2022</u>	<u>Year 5</u> <u>2022/2023</u>	<u>Year 6</u> <u>2023/2024</u>	<u>Year 7</u> <u>2024/2025</u>	<u>Year 8</u> <u>2025/2026</u>	<u>Year 9</u> <u>2026/2027</u>	<u>Year 10</u> <u>2027/2028</u>
<u>Operating Statement</u>											
Operating Revenue											
General Rates	0	590,488	1,189,524	1,930,776	2,073,636	2,101,703	1,511,985	1,476,076	1,310,927	1,165,465	1,001,647
Other Income	12,509,875	12,853,890	13,460,173	14,350,186	15,463,473	16,096,187	16,871,229	17,663,717	18,107,866	18,852,316	19,588,870
Total Operating Revenue	12,509,875	13,444,378	14,649,697	16,280,962	17,537,109	18,197,889	18,383,214	19,139,792	19,418,793	20,017,780	20,590,517
Operating Expenditure											
Employee Benefits	4,726,212	4,698,482	4,820,072	4,949,181	5,084,856	5,229,431	5,380,826	5,546,755	5,724,021	5,917,229	6,128,732
Direct Operating Expenditure	3,857,974	4,352,673	4,533,669	4,775,661	5,101,880	5,333,975	5,526,847	5,732,040	5,899,498	6,080,535	6,277,065
Internal Interest Paid	911,512	699,247	697,214	757,853	823,179	799,927	630,017	574,337	419,985	258,295	79,246
Council Overheads Expenditure	162,084	185,976	189,791	194,404	197,288	201,579	207,343	210,819	215,805	222,524	226,772
Depreciation	900,000	855,669	929,221	1,015,633	1,063,544	1,022,130	1,027,328	996,293	948,531	899,472	882,008
Total Operating Expenditure	10,557,782	10,792,047	11,169,967	11,692,732	12,270,746	12,587,042	12,772,362	13,060,243	13,207,840	13,378,054	13,593,824
Operating Surplus (Deficit)	1,952,093	2,652,331	3,479,730	4,588,230	5,266,363	5,610,848	5,610,852	6,079,549	6,210,953	6,639,727	6,996,693
<u>Capital Statement</u>											
Capital Expenditure											
Hanmer Springs Thermal Pools & Spa	490,000	1,800,000	3,015,195	3,602,835	2,967,372	1,092,400	2,684,160	1,604,820	1,526,460	1,566,500	2,784,825
Total Capital Expenditure	490,000	1,800,000	3,015,195	3,602,835	2,967,372	1,092,400	2,684,160	1,604,820	1,526,460	1,566,500	2,784,825
Funds Required											
Capital Expenditure	490,000	1,800,000	3,015,195	3,602,835	2,967,372	1,092,400	2,684,160	1,604,820	1,526,460	1,566,500	2,784,825
Transfer to Hanmer Springs Thermal Reserve	2,852,093	3,508,000	4,408,950	5,603,863	6,329,907	6,632,977	6,638,180	7,075,842	7,159,484	7,539,198	7,878,702
Funds Required	3,342,093	5,308,000	7,424,145	9,206,698	9,297,279	7,725,377	9,322,340	8,680,662	8,685,944	9,105,698	10,663,527
Funded by											
Operating Surplus	1,952,093	2,652,331	3,479,730	4,588,230	5,266,363	5,610,848	5,610,852	6,079,549	6,210,953	6,639,727	6,996,693
Non Cash Expenditure - Depreciation	900,000	855,669	929,221	1,015,633	1,063,544	1,022,130	1,027,328	996,293	948,531	899,472	882,008
Capital Expenditure funded through Internal Loans	490,000	1,800,000	3,015,195	3,602,835	2,967,372	1,092,400	2,684,160	1,604,820	1,526,460	1,566,500	2,784,825
Funded by	3,342,093	5,308,000	7,424,145	9,206,698	9,297,279	7,725,377	9,322,340	8,680,662	8,685,944	9,105,698	10,663,527

Governance and corporate services

Governance & Corporate Services - Group Activity Financial Summary

	<u>Annual Plan</u> <u>2017/2018</u>	<u>Year 1</u> <u>2018/2019</u>	<u>Year 2</u> <u>2019/2020</u>	<u>Year 3</u> <u>2020/2021</u>	<u>Year 4</u> <u>2021/2022</u>	<u>Year 5</u> <u>2022/2023</u>	<u>Year 6</u> <u>2023/2024</u>	<u>Year 7</u> <u>2024/2025</u>	<u>Year 8</u> <u>2025/2026</u>	<u>Year 9</u> <u>2026/2027</u>	<u>Year 10</u> <u>2027/2028</u>
<u>Operating Statement</u>											
Operating Revenue											
District Wide Rates	519,767	349,598	421,897	439,548	378,360	395,108	591,052	366,435	267,119	314,866	227,509
Internal Interest Received	593,884	669,644	683,840	698,640	714,108	730,247	746,988	765,001	783,751	803,707	825,001
Council Overheads Income	2,397,409	2,314,585	2,494,471	2,658,833	2,695,933	2,705,415	2,658,972	2,936,175	3,021,557	2,880,963	2,751,503
Total Operating Revenue	8,075,818	8,508,280	8,872,908	9,188,326	9,263,798	9,426,548	9,751,135	9,922,596	10,067,231	10,179,119	10,106,313
Operating Expenditure											
Employee Benefits	3,899,876	4,469,329	4,580,154	4,662,851	4,766,093	4,873,803	4,985,537	5,105,762	5,230,903	5,364,089	5,506,214
Direct Operating Expenditure	1,392,832	1,167,071	1,193,804	1,290,927	1,215,077	1,270,734	1,383,128	1,304,622	1,366,872	1,491,291	1,410,190
External Interest Paid	1,866,000	1,586,000	1,805,600	1,927,600	1,952,000	1,927,600	2,000,800	2,098,400	2,013,000	1,830,000	1,659,200
Internal Interest Paid	126,362	129,577	117,556	108,758	115,317	116,841	116,993	128,816	145,600	151,064	163,562
Council Overheads Expenditure	526,098	603,649	616,032	631,003	640,365	654,293	673,004	684,286	700,468	722,276	736,067
Depreciation	264,650	552,653	559,763	567,186	574,946	583,276	591,674	600,710	610,388	620,399	631,081
Total Operating Expenditure	8,075,818	8,508,280	8,872,908	9,188,326	9,263,798	9,426,548	9,751,135	9,922,596	10,067,231	10,179,119	10,106,313
Operating Surplus (Deficit)	0	0	0	0	0	0	0	0	0	0	0
<u>Capital Statement</u>											
Capital Expenditure											
Governance	0	0	10,221	0	0	10,924	0	0	11,742	0	0
Corporate Services	463,709	826,240	551,513	445,266	504,688	551,441	545,143	597,016	483,102	556,975	691,652
Total Capital Expenditure	463,709	826,240	561,734	445,266	504,688	562,365	545,143	597,016	494,844	556,975	691,652
Funds Required											
Capital Expenditure	463,709	826,240	561,734	445,266	504,688	562,365	545,143	597,016	494,844	556,975	691,652
Transfer to General Council Reserves	(199,059)	0	(0)	121,921	70,258	20,911	46,531	3,694	115,544	63,424	0
	264,650	826,240	561,734	567,186	574,946	583,276	591,674	600,710	610,388	620,399	691,652
Funded by											
Non Cash Expenditure - Depreciation	264,650	552,653	559,763	567,186	574,946	583,276	591,674	600,710	610,388	620,399	631,081
General Council Reserves	0	273,587	1,971	0	0	0	0	0	0	0	60,571
	264,650	826,240	561,734	567,186	574,946	583,276	591,674	600,710	610,388	620,399	691,652

Earthquake recovery

The 14 November 2016 Hurunui/Kaikoura earthquake centred close to Waiau, had a severe impact on the Hurunui district and its residents. The consequence of the damage and subsequent repair to council owned infrastructure including roads, bridges, water pumps pipes and buildings left the Council with debt, even after accounting for insurance payouts, government assistance and external funding.

It is forecast that the debt as at 30 June 2018 will be approximately \$2.3 million.

For the 2018/2019 year (Year 1), the budget has been set as follows:

- \$4,618,500 on bridges with an 84% subsidy from NZTA of \$3,879,540.
- \$833,000 on water supplies with further proceeds from insurance of \$416,000.
- Additional employment costs of \$131,195 relating to the recovery which will fully funded from external grant providers.
- Interest cost of the opening debt is forecast to be \$136,223 for 2018/2019.

Although the majority of the earthquake damage has been assessed and repaired, calculating the exact debt balance is not possible until all the repair work has been done. It is still possible that there is more damage that has not yet been identified, and we will continue to update our assessments of the extent of damage but based on our best information, we do not expect the final result to be far off the estimated \$3.2 million. It needs to be emphasised that this is our best estimate at this stage. Fortunately the Council's financial situation was solid and robust and the resulting unexpected debt is manageable. It is particularly important that we repay this debt without causing an undue additional burden to our ratepayers.

Council has resolved that the debt will be serviced by a rate charged to each ratepayer in the District. To ensure that the debt is serviced and repaid over a ten year period, it has been resolved that the rate will be \$62.08 per ratepayer. Based on the total number of ratepayers of 8,229, this will provide total rates of \$447,466 (excluding GST).

Earthquake Recovery - Group Activity Financial Summary

	<u>Annual Plan</u> <u>2017/2018</u>	<u>Year 1</u> <u>2018/2019</u>	<u>Year 2</u> <u>2019/2020</u>	<u>Year 3</u> <u>2020/2021</u>	<u>Year 4</u> <u>2021/2022</u>	<u>Year 5</u> <u>2022/2023</u>	<u>Year 6</u> <u>2023/2024</u>	<u>Year 7</u> <u>2024/2025</u>	<u>Year 8</u> <u>2025/2026</u>	<u>Year 9</u> <u>2026/2027</u>	<u>Year 10</u> <u>2027/2028</u>
<u>Operating Statement</u>											
Operating Revenue											
District Wide Rates	0	447,466	450,687	453,932	457,155	460,401	463,624	466,869	470,091	473,334	476,553
Other Income	7,362,378	4,426,735	0	0	0	0	0	0	0	0	0
Total Operating Revenue	7,362,378	4,874,201	450,687	453,932	457,155	460,401	463,624	466,869	470,091	473,334	476,553
Operating Expenditure											
Employee Benefits	0	131,195	0	0	0	0	0	0	0	0	0
Direct Operating Expenditure	4,394,196	5,451,500	0	0	0	0	0	0	0	0	0
Internal Interest Paid	0	136,223	185,893	170,323	153,646	135,800	116,713	96,315	74,526	51,267	26,450
Total Operating Expenditure	4,394,196	5,718,918	185,893	170,323	153,646	135,800	116,713	96,315	74,526	51,267	26,450
Operating Surplus (Deficit)	2,968,182	(844,717)	264,795	283,610	303,509	324,601	346,911	370,554	395,564	422,067	450,103
<u>Capital Statement</u>											
Capital Expenditure											
Community Assets - Recovery	0	0	0	0	0	0	0	0	0	0	0
Civil Defence Response and Recovery	0	0	0	0	0	0	0	0	0	0	0
Resource Management - Recovery	0	0	0	0	0	0	0	0	0	0	0
Building Control - Recovery	0	0	0	0	0	0	0	0	0	0	0
Roading - Recovery	0	0	0	0	0	0	0	0	0	0	0
Sewerage - Recovery	0	0	0	0	0	0	0	0	0	0	0
Water - Recovery	0	0	0	0	0	0	0	0	0	0	0
Tourism - Recovery	0	0	0	0	0	0	0	0	0	0	0
Waste - Recovery	0	0	0	0	0	0	0	0	0	0	0
Recovery Management	0	0	0	0	0	0	0	0	0	0	0
Council Assets - Recovery	0	0	0	0	0	0	0	0	0	0	0
Total Capital Expenditure	0	0	0	0	0	0	0	0	0	0	0
Funds Required											
Operating Deficit	0	844,717	0	0	0	0	0	0	0	0	0
Repayment of Internal Loans from Operating Income	2,968,182	(844,717)	264,795	283,610	303,509	324,601	346,911	370,554	395,564	422,067	450,103
	2,968,182	0	264,795	283,610	303,509	324,601	346,911	370,554	395,564	422,067	450,103
Funded by											
Operating Surplus	2,968,182	0	264,795	283,610	303,509	324,601	346,911	370,554	395,564	422,067	450,103
	2,968,182	0	264,795	283,610	303,509	324,601	346,911	370,554	395,564	422,067	450,103

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Financial introduction

Purpose of the Long Term Plan

The long term plan has been prepared in accordance with Section 93 of the Local Government Act 2002 (as amended 2010 & 2014). The Act states that the purpose of the long term plan is to:

- a) describe the activities of the local authority; and
- b) describe the community outcomes of the local authority's district or region; and
- c) provide integrated decision-making and co-ordination of the resources of the local authority; and
- d) provide a long-term focus for the decisions and activities of the local authority; and
- e) provide a basis for accountability of the local authority to the community.

Further requirements under the Act are to:

- a local authority must use the special consultative procedure in adopting a long term plan.
- a long-term plan must be adopted before the commencement of the first year to which it relates, and continues in force until the close of the third consecutive year to which it relates.
- cover a period of not less than 10 consecutive financial years;

Statement of Responsibility

The forecast financial statements are prepared on the basis of best-estimate assumptions as to future events which the Council expects to take place as of June 2018.

Authorisation for issue

This document was authorised for issue by Council on, as is dated, 28 June 2018.

Comparative Information

The 2017/2018 comparative information is based on the 2017/2018 Annual Plan.

Cautionary Note

The long term plan is based on assumptions and budgets for the entire 10 year period and as such it is important to note that actual results achieved for the period are likely to vary from the information provided in the Plan and that the likely variations may be material. The long term plan has been prepared for the purposes described earlier and the information may not be appropriate for purposes other than those described.

Forecasting assumptions

Assets vested in Council

When a developer carries out a subdivision, they are required to vest various assets to Council.

These assets include any new roads, water mains, sewer mains, footpaths and landscaped areas. The Council is then responsible for the maintenance and future replacement of those assets.

To determine the value of the assets to be vested, the Council made assumptions based on an analysis of the costs of recent subdivisions in the District. The average costs were assumed as follows:

- Roading (incl. Footpaths) \$8,250 per section
- Sewer \$3,300 per section
- Water \$2,000 per section
- Stormwater \$3,300 per section

These amounts will be applicable to all urban areas and the amounts will be multiplied by the numbers of urban sections created in each year to arrive at the total assets to be added to the Council's asset register. This will also be inflation-adjusted each year according to the BERL inflation forecasts as described in the assumption for inflation. Each addition to the asset register will be depreciated by any appropriate depreciation charge. Please note that no vested assets will be applied to rural sections.

To balance the books, the introduction of the asset value needs to be reflected in income, therefore, there will be a corresponding income line called "Vested Assets Income".

Risks and Uncertainties

The assumption has based the level of assets vested to Council on an analysis of recent major subdivisions carried out in the District. Some subdivisions may not result in any further assets to be vested in the Council as there has already been adequate capacity provided for the new sections and some subdivisions may have a greater amount of assets vested into Council as there may be a greater per property costs associated with the subdivision.

Rating of Uncertainty: Low

Depreciation rates of assets

The same depreciation rates as for all significant assets have been assumed for planned asset acquisitions. These depreciation rates are as given in the Statement of Accounting Policies.

Risks and Uncertainties

The useful lives are based on historical information. Some assets may last longer than the live stated above because of differing factors and conversely, some assets may deteriorate at a faster rate than the lives stated above.

Rating of Uncertainty: Low

Sources of funds for future replacement of significant assets

Capital Expenditure is funded by two key mechanisms:

- General Reserve funding for those assets whose depreciation is funded via rates; and
- Internal Financing is available for other activities.

General Reserve Funding

A number of assets, principally those that are funded by the General Rate or a part of the Overhead component, are depreciated with the amount of depreciation being funded by income or rates. The funds from the funded depreciation are collected in a General Reserve. When the asset requires replacing, the funds are withdrawn from the General Reserve.

Internal Financing

For those activities that are funded by way of a Targeted Rate, Capital Expenditure can be funding through the Internal Financing system of Council. For Water, Sewer and Stormwater, the Council staging in funded depreciation complements the Internal Financing Policy. The full description of the Internal Financing system and how it is applied is in the Internal Financing Policy on page 200.

Risks and Uncertainties

There is a risk that some communities with significant capital requirements due to the condition of the asset or the requirement to upgrade their assets, that the level of debt that they owe becomes unsustainable. Council will monitor the level of debt on a regular basis to ensure such communities can sustain the costs associated with the provision of the asset. Final decisions and any responsibility on any capital expenditure and the rating impact rest solely with Council.

Rating of Uncertainty: Low

Hanmer Springs Thermal Pools and Spa Projections

In determining the inflation and growth adjustments for the Hanmer Springs Thermal Pools and Spa, the Council has allowed for the following:

Thermal Pools:

- 0% increase in customer numbers for the 2018/2019 year
- 2% increase per annum in customers numbers for the remainder of the ten year period.

- Increase to entry fees in December 2020; December 2022; December 2024 and December 2026.
- Expenditure will increase by 2% for 2018/2019 and then on the BERL inflation rates thereafter.
- New waterslide will generate additional revenue of \$200,000 for the applicable part of the 2018/2019 year; \$440,000 for 2019/2020 and customer number growth of 2% per annum thereafter.
- New waterslide will incur additional expenditure of \$50,000 for the applicable part of the 2018/2019 year; \$100,000 for 2019/2020 and adjusted by the BERL inflation rates thereafter.
- Private bathing will generate additional revenue of \$250,000 for the applicable part of the 2020/2021 year; \$500,000 for 2021/2022 and customer number growth of 2% per annum thereafter.
- Private bathing will incur additional expenditure of \$100,000 for the applicable part of the 2020/2021 year; \$200,000 for 2021/2022 and adjusted by the BERL inflation rates thereafter.
- New activity in Year 4 will generate additional revenue of \$250,000 for the applicable part of the 2021/2022 year; \$500,000 for 2022/2023 and customer number growth of 2% per annum thereafter.
- New activity in Year 4 will incur additional expenditure of \$100,000 for the applicable part of the 2021/2022 year; \$200,000 for 2022/2023 and adjusted by the BERL inflation rates thereafter.
- New activity in Year 6 will generate additional revenue of \$125,000 for the applicable part of the 2023/2024 year; \$250,000 for 2024/2025 and customer number growth of 2% per annum thereafter.
- New activity in Year 6 will incur additional expenditure of \$50,000 for the applicable part of the 2023/2024 year; \$100,000 for 2024/2025 and adjusted by the BERL inflation rates thereafter.

Spa:

- 0% increase in customer numbers for the 2018/2019 year plus a price increase factor of 2%.
- 2% increase per annum in customers numbers for the remainder of the ten year period plus a price increase factor based on the BERL inflation rates.
- Expenditure will increase by a price increase factor of 2% for 2018/2019 and then a combination of the customer numbers increase and the BERL inflation rates for the remainder of the ten year period.

Artisan Spa:

- Revenue budget at \$350,000 for 2018/2019.
- Customers numbers increase for 2019/2020 to 2023/2024 of 5% per annum
- Customers numbers increase for 2024/2025 to 2027/2028 of 3% per annum

- No increase to expenditure for 2018/2019.
- Estimated increase in expenditure from 2019/2020 to 2022/2023 of 3% per annum
- Estimated increase in expenditure from 2023/2024 to 2027/2028 of 2% per annum

Garden House Café:

- Increase in sales and cost of goods sold of 5% per annum for 2018/2019 to 2020/2021.
- Increase in sales and cost of goods sold of 3% per annum for 2021/2022 to 2027/2028.
- Other expenditure will increase by a price increase factor of 2% for 2018/2019 and then a combination of the customer numbers increase and the BERL inflation rates for the remainder of the ten year period.

Isite Retail:

- Increase in sales and cost of goods sold of 5% for 2018/2019.
- Increase in sales and cost of goods sold of 10% per annum for 2019/2020 and 2020/2021.
- Increase in sales and cost of goods sold of 5% for 2021/2022.
- Increase in sales and cost of goods sold of 3% per annum for 2022/2023 to 2027/2028.
- Other expenditure will increase by a price increase factor of 2% for 2018/2019.
- Other expenditure will increase by a price increase factor of 4% per annum for 2019/2020 and 2020/2021.
- Other expenditure will increase by and the BERL inflation rates for the remainder of the ten year period.

Isite Bookings:

- No increase in net bookings for 2018/2019.
- Increase in net bookings at the ERL inflation rates from 2019/2020 thereafter.
- Expenditure will increase by a price increase factor of 2% for 2018/2019 and then a combination of the customer numbers increase and the BERL inflation rates for the remainder of the ten year period.

Risks and Uncertainties

There is a risk that the sales revenue will vary depending a number of factors, which includes the state of the tourism sector and the ability of the HSTP&S to continually attract visitors. The other inflation rates are subject to same levels of uncertainty as raised in the assumption on inflation.

Rating of Uncertainty: Medium

Inflation

In preparing the LTP, the Council is required to use best estimates in determining the level of costs to be budgeted in the future. As a result, the Council is required to account for the effect of price changes or inflation that is expected to occur over the ten year period.

To develop a consistent approach for local government to account for inflation, the Society of Local Government Managers (SOLGM) contracted Business and Economic Research Limited (BERL) to construct forecasts for inflation.

The Hurunui District Council has endorsed the Local Government Cost Index (LGCI) rates produced by BERL and have used these rates as the assumption for accounting for inflation in the preparation of the LTP. In applying the rates, the Council has adopted the split between Operating Expenditure (Opex) and Capital Expenditure (Capex) as allowed for in BERL's analysis.

Rates Used:

Year ending	LGCI		OPEX		CAPEX	
	Index	Rate	Index	Rate	Index	Rate
June 2017	1000		1000		1000	
June 2018	1018	1.80%	1018	1.80%	1018	1.80%
June 2019	1039	2.06%	1039	2.06%	1039	2.06%
June 2020	1061	2.12%	1061	2.12%	1062	2.21%
June 2021	1084	2.17%	1084	2.17%	1085	2.17%
June 2022	1108	2.21%	1108	2.21%	1109	2.21%
June 2023	1134	2.35%	1133	2.26%	1135	2.34%
June 2024	1160	2.29%	1159	2.29%	1162	2.38%
June 2025	1188	2.41%	1187	2.42%	1191	2.50%
June 2026	1218	2.53%	1216	2.44%	1220	2.43%
June 2027	1249	2.55%	1247	2.55%	1252	2.62%
June 2028	1282	2.64%	1280	2.65%	1286	2.72%
10 year average		2.33%		2.32%		2.36%

In applying the inflation rates in the preparation of the budgets, the Council has set a budget based in 2018/2019 dollars for each of the ten years of the LTP. For each of the succeeding years of the LTP, the following cumulative inflation rates have been applied to each applicable cost or income.

Year ending	LGCI		OPEX		CAPEX	
	Index	Rate	Index	Rate	Index	Rate
June 2017	1000		1000		1000	
June 2018	1018	1.80%	1018	1.80%	1018	1.80%
June 2019	1039	3.90%	1039	3.90%	1039	3.90%
June 2020	1061	6.10%	1061	6.10%	1062	6.20%
June 2021	1084	8.40%	1084	8.40%	1085	8.50%
June 2022	1108	10.80%	1108	10.80%	1109	10.90%
June 2023	1134	13.40%	1133	13.30%	1135	13.50%
June 2024	1160	16.00%	1159	15.90%	1162	16.20%
June 2025	1188	18.80%	1187	18.70%	1191	19.10%
June 2026	1218	21.80%	1216	21.60%	1220	22.00%
June 2027	1249	24.90%	1247	24.70%	1252	25.20%
June 2028	1282	28.20%	1338	33.80%	1286	28.60%

Risks and Uncertainties

Inflation in some areas may increase at a rate different to that forecast. Some types of costs (e.g. Roading and Transport Costs) have been subject to wild fluctuations in recent years, and as a result, it is inherently difficult to predict trends with accuracy.

Rating of Uncertainty: Medium

Interest rates

The movement of interest rates has a wide ranging effect on the Council. The Council's cash investments derive interest at the market rates; the Council is vulnerable to the lending rates for its external borrowing requirements; and the Council's internal financing policy bases the interest paid or charged to individual communities on those applicable rates.

As part of the Council's Treasury Risk Management policy, the Council has entered into a range of interest rate swaps and options designed setting a fixed portion to the interest rates charged over a period of time. Based on this information and advice from the Council's Treasury advisers, it is predicted that the Council's external cost of capital will be 5.25%. This is made up of two key factors:

- the weighted average of the Council Interest Rate Swap portfolio as at 31 December 2017 of 4.42%.
- the weighted average credit margin and line fees charged by the Council's key funding providers, Westpac Banking Corporation and the Local Government

Funding Agency, of 0.83%. This is based on the line fees and credit margins on the level of debt that Council held as at 31 December 2017.

- The Council also receives interest on its limited cash resources at market rates with Westpac Banking Corporation.

The resulting assumption is as follows:

- Council will receive an average of 3.50% on its limited cash investments.
- Council will be charged an average rate of interest on its external borrowings at 5.25%.
- Communities that hold internal loans with Council will be charged interest at 6.25% (100 basis points over the level of interest Council is charged for external borrowings).
- Communities that have built up reserves for future capital expenditure will be credited interest at 3.50% (the same level the Council is expected to receive from its cash investments)
- Any internal loans to the Hanmer Springs Thermal Reserve will be charged an interest rate of 7.25% (200 basis points above the level of interest Council is charged for external borrowings)

Risks and Uncertainties

The Council is exposed to the market with respect to interest rates and as such, the rates will be subject to adjustment over the period of the long term plan. Where interest rates do change, the change will be immediately reflected in the level of interest the Council receives on its cash investments or charged on its external borrowings.

For the 2018/2019 year, based on an average debt of \$32.50 million for the year, it is forecast that external interest paid will be \$1,586,000. Should there be a 1% increase the external borrowing costs – a move from 4.88% to 5.88%, the resulting external interest expense will increase to \$1,911,000 – an increase of 20.49%.

Rating of Uncertainty: Medium

New Zealand Transport Agency Subsidy rates

To fund roading operational and capital expenditure, the Council receives a percentage of the cost as a subsidy from the New Zealand Transport Agency (NZTA). The subsidy rate is based on a calculation performed nationally which takes into account the land value of each District Council area. For the 2018/2019 financial year, the subsidy rates are as follows:

- Operating Expenditure 51%
- Capital Expenditure 51%
- Minor Safety Improvements 51%
- Road Safety 51%

- Earthquake Recovery Expenditure 84%
- Special Purpose Roading 100%

It is anticipated that the subsidy rates will be applicable for the full ten-year period.

Risks and Uncertainties

Should the subsidy rates decrease from the levels assumed, it will result in the amount of subsidy for roading works to decrease and placing a greater burden for funding the operational and capital expenditure of the roading network on the ratepayers.

As an example, if the categories of subsidies are reduced from 51% to 50%, for the 2018/2019 year, based on the budgeted level of expenditure, the roading rate would need to increase by \$83,625.

Rating of Uncertainty: Low

Projected growth change factors

The effects of the growth will be factored in when determining:

- The level of development contributions which will flow through the organisation
- The level of vested assets that the Council is expected to take ownership of
- The increase to the ratepayer base on an annual basis.

The 2013 census confirmed an increase in the Hurunui District’s resident population. High rates of absentee ownership of lifestyle blocks and holiday homes (especially in Hanmer Springs) complicate the process of forecasting growth in the district, but statistical correlations indicate a significant relationship between the census data (the “usually resident population”) and overall growth in the District.

In some localities, this correlation is stronger with census data in the surrounding area (ward), or even with that for the district as a whole. In such cases it has been assumed that population growth in these wider areas is more of a driver of growth (i.e. that there will be more migration into the area than the Statistics New Zealand (SNZ) data for that area indicates).

The Council has used the medium/high series of growth projections (SNZ) for the period of the LTP. The resulting number of new units forecast is as follows:

	Yearly forecast increase Years 1-10 (2018/19 - 2027/28)
District Sewer	40
District Urban Water	34
District Rural Water	76
Amberley Township	19
Amberley Ward	28

Hanmer Springs Township	16
Hanmer Springs Ward	20
Hurunui District	68
Percentage increase	0.73%- 0.68%

Risks and Uncertainties

The projected growth in the number of new sections may occur at rates significantly different to those predicted, which will result in the amounts received in Development Contributions and Vested Assets will differ from the figures budgeted for. The result may be that the period for collecting development contributions for specific growth related projects may reduce or be extended.

In addition, if the growth differs from the projected number, this will have an effect on the proposed increase in the Ratepayer Base. This may result in the actual rates set being different from the proposed rates in the long-term plan

Rating of Uncertainty: Medium

Resource consents

It has been assumed that all current resource consents held by Council will be renewed at the appropriate time, with similar conditions and length of term as currently in place. Any resource consent costs associated with Capital Expenditure forecast throughout the ten year period have been included as an integral part of the cost of the asset and will be capitalised and depreciated in line with the physical works carried out.

Risks and Uncertainties

There is a risk that various resource consents held by the Council may not be renewed, or the conditions and term of the resource consent may vary from those currently in place. In addition, there is a risk that renewing resource consent may incur additional costs that have not currently been budgeted for.

Rating of Uncertainty: Medium

Revaluation of Assets

The Council has adopted an approach of revaluing its land and buildings, roading and infrastructural assets on a three yearly basis to comply with the New Zealand equivalent to International Financial Reporting Standards.

The valuation process is staggered so only one key asset class is revalued each year.

Land and Buildings	30 June 2017 (most recent revaluation)
	30 June 2020
	30 June 2023

	30 June 2026
Three Waters Assets	30 June 2018 (scheduled revaluation)
	30 June 2021
	30 June 2024
	30 June 2027
Roading Assets	30 June 2019 (scheduled revaluation)
	30 June 2022
	30 June 2025
	30 June 2028

As was the case for the preparation of the 2015 LTP, the Council has made the assumption that the value of Land will not change over the ten year period.

The Council has made the assumption that the book values of the buildings, roading and three waters assets as at the revaluation dates will be increased by the cumulative inflation rates as per the BERL inflation forecasts as described in the assumption for inflation. The depreciation charge will be amended to reflect the remaining useful life of each asset and the charge made on the revalued amount of the asset.

An example of how the cumulative inflation will be applied is as follows:

- A length of water pipe may have a value of \$1,000 as of 30 June 2018 - the date of its scheduled revaluation.
- The next revaluation is set for 30 June 2021, and the cumulative inflation rate for Capital Expenditure over that period is 6.58%¹, therefore the new value should be \$1,066.
- The next revaluation is set for 30 June 2024, and the cumulative inflation rate for Capital Expenditure over that period is 14.15%², therefore the new value should be \$1,142.
- The next revaluation is set for 30 June 2027, and the cumulative inflation rate for Capital Expenditure over that period is 22.99%³, therefore the new value should be \$1,230.

Any movement in the valuation of the roading and infrastructural assets is recognised in the asset revaluation reserve.

The movements, along with any increase on capital purchases made in the intervening years have been applied to the existing values to arrive at the revalued amount for each asset.

¹ Inflation percentage is calculated by taking LGCI Capex Index as at 30 June 2021 of 1,085 over the LGCI Capex Index as at 30 June 2018 of 1,018 = 6.58%

² Inflation percentage is calculated by taking LGCI Capex Index as at 30 June 2024 of 1,162 over the LGCI Capex Index as at 30 June 2018 of 1,018 = 14.15%

³ Inflation percentage is calculated by taking LGCI Capex Index as at 30 June 2027 of 1,252 over the LGCI Capex Index as at 30 June 2018 of 1,018 = 22.99%

Risks and Uncertainties

Inflation in some areas may increase at a rate different to that forecast. Some types of costs (e.g. Roading and Transport Costs) have been subject to wild fluctuations in recent years, and as a result, it is inherently difficult to predict trends with accuracy.

Rating of Uncertainty: Medium

Useful lives of significant assets

The estimated useful lives of assets are detailed along with the depreciation as part of the Statement of Accounting Policies.

Risks and Uncertainties

The useful lives are based on historical information. Some assets may last longer than the life stated in the accounting policies because of differing factors, such as ground conditions, construction techniques, technological advances etc. Conversely, some assets may deteriorate at a faster rate than the lives stated above.

Rating of Uncertainty: Low

Climate Change Impacts

The Council has considered the effects of Climate Change Impacts in its planning, but are of the opinion that there is not sufficient certainty surrounding the detail of the projections in these areas for them to be incorporated as specific financial forecasting assumptions in the LTP.

Risks and Uncertainties

These factors may have a stronger impact than anticipated. The Council will monitor the situation and seek to adapt accordingly.

Rating of Uncertainty: Low

Forecasting capital expenditure projects for the 2017/2018 year

In the preparation of the LTP, the Council has forecast the assumption that the projects allowed for in the 2017/2018 Annual Plan to be completed by 30 June 2018 and the level of external (and internal) debt has been forecast based on that assumption.

For a variety of reasons, some of those projects may not be completed by 30 June 2018 and may need to be completed in the 2018/2019 year. Council staff will identify any projects and the associated budgets that are still to be completed in July 2018. In August 2018, Council will consider the full list of these projects (including the budget, reasons for delays, future completion and ability to appropriately resource the project) and formally approve the projects to be carried forward into the New Year.

On the basis that the carried forward projects will be completed in line with budget, the overall external (and internal) debt should not change, only the timing of that debt.

Statement of accounting policies

Reporting Entity

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

The group consists of the ultimate parent Hurunui District Council and its subsidiary Hurunui Holdings Limited (HHL) (100% owned), associate Enterprise North Canterbury (50% equity share) and Canterbury Economic Development Company Limited (10%) and Transwaste Canterbury Limited (1.2%). The Council's subsidiaries and associates are incorporated and domiciled in New Zealand.

The Council and group provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return.

The Council has designated itself and the group as public benefit entities for financial reporting purposes.

The seat of the Council is at Amberley.

Basis of Preparation of the Forecast Information

The prospective financial statements of the Hurunui District Council have been prepared in accordance with the requirements of the Local Government Act 2002. The prospective financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP) and comply with the Public Benefits Entity provisions of the International Public Sector Accounting Standards (PBE IPSAS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

This set of financial statements has been prepared in accordance with the requirements of PBE IPSAS. The opening balances for the 2018/2019 year are based on forecast closing balances for the 2017/2018 year.

The prospective financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, investments, biological assets and financial instruments (including derivative instruments).

The Council authorised the prospective financial statements on 28 June 2018.

The Council, who are authorised to do so and believe that the assumptions underlying these prospective financial statements are appropriate, has approved the Long Term Plan for distribution.

HURUNUI LONG TERM PLAN 2018-2028

The Council and management of the Hurunui District Council accept responsibility for the preparation of their prospective financial statements, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

No actual financial results have been incorporated within the prospective financial statements.

The Council updated the prospective financial statements subsequent to the submission hearings in held from 15 and 16 May 2018. The final prospective financial statements were adopted by Council on 28 June 2018.

Statement of compliance

The financial information contained within this report has been prepared in accordance with the generally accepted accounting practice in New Zealand as required under section 111 of the Local Government Act 2002, and the Long Term Plan requirements of section 93. It is audited under section 84 of the Local Government Act 2002.

The prospective financial statements have been prepared in accordance with Tier 1 PBE accounting standards. The financial statements incorporated in the Long Term Plan have been prepared in compliance with Financial Reporting Standard (PBE FRS) number 42; Prospective Financial Statements.

Cautionary Note

The information in the prospective financial statements is to outline service and spending priorities in the statement of proposal for the Long Term Plan and may not be appropriate for any other use.

Consolidation

The Council has not consolidated the prospective financial statements to include the Council's subsidiary Hurunui Holdings Limited. As Hurunui Holdings holds no assets and has no transactions, the Council believes consolidation for the purpose of the Long Term Plan will not be material.

Measurement base

The prospective financial statements have been prepared on the historical cost basis, modified by the revaluation of certain assets.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of the HDC is New Zealand dollars.

Changes in accounting policies

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

Standards issued and not yet effective, and not early adopted

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Council and group are:

Interests in other entities

In January 2017, the XRB issued new standards for interests in other entities (PBE IPSAS 34 - 38). These new standards replace the existing standards for interests in other entities (PBE IPSAS 6 - 8). The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted.

The Council plans to apply the new standards in preparing the 30 June 2020 financial statements. The Council and group has not yet assessed the effects of these new standards.

Financial instruments

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost. A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

The Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council and group has not yet assessed the effects of the new standard.

Significant Accounting Policies

Basis of Consolidation

The purchase method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant intragroup balances, transactions, income and expenses are eliminated on consolidation.

Foreign currency transactions

Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into NZ\$ (the functional currency) using the spot exchange

rate at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Goods and services tax

Items in the financial statements are stated exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Cost Allocation

The cost of service for each significant activity of the Council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers, and floor area.

There have been no changes to the cost allocation methodology during the year.

Revenue

Revenue is measured at fair value.

The specific accounting policies for significant revenue items are explained below:

Rates revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.

- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year-end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.
- Rates collected on behalf of the Canterbury Regional Council (ECan) are not recognised in the financial statements, as the Council is acting as an agent for ECan.

Development and financial contributions

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

New Zealand Transport Agency roading subsidies

The Council receives funding assistance from the New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Building and resource consent revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Entrance fees

Entrance fees are fees charged to users of the Council's local facilities. Revenue from entrance fees is recognised upon entry to such facilities.

Landfill fees

Fees for disposing of waste at the Council's landfill are recognised as waste is disposed by users.

Provision of commercially based services

Revenue derived through the provision of services to third parties in a commercial manner is recognised in proportion to the stage of completion at balance date. Generally, this is determined by the proportion of costs incurred to date bearing to the estimated total costs of providing the service.

Sales of goods

Revenue from the sale of goods is recognised when a product is sold to the customer.

Infringement fees and fines

Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued. The revenue recognised is determined based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2-year period.

Vested or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

For long-lived assets that must be used for a specific use (for example, land must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects that it will need to return or pass the asset to another party.

Donated and bequeathed financial assets

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability is released to revenue as the conditions are met (for example, as the funds are spent for the nominated purpose).

Interest and dividends

Interest revenue is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre-acquisition surpluses, the dividend is deducted from the cost of the investment.

Personnel costs

Superannuation schemes

Defined contribution schemes:

Employer contributions to KiwiSaver, the Government Superannuation Fund, and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Finance Costs

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

Expenditure

Grant expenditure

The Council's grants awarded have no substantive conditions attached.

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 approved by the Council and the approval has been communicated to the applicant.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Tax

Income tax expense includes components relating to current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses.

Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

Current tax and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to items recognised in other comprehensive revenue and expense or directly in equity.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Trade and other receivables

Short-term receivables are recorded at the amount due, less any provision for uncollectability.

A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

Inventory

Inventories are held for retail purposes by the Hanmer Springs Thermal Pools and Spa.

The inventory is measured at the lower of cost and net realisable value.

Non-current assets held for sale

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

Any impairment losses for write-downs are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale (including those that are part of a disposal group).

Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange risks arising from the Council's operational activities and interest rate risks arising from the Council's financing activities. In accordance with its treasury policy, the Council does not hold or issue derivative financial instruments for trading 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. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

The associated gains or losses on derivatives that are not hedge accounted are recognised in the surplus or deficit.

The full fair value of a hedge accounted derivative is classified as non-current if the remaining maturity of the hedged item is more than 12 months, and as current if the remaining maturity of the hedged item is less than 12 months.

The full fair value of a non-hedge accounted foreign exchange derivative is classified as current if the contract is due for settlement within 12 months of balance date; otherwise, foreign exchange derivatives are classified as non-current. The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the derivative classified as non-current.

Hedge accounting

The Council and group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- hedges of highly probable forecast transactions (cash flow hedge).

The Council and group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Council and group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Fair value hedge

The gain or loss from remeasuring the hedging instrument at fair value, along with the changes in the fair value on the hedged item attributable to the hedged risk, is recognised in the surplus or deficit. Fair value hedge accounting is applied only for hedging fixed interest risk on borrowings.

If the hedge relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the surplus or deficit over the period to maturity.

Cash flow hedge

The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised in other comprehensive revenue and expense, and the ineffective portion of the gain or loss on the hedging instrument is recognised in the surplus or deficit as part of “finance costs”.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive revenue and expense are reclassified into the surplus or deficit in the same period or periods during portion of a loss recognised in other which the asset acquired or liability assumed affects the surplus or deficit. However, if it is expected that all or a comprehensive revenue and expense will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified to the surplus or deficit.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a nonfinancial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the associated gains and losses that were recognised in other comprehensive revenue and expense will be included in the initial cost or carrying amount of the asset or liability.

If a hedging instrument expires or is sold, terminated, exercised, or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expense from the period when the hedge was effective will remain separately recognised in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expense from the period when the hedge was effective is reclassified from equity to the surplus or deficit.

Financial assets

Financial assets (other than shares in subsidiaries) are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Term deposits, loans to subsidiaries and associates, and community loans (loans and receivables)

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

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

At year-end, the assets are assessed for indicators of impairment. Impairment is established when there is evidence that the Council and group will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments are indicators that the asset is impaired.

If assets are impaired, the amount not expected to be collected is recognised in the surplus or deficit.

Listed bonds (held-to-maturity)

After initial recognition, listed bonds (designated as held to maturity) are measured at amortised cost using the effective interest method.

At year-end, they are assessed for indicators of impairment. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments is considered to be objective evidence of impairment.

Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Listed and unlisted shares, listed bonds (fair value through other comprehensive revenue and expense)

Shares (other than shares in subsidiaries) and listed bonds (other than those designated as held to maturity) are designated at fair value through other comprehensive revenue and expense.

After initial recognition, the shares and listed bonds are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to the surplus or deficit.

For shares, a significant or prolonged decline in the fair value of the shares below its cost is considered to be objective evidence of impairment.

For listed bonds, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default in payments is considered to be objective evidence of impairment.

If impairment evidence exists, the cumulative loss recognised in other comprehensive revenue and expense is transferred to the surplus or deficit.

Impairment losses on shares recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of listed bonds increases and the increase can be objectively related to an event after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

Shares in subsidiaries

The Council consolidates in the group financial statements all entities where the Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the subsidiary. This power exists where the Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by the Council or where the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary.

The Council will recognise goodwill where there is an excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. This difference reflects the goodwill to be recognised by the Council. If the consideration transferred is lower than the net fair value of the Council's interest in the identifiable assets acquired and liabilities assumed, the difference will be recognised immediately in the surplus or deficit.

The investment in subsidiaries is carried at cost in the Council's parent entity financial statements.

Investments in associate

An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The Council's associate investment is accounted for in the group financial statements using the equity method. The investment in an associate is initially recognised at cost and the carrying amount in the group financial statements is increased or decreased to recognise the

group's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment in the group financial statements.

If the share of deficits of an associate equals or exceeds its interest in the associate, the group discontinues recognising its share of further deficits. After the group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Where the group transacts with an associate, surpluses or deficits are eliminated to the extent of the group's interest in the associate.

The investment in the associate is carried at cost in the Council's parent entity financial statements.

Property, Plant and Equipment

Property, plant, and equipment consist of:

Operational assets – These include land, buildings, landfill post-closure, library books, plant and equipment, and motor vehicles.

Restricted assets – Restricted assets are mainly parks and reserves owned by the Council and group that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

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

Land (operational and restricted) is measured at fair value, and buildings (operational and restricted), library books, and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Revaluation

Operational Land and Buildings – Land and Buildings were valued by QV Limited (Registered Valuers) as at 30 June 2017. The basis of valuation is fair value with reference to highest and best use, as at 30 June 2017. They are stated at valuation less accumulated depreciation and accumulated impairment. Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the surplus or deficit during the financial period in which they are incurred.

There are some siteworks categorised in Operational Land and Buildings so not all assets within these categories have been revalued.

Restricted Assets - Certain infrastructure assets and land have been vested in HDC as part of the subdivisional consent process. The vested reserve land has been initially recognised at the most recent appropriately certified government valuation. Vested infrastructure assets have been valued based on the estimated quantities of infrastructure components vested and the current "in the ground" cost of providing identical services.

Infrastructural asset classes; roads, water reticulation, sewerage reticulation and stormwater systems - Infrastructural assets are recorded at valuation established using depreciated replacement cost, plus additions at cost less accumulated depreciation and accumulated impairment losses. The revaluation of infrastructural assets is carried out on a three yearly cycle.

The roading valuation includes land under the roading network. The valuation of this land is based on the average rateable value of land in the associated ward as determined by QV Valuations (Registered Valuers) as at 30 June 2005. Under NZ IFRS the Council has elected to use the fair value of the land under roads as at 30 June 2005 at deemed cost. Land under roads is no longer revalued.

Roading assets have been valued at depreciated replacement cost as at 30 June 2016. The valuation was performed internally by HDC's Roading Engineer – Asset Management, J Whyte and peer reviewed by M Clough, Registered Valuer of Beca Valuations Limited. Additions and disposals after the date of valuation will be recorded at cost.

Water, Sewerage, Stormwater and Drainage Assets have been valued at depreciated replacement cost as at 30 June 2015. The valuation was performed internally by the Council's Technical Officer - Utilities, D Perry and peer reviewed by M Clough, Registered Valuer of Beca Valuations Limited. Additions and disposals since the date of valuation have been recorded at cost. The sewer ponds in Amberley and Hanmer Springs have been valued at costs less accumulated depreciation.

Certain infrastructural assets have been vested in the Council as part of the subdivision consent process. Vested infrastructure assets have been valued based on the estimated quantities of the components vested in the Council.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and group and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a nonexchange transaction, it is recognised at its fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and group and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

Disposals

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

Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

	Useful life	Depreciation rate
Buildings - wooden (excluding properties intended for sale)	50 years	2%
Buildings - concrete (excluding properties intended for sale)	100 years	1%
Furniture and fittings: administration	5 years	20%
Furniture and fittings: pensioner flats	10 years	10%
Library books	3 – 8 years	12.5 – 33.33%
Computer hardware	3 – 4 years	25 – 33.33%
Motor vehicles	5 years	20%
Thermal pools - plant	5 years	20%
Thermal pools – development expenditure	20 – 100 years	1% - 5%
Plant and machinery (excluding HDC's infrastructural assets)	10 years	10%
Small plant and machines	3 - 10 years	10 - 33.33%
Car parks	20 – 25 years	4 – 5%
Landscaping	10 – 50 years	2 – 10%
Roads, Streets and Bridges		
- Land under roads	Not depreciated	0%
- Pavement formation	Not depreciated	0%
- Pavement layers (sealed)	100 years	1%
- Pavement layers (unsealed)	Not depreciated	0%
- Pavement surface (sealed)	Average 16 yrs	6.25%
- Pavement surface (unsealed)	12 years	8.33%
- Culverts	25 – 50 years	2 – 4%
- Kerb and channel	50 – 80 years	1.25 – 2%
- Footpaths	20 – 75 years	1.33 – 5%
- Bridges – timber	70 years	1.43%

- Bridges – concrete and other	100 years	1%
- Retaining walls	50 years	2%
- Traffic signs	12 years	8.33%
- Street lighting	15 – 25 years	4 – 6.67%
Sewerage		
- Pipes	50 – 80 years	1.25 – 2%
- Pipes other	40 years	2.5%
- Pumps and controls	10 – 25 years	4 – 10%
- Manholes	50 – 80 years	1.25 – 2%
- Treatment plant	25 – 60 years	1.67 – 4%
Water		
- Pipes	50 – 80 years	1.25 – 2%
- Pipes other	50 – 80 years	1.25 – 2%
- Reservoir and tanks	80 years	1.25%
- Pumps and controls	10 – 25 years	4 – 10%
- Pump stations/intakes	20 – 60 years	1.67 – 5%
- Treatment plant	10 – 80 years	1.25 – 10%
Drainage	3 - 10 years	10 - 33.33%
- Points	80 years	1.25%
- Lines	50 - 80 years	1.25 – 2%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each balance date.

Impairment of property, plant, and equipment

Property, plant, and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

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

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

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

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

Intangible assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs 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 Group are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of the relevant overheads.

Carbon Credits

Purchased carbon credits are recognised at cost on acquisition. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Free carbon units received from the Crown are recognised at fair value on receipt. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Amortisation

The carrying value of intangible assets with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the assets

is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

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

- Computer software 3 – 4 years 25 – 33%
- Aerial Photos 10 years 10%

Impairment of intangible assets

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Forestry assets

Fair value is determined based on the present value of expected net cash flows discounted at a current market determined rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs, and silvicultural costs and takes into consideration environmental, operational, and market restrictions.

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

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

There are no restrictions over the title of forestry assets. No forestry assets are pledged as security for liabilities.

Independent registered forestry consultants, Laurie Forestry Limited, have valued the forestry stands as at 30 June 2017. The following valuation assumptions have been adopted in determining the fair value of forestry assets:

- a pre-tax discount rate of 8.5% (2016: 8.5%) has been used in discounting the present value of expected cash flows;
- the value of the underlying land has not been included in the valuation;
- the valuation assumes that the current tree crop will be grown for one rotation only, and that no new planting will be undertaken or charged against the existing crop;

- time conventions used in the valuation are that the valuation year commences at 1st July and ends 30th June the next calendar year. This convention applies to all costs, prices, yields and age of trees although it may need to be adjusted for any significant price movements during the valuation year.
- the valuation uses current and actual prevailing industry costs. The costs have been expressed in real terms, and no adjustment has been made for any possible changes in prices relative to cost.

Payables and deferred revenue

Short-term creditors and other payables are recorded at their face value.

Borrowings

Borrowings are initially measured at fair value of net transaction costs and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Employee entitlements

Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where the Council or group has a contractual obligation or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and

- the present value of the estimated future cash flows.

Presentation of employee entitlements

Sick leave, annual leave, and vested long service leave are classified as a current liability. Non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in “finance costs”.

As operator of the Waikari Landfill, the Council 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 costs arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including new legal requirements, and known improvements in technology, where there is sufficient evidence that these events will occur. The provision includes all other costs associated with landfill post-closure.

Amounts provided for landfill post-closure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained.

Components of the capitalised landfill asset are depreciated over their useful lives. The discount rate used is a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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 the following components:

- accumulated funds;
- restricted reserves;
- property revaluation reserve;
- fair value through other comprehensive revenue and expense reserve; and

Restricted reserves

Restricted 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 the Council. Restricted reserves include 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 certain specified conditions are met.

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

Asset revaluation reserve

This reserve relates to the revaluation of property, plant, and equipment to fair value.

Fair value through other comprehensive revenue and expense reserve

This reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

Critical accounting estimates and assumptions

The preparation of prospective financial statements in conformity with PBE IPSAS requires management to make judgments, 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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

Management has exercised the following critical judgments in applying the accounting policies to the preparation of the 2018-2028 Long Term Plan. Judgments have been made over useful lives of property, plant and equipment and intangible assets, landfill aftercare provision, probability of reaching vesting date for long service liability, sick leave provisions, valuations of infrastructural assets and the long term effects on HDC's assets as a result of the Canterbury earthquakes. Therefore, actual results may differ from these estimates.

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

Forecast statement of comprehensive revenue and expense

Forecast Statement of Comprehensive Revenue and Expense

	<u>Annual Plan</u> <u>2017/2018</u> (\$000)	<u>Year 1</u> <u>2018/2019</u> (\$000)	<u>Year 2</u> <u>2019/2020</u> (\$000)	<u>Year 3</u> <u>2020/2021</u> (\$000)	<u>Year 4</u> <u>2021/2022</u> (\$000)	<u>Year 5</u> <u>2022/2023</u> (\$000)	<u>Year 6</u> <u>2023/2024</u> (\$000)	<u>Year 7</u> <u>2024/2025</u> (\$000)	<u>Year 8</u> <u>2025/2026</u> (\$000)	<u>Year 9</u> <u>2026/2027</u> (\$000)	<u>Year 10</u> <u>2027/2028</u> (\$000)
Revenue											
District Wide Rates	7,159	8,278	9,115	9,807	10,595	11,366	11,743	11,954	12,307	12,762	13,046
Targeted Rates	10,425	10,839	11,286	11,761	12,205	12,735	13,250	13,964	14,567	15,104	15,845
Targeted Rates for Other Services	0	0	0	0	0	0	0	0	0	0	0
Development Contributions	575	604	617	629	639	650	667	682	699	696	704
Dividends Received	150	150	153	156	160	164	167	171	176	180	185
Operating Grants, Donations and Subsidies	59	32	32	33	34	34	35	36	37	38	39
Transfers from Other Government Entities	3,723	4,535	4,660	4,497	4,669	4,781	4,898	5,023	5,153	5,289	5,436
Revenue from Exchange Transactions:											
- Hanmer Springs Thermal Pools and Spa Receipts	12,510	12,854	13,460	14,350	15,463	16,096	16,871	17,664	18,108	18,852	19,589
- Other Revenue	11,315	10,060	5,420	4,506	4,615	4,745	4,956	5,025	5,145	5,325	5,444
Vested Asset Revenue	514	662	677	691	707	723	740	759	777	798	819
Gains/(Losses) on Asset Revaluation	0	0	0	0	0	0	0	0	0	0	0
Gains/(Losses) on Forestry Revaluation	0	0	0	0	0	0	0	0	0	0	0
	46,430	48,013	45,421	46,431	49,086	51,294	53,327	55,278	56,968	59,043	61,107
Less Expenses											
Employee Benefits	12,387	13,782	13,958	14,103	14,451	14,787	15,163	15,701	16,068	16,598	16,994
Grants and Other Transfer Payments	74	75	76	78	80	81	83	85	87	90	92
Direct Expenses	21,920	23,472	18,863	18,869	19,325	19,857	20,911	21,380	21,938	22,794	23,238
Finance Costs	1,866	1,586	1,806	1,928	1,952	1,928	2,001	2,098	2,013	1,830	1,659
Depreciation	7,912	9,362	9,821	9,990	10,254	10,581	10,692	11,042	11,557	11,568	11,857
	44,159	48,276	44,525	44,967	46,061	47,235	48,849	50,307	51,664	52,879	53,841
Net Surplus/(Deficit) before tax	2,271	(263)	896	1,464	3,025	4,060	4,478	4,971	5,304	6,164	7,266
Tax expense	0	0	0	0	0	0	0	0	0	0	0
Net Surplus/(Deficit) after tax	2,271	(263)	896	1,464	3,025	4,060	4,478	4,971	5,304	6,164	7,266
Add Other Comprehensive Revenue											
Gains/(Losses) on Asset Revaluation	5,235	15,273	0	5,545	17,760	0	6,655	20,703	0	8,789	23,864
Gains/(Losses) on Forestry Revaluation	0	0	0	0	0	0	0	0	0	0	0
	5,235	15,273	0	5,545	17,760	0	6,655	20,703	0	8,789	23,864
Total Comprehensive Revenue and Expense	7,506	15,010	896	7,009	20,785	4,060	11,133	25,674	5,304	14,953	31,130
Summary of Capital Expenditure											
Water Supplies	2,163	2,848	3,061	2,175	2,513	5,048	6,672	5,531	3,810	2,760	4,246
Sewerage	6,031	913	536	315	1,354	727	2,728	2,582	760	2,542	1,839
Stormwater and Drainage	553	305	385	576	409	374	511	444	491	517	454
Roads and Footpaths	4,315	6,621	5,364	4,970	5,264	5,414	5,442	5,582	5,768	5,979	6,044
Public Services	273	732	1,756	246	588	643	317	147	480	137	174
Regulatory	26	0	0	0	0	0	0	0	0	0	0
Hanmer Springs Thermal Pools and Spa	490	1,800	3,015	3,603	2,967	1,092	2,684	1,605	1,526	1,567	2,785
Governance & Corporate Services	464	826	562	445	505	562	545	597	495	557	692
Earthquake Recovery	0	0	0	0	0	0	0	0	0	0	0
	14,315	14,044	14,680	12,331	13,600	13,861	18,899	16,487	13,330	14,058	16,233

Forecast statement of comprehensive revenue and expense and group activity summaries

Forecast Statement of Comprehensive Revenue and Expense and Group Activity Summaries

	Annual Plan 2017/2018 (\$000)	Year 1 2018/2019 (\$000)	Year 2 2019/2020 (\$000)	Year 3 2020/2021 (\$000)	Year 4 2021/2022 (\$000)	Year 5 2022/2023 (\$000)	Year 6 2023/2024 (\$000)	Year 7 2024/2025 (\$000)	Year 8 2025/2026 (\$000)	Year 9 2026/2027 (\$000)	Year 10 2027/2028 (\$000)
Reconciliation between Revenue and Activity Summaries											
Water Supplies	6,303	6,792	7,648	7,195	7,511	7,831	8,156	8,486	8,777	9,094	9,439
Sewerage	1,904	2,060	2,087	2,094	2,118	2,189	2,209	2,441	2,609	2,624	2,847
Stormwater and Drainage	575	695	761	868	916	1,010	1,148	1,239	1,379	1,564	1,723
Roads and Footpaths	8,044	9,983	9,108	8,662	9,511	10,300	10,788	11,327	12,003	12,543	13,218
Public Services	5,765	5,990	6,529	6,585	6,761	6,926	7,505	7,647	7,790	7,982	8,120
Regulatory	2,981	3,284	3,200	3,263	3,298	3,371	3,453	3,530	3,616	3,778	3,805
Hanmer Springs Thermal Pools and Spa	12,510	13,444	14,650	16,281	17,537	18,198	18,383	19,140	19,419	20,018	20,591
Governance & Corporate Services	8,076	8,508	8,873	9,188	9,264	9,427	9,751	9,923	10,067	10,179	10,106
Earthquake Recovery	7,362	4,874	451	454	457	460	464	467	470	473	477
	53,520	55,632	53,305	54,590	57,373	59,712	61,857	64,198	66,130	68,255	70,324
Less Council Overheads	(4,565)	(5,174)	(5,273)	(5,391)	(5,475)	(5,596)	(5,754)	(5,855)	(5,995)	(6,180)	(6,302)
Less Internal Interest Paid	(2,524)	(2,444)	(2,612)	(2,768)	(2,811)	(2,822)	(2,776)	(3,065)	(3,167)	(3,032)	(2,915)
Add Gains/(Losses) on Asset Revaluation	0	0	0	0	0	0	0	0	0	0	0
Add Gains/(Losses) on Forestry Revaluation	0	0	0	0	0	0	0	0	0	0	0
	46,431	48,013	45,421	46,431	49,086	51,294	53,327	55,278	56,968	59,043	61,107
Reconciliation between Expenditure and Activity Summaries											
Water Supplies	6,777	6,934	7,825	7,274	7,543	7,722	8,183	9,000	9,429	9,808	10,199
Sewerage	1,977	1,826	1,848	1,850	1,868	1,934	1,947	2,172	2,334	2,342	2,557
Stormwater and Drainage	458	509	525	640	615	600	705	637	640	736	651
Roads and Footpaths	7,723	9,381	9,678	9,676	9,802	10,246	10,339	10,437	10,951	11,058	11,170
Public Services	8,294	8,910	9,113	9,351	9,542	9,608	10,121	10,349	10,517	10,738	10,959
Regulatory	2,992	3,315	3,191	3,284	3,289	3,393	3,444	3,553	3,606	3,801	3,794
Hanmer Springs Thermal Pools and Spa	10,558	10,792	11,170	11,693	12,271	12,587	12,772	13,060	13,208	13,378	13,594
Governance & Corporate Services	8,076	8,508	8,873	9,188	9,264	9,427	9,751	9,923	10,067	10,179	10,106
Earthquake Recovery	4,394	5,719	186	170	154	136	117	96	75	51	26
	51,249	55,895	52,409	53,126	54,348	55,653	57,379	59,227	60,826	62,091	63,058
Less Council Overheads	(4,565)	(5,174)	(5,273)	(5,391)	(5,475)	(5,596)	(5,754)	(5,855)	(5,995)	(6,180)	(6,302)
Less Internal Interest Paid	(2,524)	(2,444)	(2,612)	(2,768)	(2,811)	(2,822)	(2,776)	(3,065)	(3,167)	(3,032)	(2,915)
	44,160	48,276	44,525	44,967	46,061	47,235	48,849	50,307	51,664	52,879	53,841

Forecast statement of changes in equity

Forecast Statement of Changes in Equity

	<u>Annual Plan</u> <u>2017/2018</u> (\$000)	<u>Year 1</u> <u>2018/2019</u> (\$000)	<u>Year 2</u> <u>2019/2020</u> (\$000)	<u>Year 3</u> <u>2020/2021</u> (\$000)	<u>Year 4</u> <u>2021/2022</u> (\$000)	<u>Year 5</u> <u>2022/2023</u> (\$000)	<u>Year 6</u> <u>2023/2024</u> (\$000)	<u>Year 7</u> <u>2024/2025</u> (\$000)	<u>Year 8</u> <u>2025/2026</u> (\$000)	<u>Year 9</u> <u>2026/2027</u> (\$000)	<u>Year 10</u> <u>2027/2028</u> (\$000)
Equity at the start of the year	423,334	405,313	420,323	421,219	428,227	449,012	453,072	464,205	489,879	495,183	510,136
Add Total Comprehensive Revenue and Expense for Year	7,506	15,010	896	7,009	20,785	4,060	11,133	25,674	5,304	14,953	31,130
Equity at the end of the year	<u>430,840</u>	<u>420,323</u>	<u>421,219</u>	<u>428,227</u>	<u>449,012</u>	<u>453,072</u>	<u>464,205</u>	<u>489,879</u>	<u>495,183</u>	<u>510,136</u>	<u>541,267</u>

Forecast statement of financial position

Forecast Statement of Financial Position

	Annual Plan 2017/2018 (\$'000)	Year 1 2018/2019 (\$'000)	Year 2 2019/2020 (\$'000)	Year 3 2020/2021 (\$'000)	Year 4 2021/2022 (\$'000)	Year 5 2022/2023 (\$'000)	Year 6 2023/2024 (\$'000)	Year 7 2024/2025 (\$'000)	Year 8 2025/2026 (\$'000)	Year 9 2026/2027 (\$'000)	Year 10 2027/2028 (\$'000)
Public Equity											
Accumulated General Reserves	186,501	196,862	201,761	204,263	207,728	211,081	219,385	224,882	226,815	229,412	233,767
Reserve Funds	(35,892)	(35,617)	(39,620)	(40,657)	(41,097)	(40,392)	(44,217)	(44,742)	(41,371)	(37,804)	(34,893)
Asset Revaluation Reserves	280,230	259,077	259,077	264,623	282,382	282,382	289,038	309,740	309,740	318,529	342,394
Total Public Equity	430,839	420,323	421,219	428,228	449,012	453,072	464,206	489,879	495,183	510,136	541,268
Current Assets											
Cash & Cash Equivalents	67	155	267	469	233	102	469	100	244	41	67
Accounts Receivable	1,850	4,039	4,124	4,216	4,313	4,417	4,527	4,649	4,779	4,922	5,078
Inventories	214	185	189	193	198	202	207	213	219	226	233
Other current assets	305	250	256	261	267	274	281	288	296	305	315
	2,436	4,630	4,836	5,140	5,011	4,996	5,484	5,250	5,539	5,494	5,693
Non-Current Assets											
Operational Assets	48,676	49,495	49,551	49,425	49,383	49,403	49,342	49,359	49,259	49,157	49,223
Restricted Assets	39,056	41,198	44,553	46,871	48,822	48,996	50,425	50,637	51,150	51,401	52,924
Infrastructural Assets	383,242	366,725	368,226	373,917	393,142	396,271	409,751	435,693	437,068	448,162	474,819
Intangible Assets	275	361	307	310	281	240	253	230	214	252	247
Forestry Assets	502	414	414	414	414	414	414	414	414	414	414
Investments in Council Controlled Organisations	0	0	0	0	0	0	0	0	0	0	0
Other Financial Assets	0	0	0	0	0	0	0	0	0	0	0
Investments	1,424	1,648	1,648	1,648	1,648	1,648	1,648	1,648	1,648	1,648	1,648
	473,175	459,840	464,698	472,584	493,689	496,970	511,833	537,980	539,753	551,033	579,274
Total Assets	475,611	464,470	469,535	477,724	498,700	501,966	517,317	543,230	545,293	556,527	584,967
Current Liabilities											
Accounts Payable	6,040	6,627	6,768	6,917	7,077	7,247	7,429	7,629	7,842	8,076	8,333
Non Current Portion of Term Debt	0	0	0	0	1,000	0	0	3,500	4,000	3,000	0
Other Current Liabilities	1,140	1,343	1,371	1,401	1,434	1,468	1,505	1,546	1,589	1,636	1,688
	7,180	7,970	8,139	8,319	9,511	8,716	8,934	12,674	13,431	12,712	10,021
Non Current Liabilities											
Term Debt	35,800	35,000	39,000	40,000	39,000	39,000	43,000	39,500	35,500	32,500	32,500
Other Non Current Liabilities	1,792	1,177	1,177	1,177	1,177	1,177	1,177	1,177	1,177	1,177	1,177
	37,592	36,177	40,177	41,177	40,177	40,177	44,177	40,677	36,677	33,677	33,677
Total Liabilities	44,772	44,147	48,316	49,496	49,688	48,893	53,111	53,351	50,108	46,389	43,698
Net Assets	430,839	420,323	421,219	428,228	449,012	453,073	464,206	489,879	495,184	510,137	541,269

Forecast statement of cash flows

Forecast Statement of Cash Flows

	<u>Annual Plan</u> <u>2017/2018</u> (\$000)	<u>Year 1</u> <u>2018/2019</u> (\$000)	<u>Year 2</u> <u>2019/2020</u> (\$000)	<u>Year 3</u> <u>2020/2021</u> (\$000)	<u>Year 4</u> <u>2021/2022</u> (\$000)	<u>Year 5</u> <u>2022/2023</u> (\$000)	<u>Year 6</u> <u>2023/2024</u> (\$000)	<u>Year 7</u> <u>2024/2025</u> (\$000)	<u>Year 8</u> <u>2025/2026</u> (\$000)	<u>Year 9</u> <u>2026/2027</u> (\$000)	<u>Year 10</u> <u>2027/2028</u> (\$000)
Cash Flows from Operating Activities											
<i>Cash provided from:</i>											
Rates	17,584	19,116	20,401	21,568	22,799	24,101	24,993	25,918	26,874	27,866	28,891
Hanmer Springs Thermal Reserve	12,510	12,854	13,460	14,350	15,463	16,096	16,871	17,664	18,108	18,852	19,589
Other Income	15,673	15,144	10,639	9,569	9,854	10,100	10,438	10,637	10,896	11,196	11,457
Dividends Received	150	150	153	156	160	164	167	171	176	180	185
Money Received from Other Authorities	2,243	2,243	2,243	2,243	2,243	2,243	2,243	2,243	2,243	2,243	2,243
	48,160	49,507	46,896	47,886	50,519	52,704	54,713	56,633	58,296	60,337	62,364
<i>Cash paid to:</i>											
Cost of Services	34,383	37,171	32,733	32,874	33,668	34,526	35,943	36,932	37,843	39,207	40,023
Interest Paid	1,866	1,586	1,806	1,928	1,952	1,928	2,001	2,098	2,013	1,830	1,659
Money paid to Other Authorities	2,243	2,243	2,243	2,243	2,243	2,243	2,243	2,243	2,243	2,243	2,243
	38,492	41,000	36,781	37,045	37,863	38,696	40,187	41,273	42,099	43,280	43,925
Net Cash Flow from Operating Activities	9,668	8,507	10,115	10,842	12,657	14,007	14,525	15,360	16,197	17,057	18,440
Cash Flows from Investing Activities											
<i>Cash provided from:</i>											
Sale of Fixed Assets	0	0	0	0	0	0	0	0	0	0	0
Sale of Investments	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0
<i>Cash paid to:</i>											
Purchase of Fixed Assets	13,801	13,382	14,003	11,639	12,893	13,138	18,159	15,728	12,553	13,261	15,414
Purchase of Investments	500	0	0	0	0	0	0	0	0	0	0
	14,301	13,382	14,003	11,639	12,893	13,138	18,159	15,728	12,553	13,261	15,414
Net Cash Flows from Investing Activities	(14,301)	(13,382)	(14,003)	(11,639)	(12,893)	(13,138)	(18,159)	(15,728)	(12,553)	(13,261)	(15,414)
Cash Flows from Financing Activities											
<i>Cash provided from:</i>											
Loans Raised	4,600	5,000	4,000	1,000	0	0	4,000	0	0	0	0
	4,600	5,000	4,000	1,000	0	0	4,000	0	0	0	0
<i>Cash paid to:</i>											
Loan Repayments	0	0	0	0	0	1,000	0	0	3,500	4,000	3,000
	0	0	0	0	0	1,000	0	0	3,500	4,000	3,000
Net Cash Flows from Financing Activities	4,600	5,000	4,000	1,000	0	(1,000)	4,000	0	(3,500)	(4,000)	(3,000)
Net Increase/(Decrease) in Cash Held	(33)	125	112	202	(236)	(131)	367	(369)	144	(203)	26
Opening Cash Balance	100	30	155	267	469	233	102	469	100	244	41
Closing Cash Balance	67	155	267	469	233	102	469	100	244	41	67

Forecast statement of cash flows - reconciliation

Forecast Statement of Cash Flows Reconciliation

	<u>Annual Plan</u> <u>2017/2018</u> (\$000)	<u>Year 1</u> <u>2018/2019</u> (\$000)	<u>Year 2</u> <u>2019/2020</u> (\$000)	<u>Year 3</u> <u>2020/2021</u> (\$000)	<u>Year 4</u> <u>2021/2022</u> (\$000)	<u>Year 5</u> <u>2022/2023</u> (\$000)	<u>Year 6</u> <u>2023/2024</u> (\$000)	<u>Year 7</u> <u>2024/2025</u> (\$000)	<u>Year 8</u> <u>2025/2026</u> (\$000)	<u>Year 9</u> <u>2026/2027</u> (\$000)	<u>Year 10</u> <u>2027/2028</u> (\$000)
Net Surplus/(Deficit) after tax	2,271	(263)	896	1,464	3,025	4,060	4,478	4,971	5,304	6,164	7,266
<i>Non Cash Items:</i>											
Vested Assets	(515)	(662)	(677)	(691)	(707)	(723)	(740)	(759)	(777)	(798)	(819)
Gain/Loss on Asset Valuation	0	0	0	0	0	0	0	0	0	0	0
Gain/Loss on Forestry Valuation	0	0	0	0	0	0	0	0	0	0	0
Depreciation	7,912	9,362	9,821	9,990	10,254	10,581	10,692	11,042	11,557	11,568	11,857
	<u>7,397</u>	<u>8,700</u>	<u>9,145</u>	<u>9,299</u>	<u>9,547</u>	<u>9,858</u>	<u>9,952</u>	<u>10,283</u>	<u>10,780</u>	<u>10,770</u>	<u>11,038</u>
	<u>9,668</u>	<u>8,437</u>	<u>10,041</u>	<u>10,763</u>	<u>12,573</u>	<u>13,917</u>	<u>14,430</u>	<u>15,254</u>	<u>16,085</u>	<u>16,934</u>	<u>18,304</u>
<i>Movements in Working Capital:</i>											
(Increase)/Decrease in Accounts Receivable	0	82	86	92	97	104	111	122	130	142	158
(Increase)/Decrease in Inventories	0	4	4	4	4	5	5	6	6	7	7
(Increase)/Decrease in Other current assets	0	5	5	6	6	6	7	8	8	9	10
Increase/(Decrease) in Accounts Payable	0	(134)	(140)	(150)	(160)	(171)	(181)	(200)	(214)	(234)	(257)
Increase/(Decrease) in Other Current Liabilities	0	(27)	(28)	(30)	(32)	(35)	(37)	(40)	(43)	(47)	(52)
	<u>0</u>	<u>(71)</u>	<u>(74)</u>	<u>(78)</u>	<u>(84)</u>	<u>(90)</u>	<u>(95)</u>	<u>(105)</u>	<u>(113)</u>	<u>(123)</u>	<u>(134)</u>
Net Cash Flow from Operating	<u>9,668</u>	<u>8,507</u>	<u>10,115</u>	<u>10,841</u>	<u>12,657</u>	<u>14,007</u>	<u>14,524</u>	<u>15,360</u>	<u>16,197</u>	<u>17,057</u>	<u>18,439</u>

Forecast summary of capital expenditure

Forecast Summary of Capital Expenditure

	Annual Plan 2017/2018 (\$000)	Year 1 2018/2019 (\$000)	Year 2 2019/2020 (\$000)	Year 3 2020/2021 (\$000)	Year 4 2021/2022 (\$000)	Year 5 2022/2023 (\$000)	Year 6 2023/2024 (\$000)	Year 7 2024/2025 (\$000)	Year 8 2025/2026 (\$000)	Year 9 2026/2027 (\$000)	Year 10 2027/2028 (\$000)
Water Supplies											
District Wide Water	61	337	309	316	297	304	311	305	313	321	329
District Wide Water - Miox Treatment	0	0	0	0	0	0	0	0	0	0	0
District Wide Water - Full Drinking Water Standards	0	0	0	866	1,581	3,918	5,621	4,923	1,401	1,673	0
Amberley Water	305	59	1,013	40	41	42	43	47	163	529	3,142
Leithfield Beach Water	8	0	0	0	0	0	0	0	0	0	0
Ashley Rural Water	528	737	501	663	104	472	585	115	614	117	647
Culverden Town Water	4	140	13	10	11	11	11	14	12	12	12
Waiau Town Water	0	130	34	4	4	4	4	4	4	5	5
Amuri Plains Water	7	6	129	7	7	7	7	7	7	8	8
Balmoral Water	0	13	6	34	69	1	1	24	1,204	1	1
Waiau Rural Water	0	153	23	3	3	3	3	3	3	3	3
Cheviot Water	426	184	130	176	56	25	25	26	26	27	28
Waipara Town Water	11	6	6	7	167	119	7	7	7	8	11
Hanmer Springs Water	16	110	296	21	21	22	22	23	23	24	25
Hawarden-Waikari Water	91	39	581	9	9	10	10	10	10	11	11
Hurunui Rural Water	706	933	19	20	143	111	21	21	22	23	23
	2,163	2,848	3,061	2,175	2,513	5,048	6,672	5,531	3,810	2,760	4,246
<i>Broken down to:</i>											
Growth Related Capital Expenditure	361	302	308	315	322	329	337	346	354	363	373
Capital Expenditure to achieve Improved Levels of Service	698	1,315	1,614	1,125	2,016	4,539	5,673	4,997	2,761	2,199	3,139
Renewals of Existing Assets	1,104	1,231	1,139	735	175	179	662	188	695	198	733
	2,163	2,848	3,061	2,175	2,513	5,048	6,672	5,531	3,810	2,760	4,246
Sewerage											
District Wide Sewer	101	371	358	249	388	308	314	1,211	403	1,084	1,691
Amberley Sewer	1,559	104	26	5	850	219	2,242	1,115	0	0	0
Culverden Sewer	0	0	0	0	0	0	0	0	0	0	0
Cheviot Sewer	16	11	77	26	112	87	0	0	0	0	50
Greta Valley Sewer	0	18	0	0	0	0	0	0	0	0	0
Motunau Beach Sewer	0	52	0	0	0	0	0	0	117	96	50
Waipara Sewer	0	0	0	0	0	0	0	0	0	0	0
Hanmer Springs Sewer	3,720	215	5	31	0	109	168	172	211	362	0
Hawarden Sewer	0	144	29	4	4	4	4	78	28	1,362	0
Waikari Sewer	635	0	41	0	0	0	0	5	0	0	50
	6,031	913	536	315	1,354	727	2,728	2,582	760	2,542	1,839
<i>Broken down to:</i>											
Growth Related Capital Expenditure	1,725	132	135	138	141	144	148	151	155	159	163
Capital Expenditure to achieve Improved Levels of Service	4,237	547	190	66	989	419	2,427	1,371	370	1,470	163
Renewals of Existing Assets	69	234	211	111	224	164	153	1,060	234	913	1,512
	6,031	913	536	315	1,354	727	2,728	2,582	760	2,542	1,839

Forecast Summary of Capital Expenditure (Cont'd)

	Annual Plan 2017/2018 (\$000)	Year 1 2018/2019 (\$000)	Year 2 2019/2020 (\$000)	Year 3 2020/2021 (\$000)	Year 4 2021/2022 (\$000)	Year 5 2022/2023 (\$000)	Year 6 2023/2024 (\$000)	Year 7 2024/2025 (\$000)	Year 8 2025/2026 (\$000)	Year 9 2026/2027 (\$000)	Year 10 2027/2028 (\$000)
Stormwater and Drainage											
District Wide Stormwater	101	132	135	138	141	144	148	151	155	159	163
Amberley Beach Foreshore Protection	0	0	0	0	0	0	0	0	0	0	0
Amberley Stormwater	184	90	102	193	90	82	84	103	164	181	124
Amberley Stormwater DC Fund	0	0	0	0	0	0	0	0	0	0	0
Cheviot Stormwater	0	0	0	0	50	0	0	0	0	0	0
Jed River Clearance	0	0	0	0	0	0	0	0	0	0	0
Motunau Beach Stormwater	0	0	0	0	0	0	0	0	0	0	0
Hanmer Springs Stormwater	268	83	148	245	128	147	280	189	171	177	167
Hanmer Springs Stormwater DC Fund	0	0	0	0	0	0	0	0	0	0	0
Hawarden Stormwater	0	0	0	0	0	0	0	0	0	0	0
Waikari Stormwater	0	0	0	0	0	0	0	0	0	0	0
	553	305	385	576	409	374	511	444	491	517	454
<i>Broken down to:</i>											
Growth Related Capital Expenditure	101	132	135	138	141	144	148	151	155	159	163
Capital Expenditure to achieve Improved Levels of Service	184	173	250	439	268	229	363	292	336	358	291
Renewals of Existing Assets	268	0	0	0	0	0	0	0	0	0	0
	553	305	385	576	409	374	511	444	491	517	454
Roads and Footpaths											
Subsidised Roothing	4,062	5,036	5,016	4,712	4,964	5,084	5,210	5,345	5,485	5,629	5,787
Special Purpose Roothing	13	165	225	225	210	215	220	226	232	238	245
Unsubsidised Roothing	0	0	0	0	0	0	0	0	0	0	0
Road Safety Programme	0	0	0	0	0	0	0	0	0	0	0
District Footpath Maintenance	0	1,285	0	0	0	0	0	0	0	0	0
Amberley Ward Roadside Construction	42	0	0	0	0	0	0	0	0	0	0
Amberley Ward Special Projects	0	0	0	0	0	0	0	0	0	0	0
Amuri Ward Roadside Construction	42	40	41	17	0	0	0	0	0	0	0
Cheviot Ward Roadside Construction	63	35	33	0	0	0	0	0	0	0	0
Northern Glenmark Roadside Construction	0	0	0	0	0	0	0	0	0	0	0
Waipara Roadside Construction	21	0	0	0	0	0	0	0	0	0	0
Omihi Roadside Construction	0	0	0	0	0	0	0	0	0	0	0
Hanmer Springs Ward Roadside Construction	47	25	10	5	80	104	0	0	40	100	0
Hanmer Springs Subdivision Expenditure	5	5	10	10	11	11	11	11	12	12	12
Hurunui Ward Roadside Construction	21	30	29	0	0	0	0	0	0	0	0
	4,316	6,621	5,364	4,970	5,264	5,414	5,442	5,582	5,768	5,979	6,044
<i>Broken down to:</i>											
Growth Related Capital Expenditure	257	335	348	355	363	371	380	390	399	410	421
Capital Expenditure to achieve Improved Levels of Service	536	1,205	1,462	1,228	1,370	1,372	1,355	1,391	1,428	1,565	1,507
Renewals of Existing Assets	3,523	5,080	3,555	3,387	3,531	3,671	3,707	3,802	3,941	4,004	4,116
	4,316	6,621	5,364	4,970	5,264	5,414	5,442	5,582	5,768	5,979	6,044

Forecast Summary of Capital Expenditure (Cont'd)

	<u>Annual Plan</u> <u>2017/2018</u> (\$000)	<u>Year 1</u> <u>2018/2019</u> (\$000)	<u>Year 2</u> <u>2019/2020</u> (\$000)	<u>Year 3</u> <u>2020/2021</u> (\$000)	<u>Year 4</u> <u>2021/2022</u> (\$000)	<u>Year 5</u> <u>2022/2023</u> (\$000)	<u>Year 6</u> <u>2023/2024</u> (\$000)	<u>Year 7</u> <u>2024/2025</u> (\$000)	<u>Year 8</u> <u>2025/2026</u> (\$000)	<u>Year 9</u> <u>2026/2027</u> (\$000)	<u>Year 10</u> <u>2027/2028</u> (\$000)
Public Services											
Community Services											
- District Promotion	0	0	0	0	0	0	0	0	0	0	0
- Community Programmes	0	0	0	0	0	0	0	0	0	0	0
- Grants	0	0	0	0	0	0	0	0	0	0	0
- Amenities	0	0	0	0	0	0	0	0	0	0	0
Property											
- Rental Property	0	29	26	26	16	16	22	17	23	18	25
- Forestry	0	0	0	0	0	0	0	0	0	0	0
- Public Toilets	0	120	0	0	0	0	0	0	0	0	0
- Medical Centres	0	(340)	48	16	18	22	11	0	0	0	6
- Halls	12	12	0	4	0	0	0	0	0	0	2
- Pools	0	50	1,450	0	0	0	0	0	0	0	0
- Township Maintenance	2	0	0	10	0	201	0	0	94	0	0
Reserves											
- District Reserves	0	0	0	0	0	0	0	0	0	0	0
- Cemeteries	5	10	10	10	11	5	6	6	6	6	6
- Amberley Reserves	174	411	109	83	27	294	73	29	259	12	25
- Amuri Reserves	7	25	0	0	0	5	0	0	0	0	6
- Cheviot Reserves	0	1	12	4	0	8	0	0	0	0	0
- Glenmark Reserves	0	200	11	5	0	0	0	0	0	0	0
- Hanmer Springs Reserves	0	11	0	0	427	0	112	0	0	0	0
- Hurunui Reserves	0	120	4	0	0	0	0	0	0	0	0
- Self Funded Reserves	0	0	0	0	0	0	0	0	0	0	0
- Trust Fund Reserves	0	0	0	0	0	0	0	0	0	0	0
Emergency Services											
- Civil Defence	0	10	10	10	11	11	11	11	12	12	12
- Rural Fire Control	0	0	0	0	0	0	0	0	0	0	0
Library	73	74	75	77	78	80	82	84	86	89	91
Waste Minimisation											
- Transfer Stations	0	0	0	0	0	0	0	0	0	0	0
- Litter Bin Collection	0	0	0	0	0	0	0	0	0	0	0
- Household Refuse Collection	0	0	0	0	0	0	0	0	0	0	0
	273	732	1,756	246	588	643	317	147	480	137	174
<i>Broken down to:</i>											
Growth Related Capital Expenditure	11	260	10	21	438	435	123	11	341	12	12
Capital Expenditure to achieve Improved Levels of Service	113	242	1,547	98	21	24	73	11	23	12	25
Renewals of Existing Assets	149	230	199	127	129	184	121	124	116	113	137
	273	732	1,756	246	588	643	317	147	480	137	174

Forecast Summary of Capital Expenditure (Cont'd)

	<u>Annual Plan</u> <u>2017/2018</u> (\$000)	<u>Year 1</u> <u>2018/2019</u> (\$000)	<u>Year 2</u> <u>2019/2020</u> (\$000)	<u>Year 3</u> <u>2020/2021</u> (\$000)	<u>Year 4</u> <u>2021/2022</u> (\$000)	<u>Year 5</u> <u>2022/2023</u> (\$000)	<u>Year 6</u> <u>2023/2024</u> (\$000)	<u>Year 7</u> <u>2024/2025</u> (\$000)	<u>Year 8</u> <u>2025/2026</u> (\$000)	<u>Year 9</u> <u>2026/2027</u> (\$000)	<u>Year 10</u> <u>2027/2028</u> (\$000)
Regulatory											
Policy	0	0	0	0	0	0	0	0	0	0	0
Compliance	0	0	0	0	0	0	0	0	0	0	0
Consents and Licencing											
- Building Control	0	0	0	0	0	0	0	0	0	0	0
- Public Health	26	0	0	0	0	0	0	0	0	0	0
- Liquor Licensing	0	0	0	0	0	0	0	0	0	0	0
- Animal Control	0	0	0	0	0	0	0	0	0	0	0
- RMA Implementation	0	0	0	0	0	0	0	0	0	0	0
	26	0	0	0	0	0	0	0	0	0	0
<i>Broken down to:</i>											
Growth Related Capital Expenditure	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure to achieve Improved Levels of Service	0	0	0	0	0	0	0	0	0	0	0
Renewals of Existing Assets	26	0	0	0	0	0	0	0	0	0	0
	26	0	0	0	0	0	0	0	0	0	0
Hanmer Springs Thermal Pools and Spa											
Hanmer Springs Thermal Pools & Spa	490	1,800	3,015	3,603	2,967	1,092	2,684	1,605	1,526	1,567	2,785
Hanmer Springs Thermal Reserve Administration	0	0	0	0	0	0	0	0	0	0	0
	490	1,800	3,015	3,603	2,967	1,092	2,684	1,605	1,526	1,567	2,785
<i>Broken down to:</i>											
Growth Related Capital Expenditure	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure to achieve Improved Levels of Service	0	1,600	2,709	3,133	2,669	655	2,237	1,146	1,174	1,205	2,475
Renewals of Existing Assets	490	200	307	470	299	437	447	459	352	362	309
	490	1,800	3,015	3,603	2,967	1,092	2,684	1,605	1,526	1,567	2,785
Governance & Corporate Services											
Governance	0	0	10	0	0	11	0	0	12	0	0
Hurunui - Waiau Water Zone Committee	0	0	0	0	0	0	0	0	0	0	0
Treasury	0	0	0	0	0	0	0	0	0	0	0
CEO Department	0	0	0	0	0	0	0	0	0	0	0
Public Services	0	0	0	0	0	0	0	0	0	0	0
Support Services	158	612	548	441	495	547	541	587	478	553	681
Infrastructure Services - Assets	141	0	0	0	0	0	0	0	0	0	0
Infrastructure Services - Delivery	165	14	3	5	10	5	4	10	5	4	11
Regulatory Services	0	200	0	0	0	0	0	0	0	0	0
	464	826	562	445	505	562	545	597	495	557	692
<i>Broken down to:</i>											
Growth Related Capital Expenditure	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure to achieve Improved Levels of Service	0	103	68	113	88	80	91	89	79	129	103
Renewals of Existing Assets	464	723	494	332	416	482	454	508	416	428	589
	464	826	562	445	505	562	545	597	495	557	692

Forecast Summary of Capital Expenditure (Cont'd)

	<u>Annual Plan</u> <u>2017/2018</u> (\$000)	<u>Year 1</u> <u>2018/2019</u> (\$000)	<u>Year 2</u> <u>2019/2020</u> (\$000)	<u>Year 3</u> <u>2020/2021</u> (\$000)	<u>Year 4</u> <u>2021/2022</u> (\$000)	<u>Year 5</u> <u>2022/2023</u> (\$000)	<u>Year 6</u> <u>2023/2024</u> (\$000)	<u>Year 7</u> <u>2024/2025</u> (\$000)	<u>Year 8</u> <u>2025/2026</u> (\$000)	<u>Year 9</u> <u>2026/2027</u> (\$000)	<u>Year 10</u> <u>2027/2028</u> (\$000)
Earthquake Recovery											
Community Assets - Recovery	0	0	0	0	0	0	0	0	0	0	0
Civil Defence Response and Recovery	0	0	0	0	0	0	0	0	0	0	0
Resource Management - Recovery	0	0	0	0	0	0	0	0	0	0	0
Building Control - Recovery	0	0	0	0	0	0	0	0	0	0	0
Roading - Recovery	0	0	0	0	0	0	0	0	0	0	0
Sewerage - Recovery	0	0	0	0	0	0	0	0	0	0	0
Water - Recovery	0	0	0	0	0	0	0	0	0	0	0
Tourism - Recovery	0	0	0	0	0	0	0	0	0	0	0
Waste - Recovery	0	0	0	0	0	0	0	0	0	0	0
Recovery Management	0	0	0	0	0	0	0	0	0	0	0
Council Assets Recovery	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0
<i>Broken down to:</i>											
Growth Related Capital Expenditure	0	0	0	0	0	0	0	0	0	0	0
Capital Expenditure to achieve Improved Levels of Service	0	0	0	0	0	0	0	0	0	0	0
Renewals of Existing Assets	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0
Total Capital Expenditure											
Water Supplies	2,163	2,848	3,061	2,175	2,513	5,048	6,672	5,531	3,810	2,760	4,246
Sewerage	6,031	913	536	315	1,354	727	2,728	2,582	760	2,542	1,839
Stormwater and Drainage	553	305	385	576	409	374	511	444	491	517	454
Roads and Footpaths	4,316	6,621	5,364	4,970	5,264	5,414	5,442	5,582	5,768	5,979	6,044
Public Services	273	732	1,756	246	588	643	317	147	480	137	174
Regulatory	26	0	0	0	0	0	0	0	0	0	0
Hanmer Springs Thermal Pools and Spa	490	1,800	3,015	3,603	2,967	1,092	2,684	1,605	1,526	1,567	2,785
Governance & Corporate	464	826	562	445	505	562	545	597	495	557	692
Earthquake Recovery	0	0	0	0	0	0	0	0	0	0	0
	14,316	14,044	14,680	12,331	13,600	13,861	18,899	16,487	13,330	14,058	16,233
<i>Broken down to:</i>											
Growth Related Capital Expenditure	2,455	1,161	936	966	1,404	1,424	1,136	1,049	1,404	1,103	1,133
Capital Expenditure to achieve Improved Levels of Service	5,768	5,185	7,839	6,202	7,422	7,320	12,219	9,297	6,171	6,938	7,704
Renewals of Existing Assets	6,093	7,699	5,905	5,162	4,774	5,118	5,545	6,141	5,755	6,017	7,397
	14,316	14,044	14,680	12,331	13,600	13,861	18,899	16,487	13,330	14,058	16,233

Forecast summary of depreciation and amortisation expenses

Forecast Summary of Depreciation and Amortisation Expenses

	<u>Annual Plan</u> <u>2017/2018</u> (\$000)	<u>Year 1</u> <u>2018/2019</u> (\$000)	<u>Year 2</u> <u>2019/2020</u> (\$000)	<u>Year 3</u> <u>2020/2021</u> (\$000)	<u>Year 4</u> <u>2021/2022</u> (\$000)	<u>Year 5</u> <u>2022/2023</u> (\$000)	<u>Year 6</u> <u>2023/2024</u> (\$000)	<u>Year 7</u> <u>2024/2025</u> (\$000)	<u>Year 8</u> <u>2025/2026</u> (\$000)	<u>Year 9</u> <u>2026/2027</u> (\$000)	<u>Year 10</u> <u>2027/2028</u> (\$000)
Water Supplies	1,570	1,634	1,670	1,711	1,829	1,849	1,944	2,209	2,308	2,352	2,531
Sewerage	614	623	627	627	659	676	677	774	819	817	919
Stormwater and Drainage	103	117	120	124	169	144	148	163	168	173	191
Roads and Footpaths	3,934	5,096	5,428	5,427	5,418	5,766	5,759	5,753	6,159	6,151	6,147
Public Services	499	483	486	516	540	540	544	544	544	553	553
Regulatory	27	1	1	1	1	1	1	1	1	1	1
Hanmer Springs Thermal Pools and Spa	900	856	929	1,016	1,064	1,022	1,027	996	949	899	882
Governance & Corporate	265	553	560	567	575	583	592	601	610	620	631
Earthquake Recovery	0	0	0	0	0	0	0	0	0	0	0
	7,912	9,362	9,821	9,990	10,254	10,581	10,692	11,042	11,557	11,568	11,857

Reserve funds

Special Funds

Fund Name	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Forecast Balance 1 July 2018	Funds Deposited 2018-2028	Funds Withdrawn 2018-2028	Forecast Balance 30 June 2028
Amberley Ward Reserves Contestable Fund	Reserves	Public Services	To set aside funds for Reserve Projects in the Amberley Ward	48,392	0	0	48,392
Amberley Beach Reserve Fund	Reserves	Public Services	To set aside funds for projects for the Amberley Beach area	132,384	288,985	0	421,369
Amuri Ward Reserves Contestable Fund	Reserves	Public Services	To set aside funds for Reserve Projects in the Amuri Ward	29,952	0	0	29,952
Amuri Community Centre Fund	Reserves	Public Services	To set aside funds for maintenance of the Amuri Community Centre	47,785	13,102	0	60,887
Amuri Ward Land Subdivision Fund	Reserves	Public Services	To fund projects in the Amuri Ward	(0)	(0)	0	(0)
Amuri Sports Facilities Fund	Reserves	Public Services	To fund projects for sports facilities in the Amuri Ward	41,434	99,132	0	140,566
Cheviot Ward Reserves Contestable Fund	Reserves	Public Services	To set aside funds for Reserve Projects in the Cheviot Ward	32,774	0	0	32,774
Cheviot Ward Land Subdivision Fund	Reserves	Public Services	To fund projects for Cheviot Ward	6,127	2,516	0	8,642
Glenmark Ward Reserves Contestable Fund	Reserves	Public Services	To set aside funds for Reserve Projects in the Glenmark Ward	55,047	0	0	55,047
Glenmark Land Subdivision Fund	Reserves	Public Services	To fund projects for Glenmark Ward	2,726	1,119	0	3,845
Waipara Pavilion Fund	Reserves	Public Services	To fund projects for the Waipara Pavilion	(0)	(0)	0	(0)
Hanmer Springs Ward Reserves Contestable Fund	Reserves	Public Services	To set aside funds for Reserve Projects in the Hanmer Springs Ward	31,904	(4,000)	0	27,904
Hanmer Springs Sports Pavilion Fund	Reserves	Public Services	To fund projects for the Hanmer Springs Sports Pavilion	18,552	(18,552)	0	0
Waiau Ferry Bridge Fund	Reserves	Public Services	To provide funds for the maintenance of the Waiau Ferry Bridge	51,837	72,947	0	124,784
Hanmer Springs Tourism Fund	Reserves	Public Services	To fund marketing projects for the Hanmer Springs Ward	59,817	65,891	0	125,708
Hurunui Ward Reserves Contestable Fund	Reserves	Public Services	To set aside funds for Reserve Projects in the Hurunui Ward	9,467	3	0	9,470
Hurunui Ward Land Subdivision Fund	Reserves	Public Services	To fund projects for Hurunui Ward	5,486	2,253	0	7,739
BCA Accreditation Fund	Compliance and Regulatory Functions	Regulatory	To set funds aside from Building Consent Fees to fund the accreditation process for the Building Control Authority	(23,655)	(53,620)	0	(77,274)
Creative NZ Grants	Community Services	Public Services	To set aside grants that have been allocated	1,338	0	0	1,338
SPARC Grants	Community Services	Public Services	To set aside grants that have been allocated	4,889	0	0	4,889
Nurses Block Government Grant Fund	Reserves	Public Services	To fund earthquake strengthening work and maintenance of the Nurses Block on the Former Queen Mary Hospital Site	0	0	0	0
Adverse Events Reserve	Reserves	Public Services	To provides funds relating to adverse events	13,114	0	0	13,114
Forestry	Property	Public Services	To continue to provide for commercial forests and funds projects as determined by the Council.	1,161,607	(586,611)	0	574,996
				1,730,976	(116,835)	0	1,614,140

Reserve Committee Funds

Fund Name	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Forecast Balance 1 July 2018	Funds Deposited 2018-2028	Funds Withdrawn 2018-2028	Forecast Balance 30 June 2028
Scargill-Motunau Reserve	Reserves	Public Services	To fund operations on the Scargill-Motunau Recreation Reserve as determined by the Scargill - Motunau Reserve Committee	37,035	96,578	95,000	38,613
Hawarden Reserve & Hall	Reserves	Public Services	To fund operations on the Hawarden Reserve as determined by the Reserve Committee	54,111	32,868	0	86,979
Waikari Reserve & Hall	Reserves	Public Services	To fund operations on the Waikari Reserve as determined by the Reserve Committee	148,092	36,947	124,085	60,954
Hurunui Reserve	Reserves	Public Services	To fund operations on the Hurunui Reserve as determined by the Reserve Committee	9,203	3,779	0	12,982
Waiau Reserve	Reserves	Public Services	To fund operations on the Waiau Reserve as determined by the Reserve Committee	71,285	20,229	0	91,514
Cheviot Reserve	Reserves	Public Services	To fund operations on the Cheviot Reserve as determined by the Reserve Committee	68,971	(42,876)	0	26,096
Domett Reserve	Reserves	Public Services	To fund operations on the Domett Reserve as determined by the Reserve Committee	22,363	5,186	0	27,549
Port Robinson - Gore Bay Camp	Reserves	Public Services	To fund operations on the Port Robinson-Gore Bay Camp Reserve as determined by the Reserve Committee	128,680	152,317	0	280,997
Port Robinson Reserve	Reserves	Public Services	To fund operations on the Port Robinson Reserve as determined by the Reserve Committee	25,770	3,640	0	29,410
Spotswood Reserve	Reserves	Public Services	To fund operations on the Spotswood Reserve as determined by the Reserve Committee	7,586	(760)	0	6,826
Domett Camp Reserve	Reserves	Public Services	To fund operations on the Domett Camp Reserve as determined by the Reserve Committee	1,040	(43,250)	0	(42,210)
				574,136	264,659	219,085	619,710

Trust Funds

Fund Name	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Forecast Balance 1 July 2018	Funds Deposited 2018-2028	Funds Withdrawn 2018-2028	Forecast Balance 30 June 2028
Chamberlain Bros Trust	Reserves	Public Services	To provide funds for projects on Chamberlain Park In Amberley	16,878	(2,111)	0	14,768
Amberley RSA Fund		Public Services	To hold funds on behalf of the Amberley RSA	1,383	5,734	0	7,116
Busch Legacy Trust	Reserves	Public Services	To provide funds for maintenance of gravestones in the Council's Cemeteries	211	87	0	297
Graves Maintenance Trust	Reserves	Public Services	To provide funds for maintenance of gravestones in the Council's Cemeteries	2,369	973	0	3,341
Culverden Domain Gates Trust	Reserves	Public Services	To provide funds for the replacement of the gates leading into the Culverden Domain	691	284	0	974
Cheviot RSA Fund	Reserves	Public Services	To hold funds on behalf of the Cheviot RSA	3,105	(17)	0	3,088
Hawarden Memorial Park Trust (ADF Neill Bequest)	Reserves	Public Services	To fund projects on the Hawarden Reserve	3,284	1,348	0	4,632
Bridson Trust	Reserves	Public Services	To provide funds for maintenance of gravestones in the Council's Cemeteries	1,253	515	0	1,768
Weedbusters Trust	Reserves	Public Services	To hold funds on behalf of the Weedbusters Trust	2,857	1,173	0	4,030
Forrester Trust	Reserves	Public Services	To provide funds for maintenance of gravestones in the Council's Cemeteries	1,337	549	0	1,886
				33,366	8,534	0	41,900

Development Contributions Funds

Fund Name	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Forecast Balance 1 July 2018	Funds Deposited 2018-2028	Funds Withdrawn 2018-2028	Forecast Balance 30 June 2028
District Urban Water Fund	Water Supplies	Water Supplies	To provide funds for growth related projects for District Urban Water	0	0	0	0
District Rural Water Fund	Water Supplies	Water Supplies	To provide funds for growth related projects for District Rural Water	(0)	(0)	0	(1)
District Sewer Fund	Sewerage	Sewerage	To provide funds for growth related projects for District Sewer	0	0	0	0
Amberley Stormwater Development Contributions Fund	Stormwater and Drainage	Stormwater and Drainage	To provide funds for growth related projects for Amberley Stormwater	(0)	1	0	1
Hanmer Springs Stormwater Development Contributions Fund	Stormwater and Drainage	Stormwater and Drainage	To provide funds for growth related projects for Hanmer Springs Stormwater	0	0	0	0
District Library Development Contributions Fund	Library	Public Services	To provide funds for growth related projects for the District Library	0	0	0	0
Hanmer Springs Medical Centre Development Contributions Fund	Property	Public Services	To provide funds for growth related projects for the Medical Centre in Hanmer Springs	0	0	0	0
Amberley Reserve Pavilion Development Contributions Fund	Property	Public Services	To provide funds for growth related projects for the Amberley Reserve Pavilion	(6,718)	6,786	0	68
Hanmer Springs Hall Development Contributions Fund	Property	Public Services	To provide funds for growth related projects for the Hanmer Springs Hall	(18,020)	18,241	0	222
Hanmer Springs Town Centre Development Contributions Fund	Property	Public Services	To provide funds for growth related projects for the Town Centre in Hanmer Springs	(356,646)	152,213	0	(204,433)
Queen Mary Development Contributions Fund	Reserves	Public Services	To provide funds for growth related projects for development of the former Queen Mary Hospital Site	764,599	711,195	0	1,475,793
Amberley Township Reserves Development Contributions Fund	Reserves	Public Services	To provide funds for growth related projects for township reserves in Amberley	399,052	(27,980)	0	371,073
Amberley Walking and Cycling Routes Development Contributions Fund	Reserves	Public Services	To provide funds for growth related projects for Walking and Cycling Routes in the Amberley Ward	154,359	(94,010)	0	60,349
Amberley Ward Reserves Development Contributions Fund	Reserves	Public Services	To provide funds for growth related projects for ward reserves in Amberley	288,671	308,960	0	597,631
Omihi Reserve Development Contributions Fund	Reserves	Public Services	To provide funds for growth related projects for the Omihi Reserve	0	0	0	0
Hanmer Springs Conical Hill Walkway Development Contributions Fund	Reserves	Public Services	To provide funds for growth related projects for Conical Walkway area in Hanmer Springs	16,799	(64,630)	0	(47,830)
Hanmer Springs Domain Upgrade Development Contributions Fund	Reserves	Public Services	To provide funds for growth related projects for the Domain in Hanmer Springs	54,463	(54,333)	0	130
				1,296,559	956,444	0	2,253,003

Hanmer Springs Thermal Pools and Spa

Fund Name	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Forecast Balance 1 July 2018	Funds Deposited 2018-2028	Funds Withdrawn 2018-2028	Forecast Balance 30 June 2028
Hanmer Springs Thermal Pools and Spa Administration	Hanmer Springs Thermal Pools & Spa	Hanmer Springs Thermal Pools & Spa	Internal debt relating to the HSTP&S	(10,163,471)	33,283,283	22,644,567	475,245
Hanmer Springs Thermal Reserve Balance	Hanmer Springs Thermal Pools & Spa	Hanmer Springs Thermal Pools & Spa	Unused surpluses derived from the operation of the HSTP&S	1,840,408	(1,811,654)	0	28,754
				(8,323,063)	31,471,628	22,644,567	503,998

Rate Reserve Funds - Water

Fund Name	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Forecast Balance 1 July 2018	Funds Deposited 2018-2028	Funds Withdrawn 2018-2028	Forecast Balance 30 June 2028
District Wide Water	Water Supplies	Water Supplies	To fund capital projects relating to for all Water Supplies in the District (except for Balmoral Water)	(8,707,791)	16,969,337	37,307,873	(29,046,327)
Balmoral Water	Water Supplies	Water Supplies	To fund capital projects relating to Balmoral water	(47,471)	79,830	1,355,256	(1,322,897)
				(8,755,262)	17,049,167	38,663,130	(30,369,225)

Rate Reserve Funds - Sewer

Fund Name	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Forecast Balance 1 July 2018	Funds Deposited 2018-2028	Funds Withdrawn 2018-2028	Forecast Balance 30 June 2028
District Wide Sewer	Sewerage	Sewerage	To fund capital projects for all Sewerage Schemes (after 1 July 2015)	(8,686,073)	9,816,637	14,295,521	(13,164,956)
				(8,686,073)	9,816,637	14,295,521	(13,164,956)

Rate Reserve Funds - Stormwater and Drainage

Fund Name	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Forecast Balance 1 July 2018	Funds Deposited 2018-2028	Funds Withdrawn 2018-2028	Forecast Balance 30 June 2028
District Wide Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for other townships in the District	0	1,466,230	1,466,230	0
Amberley Beach Foreshore Protection	Stormwater and Drainage	Stormwater and Drainage	To fund Foreshore Protection projects for Amberley Beach	39,978	57,227	0	97,206
Amberley Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund stormwater projects for Amberley Ward	(1,960,594)	3,252,748	1,212,952	79,201
Cheviot Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund stormwater projects for Cheviot Township	28,206	21,866	50,000	72
Jed River Clearance	Stormwater and Drainage	Stormwater and Drainage	To fund capital projects for Jed River Clearance	1,383	365	0	1,749
Motunau Beach Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund stormwater projects for Motunau Beach Township	(53,941)	67,394	0	13,453
Hanmer Springs Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund stormwater projects for Hanmer Springs Township	(348,788)	1,659,314	1,736,574	(426,048)
Hawarden Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund stormwater projects for Hawarden Township	(44,313)	45,393	0	1,080
Waikari Stormwater	Stormwater and Drainage	Stormwater and Drainage	To fund stormwater projects for Waikari Township	8,594	(9,133)	0	(539)
				(2,329,475)	6,561,404	4,465,756	(233,827)

Rate Reserve Funds - Roading and Footpaths

Fund Name	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Forecast Balance 1 July 2018	Funds Deposited 2018-2028	Funds Withdrawn 2018-2028	Forecast Balance 30 June 2028
Subsidised Roading	Roading	Roads and Footpaths	To fund contributions for the first stage of sealing of Woodbank Road in Hanmer Springs	(578,141)	58,021,281	52,268,313	5,174,827
Woodbank Road Sealing - Stage 1	Roading	Roads and Footpaths	To fund contributions for the first stage of sealing of Woodbank Road in Hanmer Springs	(0)	(0)	0	(1)
District Footpath Maintenance	Footpaths	Roads and Footpaths	To fund deferred and current maintenance on all footpaths throughout the District	(11,800)	1,296,818	1,284,540	478
Amberley Roadside Construction	Footpaths	Roads and Footpaths	To fund footpath projects for the Amberley Ward	(45,152)	46,259	0	1,107
Amberley Special Projects	Footpaths	Roads and Footpaths	To fund special roading projects in the Amberley Ward	(102,540)	103,515	0	975
Amuri Roadside Construction	Footpaths	Roads and Footpaths	To fund footpath projects for the Amuri Ward	92,391	5,765	98,155	1
Cheviot Roadside Construction	Footpaths	Roads and Footpaths	To fund footpath projects for the Cheviot Ward	64,838	3,393	68,231	0
Northern Glenmark Roadside Construction	Footpaths	Roads and Footpaths	To fund footpath projects for the Northern Area of the Glenmark Ward	0	0	0	0
Waipara Roadside Construction	Footpaths	Roads and Footpaths	To fund footpath projects for the Waipara Township	20,787	8,535	0	29,322
Omihiri Roadside Construction	Footpaths	Roads and Footpaths	To fund footpath projects for the Omihiri Area of the Glenmark Ward	0	0	0	0
Hanmer Springs Roadside Construction	Footpaths	Roads and Footpaths	To fund footpath projects for the Hanmer Springs Ward	93,681	270,319	364,000	0
Hanmer Springs Subdivision Expenditure	Footpaths	Roads and Footpaths	To fund the Community's contributions to footpath projects relating to new subdivisions in the Hanmer Springs Township	(4,622)	110,574	105,840	112
Hurunui Roadside Construction	Footpaths	Roads and Footpaths	To fund footpath projects for the Hurunui Ward	56,272	2,958	59,228	2
				(414,287)	59,869,417	54,248,306	5,206,823

Rate Reserve Funds - Public Services

Fund Name	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Forecast Balance 1 July 2018	Funds Deposited 2018-2028	Funds Withdrawn 2018-2028	Forecast Balance 30 June 2028
District Library Development - Amberley Ward	Library	Public Services	To fund Amberley Ward's portion of District Library construction costs	(0)	(0)	0	(0)
Canterbury Museum Capital Levies	Community Services	Public Services	To build up and pay funds towards the Capital Projects for the Canterbury Museum	220,051	1,158,213	1,378,264	0
Social Housing	Property	Public Services	To hold surplus funds to fund Social Housing projects.	2,727	45,807	187,269	(138,734)
Earthquake Prone Buildings	Property	Public Services	To hold surplus funds to fund Earthquake Strengthening work	0	0	0	0
Amberley Amenities	Community Services	Public Services	To fund amenities capital projects for the Amberley Ward	(1,265,590)	1,496,291	0	230,701
Amberley Ward Swimming Pool	Property	Public Services	To fund Amberley Ward's portion of Amberley Swimming Pool Construction	287,814	(245,129)	0	42,684
Leithfield Beach Tennis Courts	Reserves	Public Services	To fund the resurfacing costs of the Leithfield Beach Tennis Courts	0	10	0	10
Amuri Amenities	Community Services	Public Services	To fund Amenities capital projects for the Amuri Ward	48,789	(82,991)	0	(34,203)
Cheviot Amenities	Community Services	Public Services	To fund Amenities capital projects for the Cheviot Ward	62,292	(23,453)	0	38,838
Northern Glenmark Amenities	Community Services	Public Services	To fund Amenities capital projects for the Northern Area of the Glenmark Ward	120,104	(64,521)	0	55,583
Waipara Amenities	Community Services	Public Services	To fund Amenities capital projects for the Waipara Area of the Glenmark Ward	60,475	(2,961)	0	57,514
Omihi Amenities	Community Services	Public Services	To fund Amenities capital projects for the Omihi Area of the Glenmark Ward	26,077	78,366	0	104,442
Hanmer Springs Amenities	Community Services	Public Services	To fund Amenities capital projects for the Hanmer Springs Ward	(822,667)	257,949	0	(564,718)
Hurunui Amenities	Community Services	Public Services	To fund Amenities capital projects for the Hurunui Ward	38,930	(39,286)	0	(357)
Amuri Medical General	Property	Public Services	To fund capital projects for medical centres in the Cheviot Ward	(375,078)	637,266	0	262,188
Cheviot Medical General	Property	Public Services	To fund capital projects for medical centres in the Cheviot Ward	(494,723)	835,418	0	340,696
Hanmer Springs Medical General	Property	Public Services	To fund capital projects for medical centres in the Hanmer Springs Ward	(260,801)	208,062	0	(52,740)
Hanmer Springs Doctors' House	Property	Public Services	To fund the capital purchase of the Doctors' House in Hanmer Springs	(363,008)	374,036	0	11,028
Waikari Medical Centre	Property	Public Services	To fund capital projects for medical centres in the Hurunui Ward	(98,950)	107,288	15,332	(6,994)
District Tourism	District Promotion	Public Services	To hold funds for projects relating to District Tourism	103,332	0	0	103,332
District Swimming Pools Fund	Property	Public Services	To fund District's portion of Amberley Swimming Pool Construction	0	0	0	0
Rural Fire Control	Emergency Services	Public Services	To fund previous deficits recorded for Rural Fire	(0)	(0)	0	(0)
Refuse Collection	Waste Minimisation	Public Services	To hold funds accrued from the Refuse Collection activity	(1,079,730)	(734,477)	0	(1,814,207)
				(3,789,959)	4,005,885	1,580,864	(1,364,937)

Rate Reserve Funds - Regulatory

Fund Name	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Forecast Balance 1 July 2018	Funds Deposited 2018-2028	Funds Withdrawn 2018-2028	Forecast Balance 30 June 2028
Animal Control	Compliance and Regulatory Functions	Regulatory	Funds utilised to offset cost of Animal Control	17,927	(17,927)	0	0
				17,927	(17,927)	0	0

Rate Reserve Funds - Earthquake Recovery

Fund Name	Activity the Fund relates to	Group of Activities the Fund relates to	Reason for Holding Reserve Funds	Forecast Balance 1 July 2018	Funds Deposited 2018-2028	Funds Withdrawn 2018-2028	Forecast Balance 30 June 2028
Earthquake Recovery	Earthquake Recovery	Earthquake Recovery	To fund recovery costs relating to the November 2016 Hurunui-Kaikoura Earthquake sequence.	(2,316,720)	2,316,997	0	277
				(2,316,720)	2,316,997	0	277
TOTAL RESERVE FUNDS				(30,961,873)	132,186,009	136,117,228	(34,893,092)

Council controlled organisations

The Hurunui District Council has financial interest in the two Council Controlled Organisations; Enterprise North Canterbury and Transwaste Canterbury Limited.

Enterprise North Canterbury Background

Enterprise North Canterbury (ENC) is a trust which provides promotions and economic development services for the North Canterbury region. On behalf of Waimakariri and Hurunui District Councils its activities are focused on developing existing businesses and promoting new businesses within the region. The Trust also promotes the region as a visitor destination.

The Mayors of the two Councils are trustees and the two Chief Executive Officers are advisory trustees. Other trustees are appointed jointly by the Hurunui and Waimakariri District Councils.

Our key objective for continued investment in ENC has been to assist in cultivating and promoting economic activity and to foster growth in North Canterbury. We achieve this by approving the Statement of Intent and reviewing the progress through the Annual Report.

Key Objectives and Performance Targets 1 July 2018 to 30 June 2021

ENC's strategic objective is for 'exceptional businesses'.

1. Support existing businesses by the provision of training, coaching, and mentoring services and networking opportunities:
 - Regional business partner programme with New Zealand Trade and Enterprise
 - Business training workshops and coaching
 - Networking opportunities to market, share knowledge, exchange information
 - Support local businesses by referring them to the appropriate support agency
 - Expand ENC's Business Partner Programme to provide increased services to local businesses
 - Communicate with businesses so they are well informed about services and support available to them
2. Celebrate and recognise business leaders and business successes:
 - Organise the biennial business awards

3. Undertake analysis of regional employment opportunities and trends:
 - Have a high level of understanding of local labour market conditions and economic confidence in North Canterbury
4. Assist Hurunui town development
 - ENC and the Council's fully understand the needs of small businesses in rural townships
5. Manage the ENC business centre for local businesses to use:
 - Partner with private sector to fund the rental and running costs of the centre; grown the use of the centre; achieve revenue targets for the establishment of the centre

Transwaste Canterbury Limited

Transwaste Canterbury Limited operates a regional landfill at Kate Valley and associated transport services in a joint venture with Canterbury Waste Services. The Hurunui District Council is one of the councils in the Canterbury region which between them own 50% of the shares in Transwaste Canterbury Limited. Hurunui's share of the Company amounts to 1.2%. An additional landfill was reopened after the Canterbury earthquakes and is still operating and run by Transwaste Canterbury Ltd. The council shareholders appoint representatives to a joint committee which in turn appoints four of the eight directors.

Our key objective for investment in Transwaste Canterbury Limited has been to receive an economic return for our investment. We continue to receive dividends from the Company.

Key Performance Objectives and Targets

1. To operate a successful business, providing a fair rate of return to its shareholders:
 - To effectively operate the landfill at Kate Valley and the Burwood Resource Recovery Park to achieve commercial performance targets
2. To ensure that the TCG meets present and future environmental standards in a manner which is consistent with the preservation of the natural environment and the careful management of natural resources:
 - No breaches of resource consents; Tiromoana Bush development plans are prepared and signed off; Kate Valley landfill gas capture.

3. To be a good Corporate Citizen by acting lawfully:
 - Complies with relevant legislation: be a responsible Corporate Citizen.
4. To be a responsible Corporate Citizen by acting fairly and honestly and to be sensitive to local issues:
 - Payment of grants and education models used.
5. Meet the present and future needs of the people of Canterbury with high standards of value, quality and service, and establish effective relations with customers:
 - Have timely high quality and reliable waste transport services.
6. Be a good employer, through either direct employment or by way of management contracts with the Waste Management NZ Ltd divisions, Canterbury Waste Services and Canterbury Materials Recovery Facilities:
 - Staff turnover; staff training.
7. Zero injury accidents in all operations the company and its main contractors and maintain a high level of service and production:
 - Injury rate; public walkways maintained so that no serious avoidable injuries occur;
8. Establish and maintain good relations with the local host community of the Kate Valley landfill and Burwood areas and consult with those groups and other interest groups (including Tangata Whenua) on issues that are likely to affect them:
 - Liaison meetings with groups.

Benchmarks

Local Government (Financial Reporting and Prudence) Regulations 2014

Long-term plan disclosure statement for period commencing 1 July 2018.

What is the purpose of this statement?

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

The council is required to include this statement in its long-term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates affordability benchmark

The council meets the rates affordability benchmark if—

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

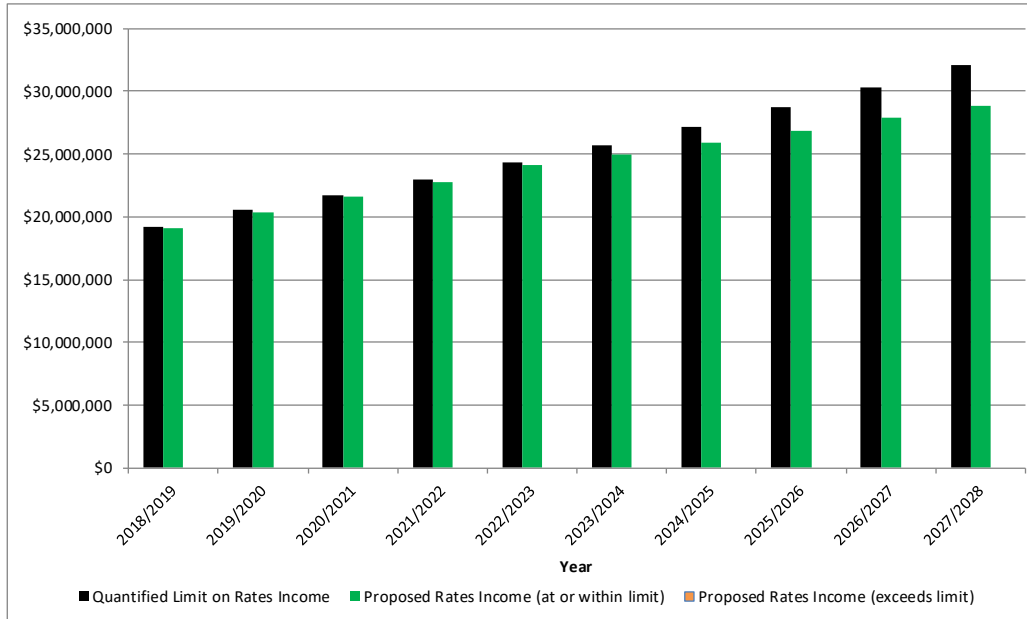
Rates (income) affordability

The following graph compares the council's planned rates income with a quantified limit on rates contained in the financial strategy included in the council's long-term plan. The quantified limits were based on a growth adjusted increase from the prior year of 8.5% for 2018/19 (Year 1); 6.5% for 2019/20 (Year 2) and 5.0% for the remaining years of the long-term plan. This is scheduled as follows:

- 2018/2019 - 8.5% growth adjusted increase from prior year - \$17,581,340 x 8.5% increase x 0.73% growth factor = \$19,204,098
- 2019/2020 - 6.5% growth adjusted increase from prior year - \$19,204,098 x 6.5% increase x 0.72% growth factor = \$20,590,634
- 2020/2021 - 5.0% growth adjusted increase from prior year - \$20,590,634 x 5.0% increase x 0.72% growth factor = \$21,768,418
- 2021/2022 - 5.0% growth adjusted increase from prior year - \$21,768,418 x 5.0% increase x 0.71% growth factor = \$23,011,394
- 2022/2023 - 5.0% growth adjusted increase from prior year - \$23,011,394 x 5.0% increase x 0.71% growth factor = \$24,325,345
- 2023/2024 - 5.0% growth adjusted increase from prior year - \$24,325,345 x 5.0% increase x 0.70% growth factor = \$25,711,890
- 2024/2025 - 5.0% growth adjusted increase from prior year - \$25,711,890 x 5.0%

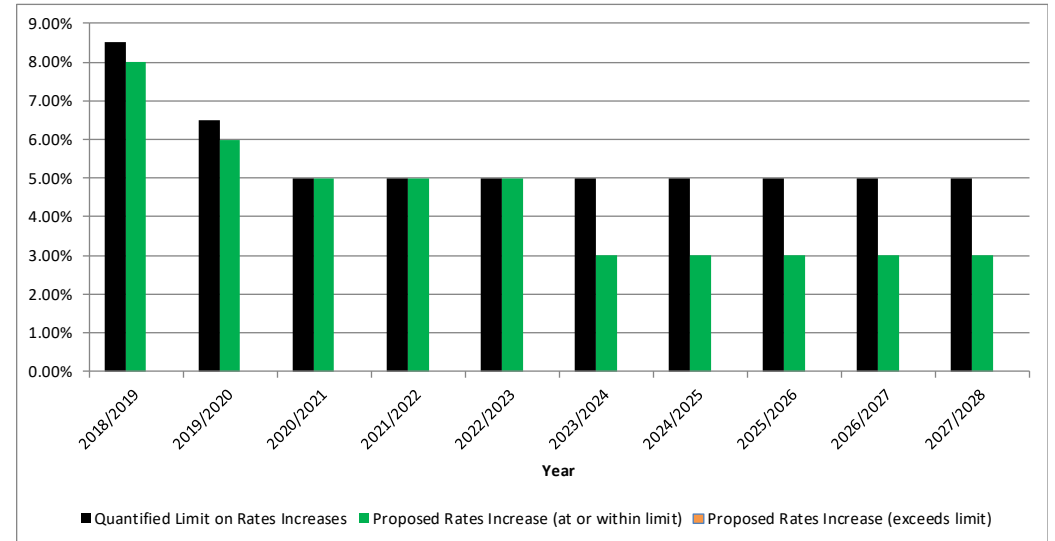
increase x 0.70% growth factor = \$27,177,467

- 2025/2026 - 5.0% growth adjusted increase from prior year - \$27,177,467 x 5.0% increase x 0.69% growth factor = \$28,723,865
- 2026/2027 - 5.0% growth adjusted increase from prior year - \$28,723,865 x 5.0% increase x 0.69% growth factor = \$30,358,253
- 2027/2028 - 5.0% growth adjusted increase from prior year - \$30,358,253 x 5.0% increase x 0.68% growth factor = \$32,082,60



Rates (increases) affordability

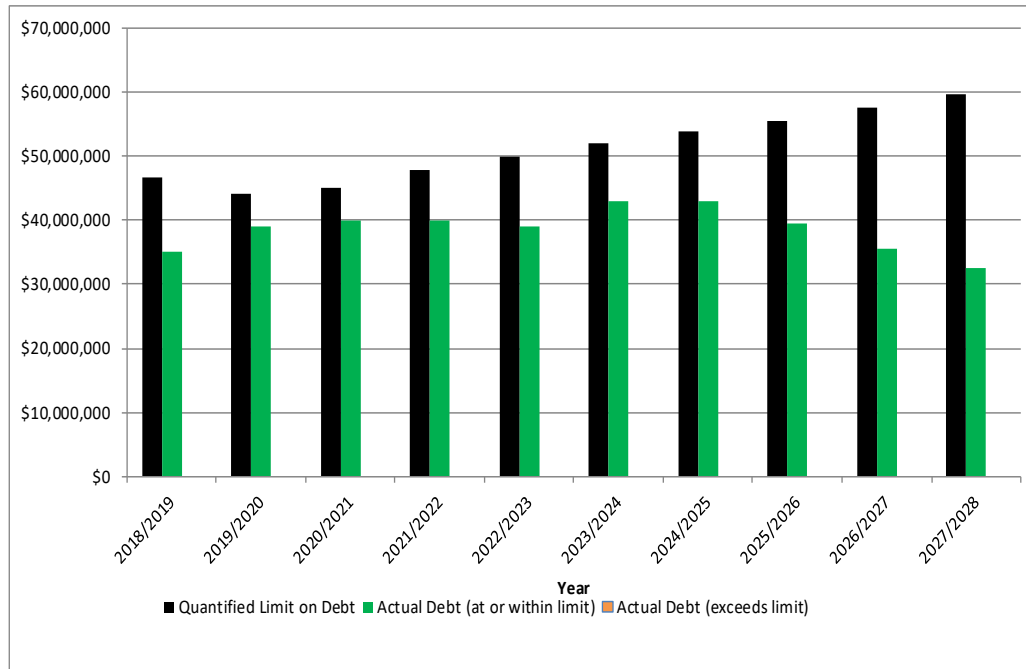
The following graph compares the council's planned rates increases with a quantified limit on rates increases included in the financial strategy included in the council's long-term plan. The quantified limits were based on a growth adjusted increase from the prior year of 8.5% for 2018/19 (Year 1); 6.5% for 2019/20 (Year 2) and 5.0% for the remaining years of the long-term plan.



Debt affordability benchmark

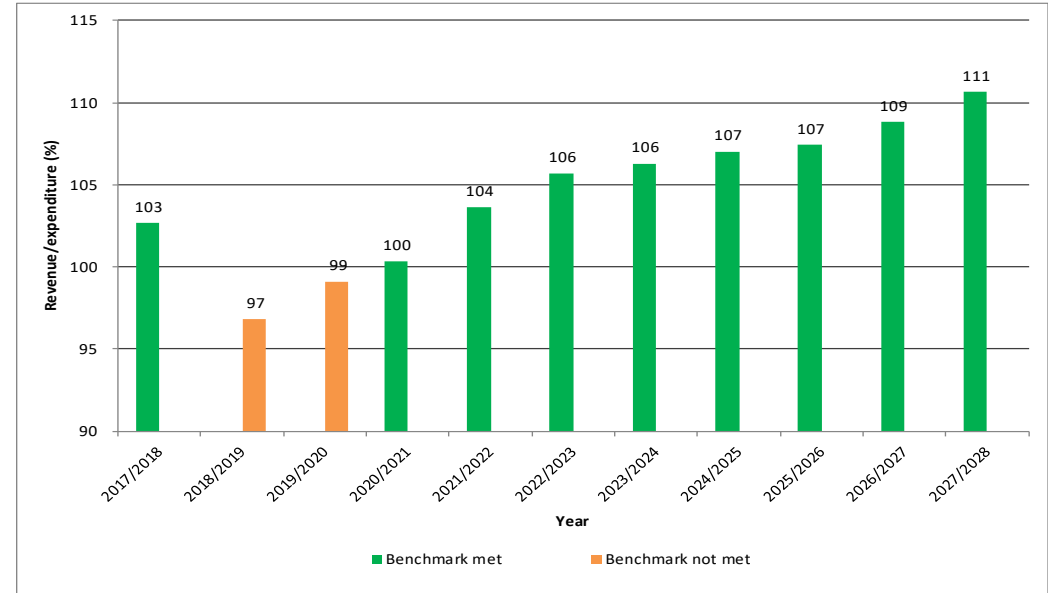
The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing. The following graph compares the council's planned debt with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limits were set based on debt being no more than 100% of total revenue (excluding development contributions and vested assets income). The resulting limits were:

- 2018/2019 \$46.6 million
- 2019/2020 \$44.1 million
- 2020/2021 \$45.1 million
- 2021/2022 \$47.7 million
- 2022/2023 \$49.9 million
- 2023/2024 \$51.9 million
- 2024/2025 \$53.8 million
- 2025/2026 \$55.5 million
- 2026/2027 \$57.5 million
- 2027/2028 \$59.6 million



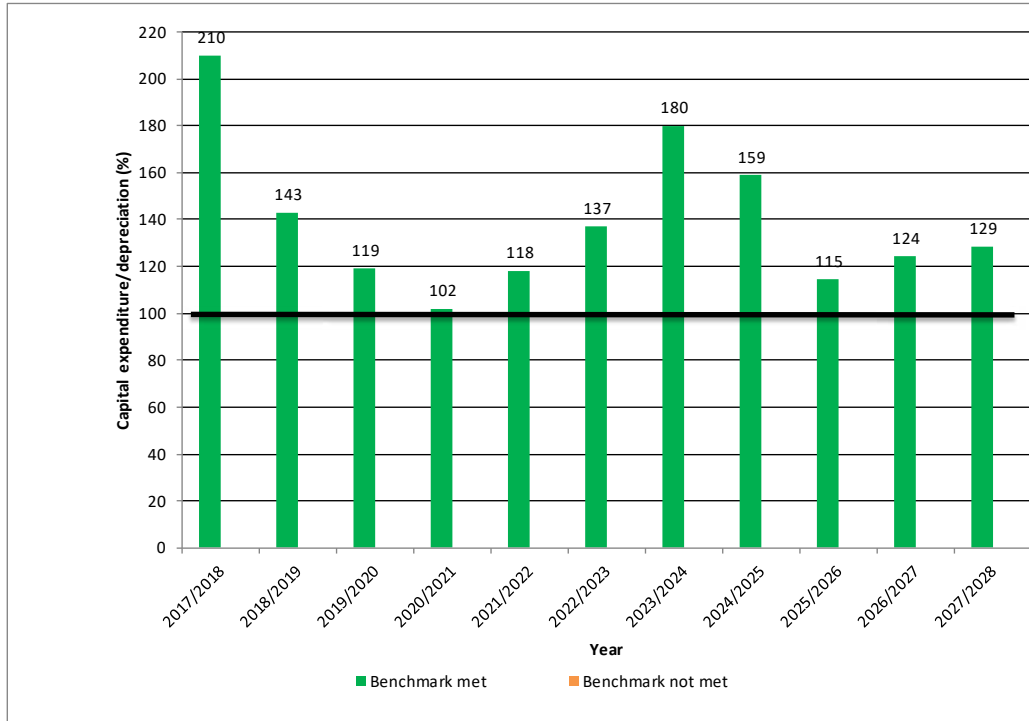
Balanced budget benchmark

The following graph displays the council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment). The council meets this benchmark if its planned revenue equals or is greater than its planned operating expenses.



Essential services benchmark

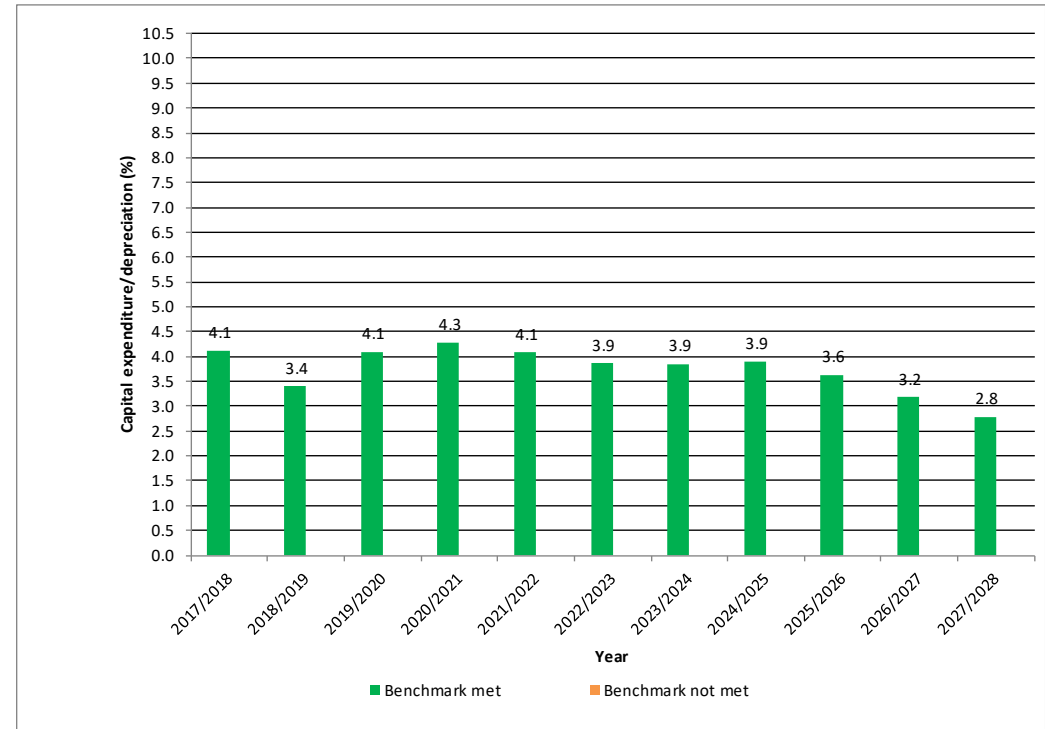
The following graph displays the council’s planned capital expenditure on network services as a proportion of expected depreciation on network services. The council meets this benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



Debt servicing benchmark

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

Because Statistics New Zealand projects the council’s population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.



Rates

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Funding impact statement

Hurunui District Council: Funding impact statement for period 2018-2028 (whole of council)

	Annual Plan 2017/2018 (\$000)	Year 1 2018/2019 (\$000)	Year 2 2019/2020 (\$000)	Year 3 2020/2021 (\$000)	Year 4 2021/2022 (\$000)	Year 5 2022/2023 (\$000)	Year 6 2023/2024 (\$000)	Year 7 2024/2025 (\$000)	Year 8 2025/2026 (\$000)	Year 9 2026/2027 (\$000)	Year 10 2027/2028 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	7,214	8,666	8,963	9,655	10,409	11,177	11,254	11,465	11,819	12,274	12,558
Targeted rates	10,369	10,451	11,438	11,913	12,390	12,924	13,739	14,452	15,055	15,592	16,333
Subsidies and grants for operating purposes	5,509	2,183	2,126	2,132	2,194	2,245	2,299	2,355	2,414	2,478	2,544
Fees and charges	16,366	22,796	18,759	18,733	19,952	20,712	21,695	22,554	23,114	24,035	24,887
Interest and dividends from investments	150	150	153	156	160	164	167	171	176	180	185
Local authorities fuel tax, fines, infringement fees, and other receipts	3,828	150	153	156	160	164	167	171	176	180	185
Total operating funding (A)	43,436	44,395	41,592	42,745	45,266	47,385	49,321	51,169	52,753	54,739	56,691
Applications of operating funding											
Payments to staff and suppliers	34,383	37,328	32,898	33,050	33,855	34,726	36,156	37,167	38,094	39,481	40,324
Finance costs	1,866	1,586	1,806	1,928	1,952	1,928	2,001	2,098	2,013	1,830	1,659
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	36,249	38,914	34,703	34,977	35,807	36,654	38,157	39,265	40,107	41,311	41,983
Surplus (deficit) of operating funding (A - B)	7,187	5,481	6,889	7,768	9,458	10,731	11,164	11,904	12,646	13,427	14,708
Sources of capital funding											
Subsidies and grants for capital expenditure	1,905	2,352	2,534	2,365	2,475	2,536	2,599	2,668	2,739	2,811	2,892
Development and financial contributions	1,090	1,266	1,294	1,321	1,346	1,373	1,407	1,441	1,477	1,494	1,524
Increase (decrease) in debt	3,468	5,760	4,859	3,573	2,615	1,465	5,183	1,948	(1,319)	(2,130)	(814)
Gross proceed from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	6,463	9,378	8,687	7,259	6,436	5,374	9,189	6,058	2,896	2,174	3,602
Applications of capital funding											
Capital expenditure											
- to meet additional demand	2,455	1,161	935	966	1,404	1,424	1,136	1,049	1,404	1,103	1,133
- to improve the level of service	5,926	5,185	7,839	6,202	7,422	7,320	12,219	9,297	6,171	6,938	7,704
- to replace existing assets	5,934	7,699	5,905	5,162	4,774	5,118	5,545	6,141	5,755	6,017	7,397
Increase (decrease) in reserves	(665)	815	897	2,697	2,294	2,244	1,454	1,474	2,212	1,543	2,076
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	13,650	14,859	15,576	15,027	15,894	16,105	20,353	17,961	15,542	15,602	18,310
Surplus (deficit) of capital funding (C - D)	(7,187)	(5,481)	(6,889)	(7,768)	(9,458)	(10,731)	(11,164)	(11,903)	(12,646)	(13,427)	(14,708)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Reconciliation between Financial Summary and Funding Impact Statement (further information to the prescribed statement)											
Total Comprehensive Income	7,506	15,010	896	7,009	20,785	4,060	11,133	25,674	5,304	14,953	31,130
Add depreciation	7,911	9,362	9,821	9,990	10,254	10,581	10,692	11,042	11,557	11,568	11,857
Less gains on asset revaluation	(5,235)	(15,273)	0	(5,545)	(17,760)	0	(6,655)	(20,703)	0	(8,789)	(23,864)
Less gains on forestry revaluation	0	0	0	0	0	0	0	0	0	0	0
Less development and financial contributions	(1,090)	(1,266)	(1,294)	(1,321)	(1,346)	(1,373)	(1,407)	(1,441)	(1,477)	(1,494)	(1,524)
Less subsidies and grants for capital expenditure	(1,905)	(2,352)	(2,534)	(2,365)	(2,475)	(2,536)	(2,599)	(2,668)	(2,739)	(2,811)	(2,892)
	0	0	0	0	0	0	0	0	0	0	0
Surplus (deficit) of operating funding	7,187	5,481	6,889	7,768	9,458	10,731	11,164	11,904	12,646	13,427	14,708

Hurunui District Council: Funding impact statement for period 2018-2028 for Water Supplies

	Annual Plan 2017/2018 (\$000)	Year 1 2018/2019 (\$000)	Year 2 2019/2020 (\$000)	Year 3 2020/2021 (\$000)	Year 4 2021/2022 (\$000)	Year 5 2022/2023 (\$000)	Year 6 2023/2024 (\$000)	Year 7 2024/2025 (\$000)	Year 8 2025/2026 (\$000)	Year 9 2026/2027 (\$000)	Year 10 2027/2028 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	5,814	6,043	6,339	6,638	6,942	7,249	7,560	7,875	8,151	8,452	8,780
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	125	376	928	167	171	175	179	183	187	192	197
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	5,939	6,419	7,266	6,805	7,112	7,424	7,738	8,057	8,338	8,644	8,977
Applications of operating funding											
Payments to staff and suppliers	3,590	3,594	4,345	3,631	3,731	3,820	3,967	4,216	4,289	4,453	4,571
Finance costs	570	515	594	687	719	761	943	1,222	1,448	1,574	1,640
Internal charges and overhead applied	1,040	1,191	1,215	1,245	1,264	1,292	1,330	1,353	1,385	1,428	1,456
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	5,200	5,300	6,155	5,563	5,714	5,873	6,239	6,791	7,121	7,455	7,668
Surplus (deficit) of operating funding (A - B)	739	1,119	1,111	1,243	1,398	1,550	1,499	1,267	1,217	1,189	1,309
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	356	373	382	390	398	408	418	428	439	450	462
Increase (decrease) in debt	1,068	1,355	1,568	543	717	3,091	4,755	3,836	2,154	1,121	2,474
Gross proceed from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	1,424	1,728	1,950	932	1,115	3,498	5,173	4,264	2,593	1,571	2,936
Applications of capital funding											
Capital expenditure											
- to meet additional demand	361	302	308	315	322	329	337	346	354	363	373
- to improve the level of service	698	1,315	1,614	1,125	2,016	4,539	5,673	4,997	2,760	2,199	3,139
- to replace existing assets	1,104	1,231	1,139	735	175	179	662	188	695	198	733
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	2,163	2,848	3,061	2,175	2,513	5,048	6,672	5,531	3,810	2,760	4,246
Surplus (deficit) of capital funding (C - D)	(739)	(1,119)	(1,111)	(1,242)	(1,398)	(1,550)	(1,499)	(1,267)	(1,217)	(1,189)	(1,309)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Reconciliation between Financial Summary and Funding Impact Statement (further information to the prescribed statement)											
Operating Surplus/(Deficit) as per Financial Summary for											
Water	(475)	(141)	(177)	(79)	(32)	109	(27)	(514)	(652)	(714)	(760)
Add depreciation	1,570	1,634	1,670	1,711	1,829	1,849	1,944	2,209	2,308	2,352	2,531
Less development and financial contributions	(356)	(373)	(382)	(390)	(398)	(408)	(418)	(428)	(439)	(450)	(462)
Less subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Less increase in reserves	0	0	0	0	0	0	0	0	0	0	0
Surplus (deficit) of operating funding	739	1,119	1,111	1,243	1,398	1,550	1,499	1,267	1,217	1,189	1,309

Hurunui District Council: Funding impact statement for period 2018-2028 for Sewerage

	Annual Plan 2017/2018 (\$000)	Year 1 2018/2019 (\$000)	Year 2 2019/2020 (\$000)	Year 3 2020/2021 (\$000)	Year 4 2021/2022 (\$000)	Year 5 2022/2023 (\$000)	Year 6 2023/2024 (\$000)	Year 7 2024/2025 (\$000)	Year 8 2025/2026 (\$000)	Year 9 2026/2027 (\$000)	Year 10 2027/2028 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	1,716	1,826	1,848	1,850	1,868	1,934	1,947	2,172	2,333	2,341	2,557
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	1,716	1,826	1,848	1,850	1,868	1,934	1,947	2,172	2,334	2,342	2,557
Applications of operating funding											
Payments to staff and suppliers	782	516	527	543	560	578	597	617	638	661	685
Finance costs	414	511	514	495	462	488	476	581	672	652	737
Internal charges and overhead applied	154	176	180	185	187	191	197	200	205	212	216
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	1,350	1,203	1,221	1,222	1,209	1,258	1,270	1,399	1,515	1,525	1,638
Surplus (deficit) of operating funding (A - B)	366	623	627	627	659	676	677	774	819	817	919
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	175	234	239	244	250	255	262	268	275	282	289
Increase (decrease) in debt	5,490	56	(330)	(557)	445	(204)	1,789	1,540	(334)	1,443	630
Gross proceed from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	5,665	290	(91)	(312)	695	51	2,051	1,808	(59)	1,725	920
Applications of capital funding											
Capital expenditure											
- to meet additional demand	1,725	132	135	138	141	144	148	151	155	159	163
- to improve the level of service	4,237	547	190	66	989	419	2,427	1,371	370	1,470	163
- to replace existing assets	69	234	211	111	224	164	153	1,060	234	913	1,512
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	6,031	913	536	315	1,354	727	2,728	2,582	760	2,542	1,839
Surplus (deficit) of capital funding (C - D)	(366)	(623)	(627)	(627)	(659)	(676)	(677)	(774)	(819)	(817)	(919)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Reconciliation between Financial Summary and Funding Impact Statement (further information to the prescribed statement)											
Operating Surplus/(Deficit) as per Financial Summary for											
Sewer	(73)	234	239	244	250	255	262	268	275	282	289
Add depreciation	614	623	627	627	659	676	677	774	819	817	919
Less development and financial contributions	(175)	(234)	(239)	(244)	(250)	(255)	(262)	(268)	(275)	(282)	(289)
Less subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Less increase in reserves	0	0	0	0	0	0	0	0	0	0	0
Surplus (deficit) of operating funding	366	623	627	627	659	676	677	774	819	817	919

Hurunui District Council: Funding impact statement for period 2018-2028 for Stormwater and Drainage

	Annual Plan 2017/2018 (\$000)	Year 1 2018/2019 (\$000)	Year 2 2019/2020 (\$000)	Year 3 2020/2021 (\$000)	Year 4 2021/2022 (\$000)	Year 5 2022/2023 (\$000)	Year 6 2023/2024 (\$000)	Year 7 2024/2025 (\$000)	Year 8 2025/2026 (\$000)	Year 9 2026/2027 (\$000)	Year 10 2027/2028 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	32	0	0	0	0	0	0	0	0	0	0
Targeted rates	424	540	602	705	751	842	975	1,063	1,198	1,377	1,532
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	456	540	602	705	751	842	975	1,063	1,198	1,377	1,532
Applications of operating funding											
Payments to staff and suppliers	198	235	247	354	273	287	397	319	335	448	375
Finance costs	140	139	139	142	154	150	140	135	116	92	63
Internal charges and overhead applied	13	15	16	16	16	17	17	17	18	18	19
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	351	389	402	512	443	454	554	471	469	559	457
Surplus (deficit) of operating funding (A - B)	105	151	200	193	308	388	420	591	729	818	1,075
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	115	152	155	159	162	166	170	174	178	183	188
Increase (decrease) in debt	333	2	30	224	(61)	(180)	(79)	(322)	(417)	(484)	(809)
Gross proceed from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	448	154	185	383	101	(14)	91	(148)	(238)	(301)	(621)
Applications of capital funding											
Capital expenditure											
- to meet additional demand	101	132	135	138	141	144	148	151	155	159	163
- to improve the level of service	184	173	250	439	268	229	363	292	336	358	291
- to replace existing assets	268	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	553	305	385	576	409	374	511	444	491	517	454
Surplus (deficit) of capital funding (C - D)	(105)	(151)	(200)	(193)	(308)	(388)	(420)	(591)	(729)	(818)	(1,075)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Reconciliation between Financial Summary and Funding Impact Statement (further information to the prescribed statement)											
Operating Surplus/(Deficit) as per Financial Summary for Stormwater and Drainage	117	186	235	228	301	410	443	602	740	828	1,071
Add depreciation	103	117	120	124	169	144	148	163	168	173	191
Less development and financial contributions	(115)	(152)	(155)	(159)	(162)	(166)	(170)	(174)	(178)	(183)	(188)
Less subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Less increase in reserves	0	0	0	0	0	0	0	0	0	0	0
Surplus (deficit) of operating funding	105	151	200	193	308	388	420	591	729	818	1,075

Hurunui District Council: Funding impact statement for period 2018-2028 for Roading and Footpaths

	Annual Plan 2017/2018 (\$000)	Year 1 2018/2019 (\$000)	Year 2 2019/2020 (\$000)	Year 3 2020/2021 (\$000)	Year 4 2021/2022 (\$000)	Year 5 2022/2023 (\$000)	Year 6 2023/2024 (\$000)	Year 7 2024/2025 (\$000)	Year 8 2025/2026 (\$000)	Year 9 2026/2027 (\$000)	Year 10 2027/2028 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	3,739	4,761	3,950	3,660	4,293	4,968	5,353	5,753	6,286	6,676	7,188
Targeted rates	170	0	0	0	34	25	0	0	0	0	0
Subsidies and grants for operating purposes	1,818	2,183	2,126	2,132	2,194	2,245	2,299	2,355	2,414	2,478	2,544
Fees and charges	2	196	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	11	7	4	3	1	1	1	1	1	1
Local authorities fuel tax, fines, infringement fees, and other receipts	157	150	153	156	160	164	167	171	176	180	185
Total operating funding (A)	5,886	7,301	6,237	5,952	6,684	7,403	7,820	8,280	8,877	9,335	9,918
Applications of operating funding											
Payments to staff and suppliers	3,156	3,632	3,522	3,518	3,643	3,729	3,818	3,913	4,013	4,119	4,232
Finance costs	19	10	80	78	74	69	63	56	47	35	19
Internal charges and overhead applied	613	643	648	654	667	682	700	715	733	753	772
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	3,788	4,285	4,250	4,249	4,384	4,480	4,580	4,684	4,792	4,907	5,023
Surplus (deficit) of operating funding (A - B)	2,098	3,017	1,987	1,702	2,300	2,923	3,240	3,596	4,085	4,428	4,896
Sources of capital funding											
Subsidies and grants for capital expenditure	1,905	2,352	2,534	2,365	2,475	2,536	2,599	2,668	2,739	2,811	2,892
Development and financial contributions	252	330	337	345	352	360	369	378	387	398	408
Increase (decrease) in debt	61	922	506	557	137	(405)	(766)	(1,060)	(1,443)	(1,658)	(2,152)
Gross proceed from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	2,218	3,604	3,378	3,267	2,964	2,492	2,202	1,986	1,684	1,551	1,149
Applications of capital funding											
Capital expenditure											
- to meet additional demand	257	335	348	355	363	371	380	390	399	410	421
- to improve the level of service	536	1,205	1,462	1,228	1,370	1,372	1,355	1,391	1,428	1,565	1,507
- to replace existing assets	3,523	5,080	3,555	3,387	3,531	3,671	3,707	3,802	3,941	4,004	4,116
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	4,316	6,621	5,364	4,970	5,264	5,414	5,442	5,582	5,768	5,979	6,044
Surplus (deficit) of capital funding (C - D)	(2,098)	(3,017)	(1,987)	(1,702)	(2,300)	(2,923)	(3,240)	(3,596)	(4,085)	(4,428)	(4,896)
Funding balance ((A - B) + (C - D))	0	0	0	(0)	0	0	0	0	0	0	0
Reconciliation between Financial Summary and Funding Impact Statement (further information to the prescribed statement)											
Operating Surplus/(Deficit) as per Financial Summary for											
Roading and Footpaths	321	603	(570)	(1,014)	(291)	53	449	890	1,052	1,486	2,048
Add depreciation	3,934	5,096	5,428	5,427	5,418	5,766	5,759	5,753	6,159	6,151	6,147
Less development and financial contributions	(252)	(330)	(337)	(345)	(352)	(360)	(369)	(378)	(387)	(398)	(408)
Less subsidies and grants for capital expenditure	(1,905)	(2,352)	(2,534)	(2,365)	(2,475)	(2,536)	(2,599)	(2,668)	(2,739)	(2,811)	(2,892)
Less increase in reserves	0	0	0	0	0	0	0	0	0	0	0
Surplus (deficit) of operating funding	2,098	3,017	1,987	1,702	2,300	2,923	3,240	3,596	4,085	4,428	4,896

Hurunui District Council: Funding impact statement for period 2018-2028 for Public Services

	Annual Plan 2017/2018 (\$000)	Year 1 2018/2019 (\$000)	Year 2 2019/2020 (\$000)	Year 3 2020/2021 (\$000)	Year 4 2021/2022 (\$000)	Year 5 2022/2023 (\$000)	Year 6 2023/2024 (\$000)	Year 7 2024/2025 (\$000)	Year 8 2025/2026 (\$000)	Year 9 2026/2027 (\$000)	Year 10 2027/2028 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	1,575	1,543	1,580	1,611	1,651	1,666	1,714	1,761	1,803	1,850	1,896
Targeted rates	2,206	1,998	2,605	2,675	2,749	2,827	3,209	3,293	3,322	3,369	3,411
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	1,692	2,157	2,056	2,015	2,069	2,135	2,281	2,275	2,326	2,435	2,477
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	5,473	5,698	6,241	6,301	6,469	6,629	7,204	7,328	7,451	7,654	7,784
Applications of operating funding											
Payments to staff and suppliers	6,096	6,540	6,728	6,852	7,013	7,051	7,521	7,738	7,891	8,073	8,289
Finance costs	217	187	173	225	198	186	174	144	100	68	24
Internal charges and overhead applied	1,382	1,586	1,618	1,658	1,682	1,719	1,768	1,797	1,840	1,897	1,933
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	7,695	8,312	8,520	8,734	8,893	8,955	9,464	9,679	9,831	10,038	10,246
Surplus (deficit) of operating funding (A - B)	(2,222)	(2,614)	(2,278)	(2,433)	(2,425)	(2,326)	(2,260)	(2,350)	(2,380)	(2,384)	(2,462)
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	192	177	181	184	183	184	188	192	198	181	176
Increase (decrease) in debt	(372)	292	966	(455)	(196)	(285)	(756)	(922)	(621)	(1,031)	(1,007)
Gross proceed from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	(180)	469	1,147	(271)	(12)	(102)	(567)	(730)	(423)	(849)	(831)
Applications of capital funding											
Capital expenditure											
- to meet additional demand	11	260	10	21	438	435	123	11	341	12	12
- to improve the level of service	113	242	1,547	98	21	24	73	11	23	12	25
- to replace existing assets	149	230	199	127	129	184	121	124	116	113	137
Increase (decrease) in reserves	(2,675)	(2,877)	(2,888)	(2,951)	(3,025)	(3,071)	(3,145)	(3,228)	(3,283)	(3,370)	(3,467)
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	(2,402)	(2,145)	(1,132)	(2,704)	(2,437)	(2,428)	(2,828)	(3,080)	(2,803)	(3,233)	(3,293)
Surplus (deficit) of capital funding (C - D)	2,222	2,614	2,278	2,433	2,425	2,326	2,260	2,350	2,380	2,384	2,462
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Reconciliation between Financial Summary and Funding Impact Statement (further information to the prescribed statement)											
Operating Surplus/(Deficit) as per Financial Summary for											
Public Services	(2,529)	(2,920)	(2,584)	(2,766)	(2,781)	(2,682)	(2,616)	(2,702)	(2,726)	(2,756)	(2,840)
Add depreciation	499	483	486	516	540	540	544	544	544	553	553
Less development and financial contributions	(192)	(177)	(181)	(184)	(183)	(184)	(188)	(192)	(198)	(181)	(176)
Less subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Less increase in reserves	0	0	0	0	0	0	0	0	0	0	0
Surplus (deficit) of operating funding	(2,222)	(2,614)	(2,278)	(2,433)	(2,425)	(2,326)	(2,260)	(2,350)	(2,380)	(2,384)	(2,462)

Hurunui District Council: Funding impact statement for period 2018-2028 for Regulatory

	<u>Annual Plan</u> <u>2017/2018</u> (\$000)	<u>Year 1</u> <u>2018/2019</u> (\$000)	<u>Year 2</u> <u>2019/2020</u> (\$000)	<u>Year 3</u> <u>2020/2021</u> (\$000)	<u>Year 4</u> <u>2021/2022</u> (\$000)	<u>Year 5</u> <u>2022/2023</u> (\$000)	<u>Year 6</u> <u>2023/2024</u> (\$000)	<u>Year 7</u> <u>2024/2025</u> (\$000)	<u>Year 8</u> <u>2025/2026</u> (\$000)	<u>Year 9</u> <u>2026/2027</u> (\$000)	<u>Year 10</u> <u>2027/2028</u> (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	1,349	974	1,371	1,559	1,556	1,585	1,621	1,642	1,681	1,794	1,768
Targeted rates	39	44	45	45	46	48	49	50	51	52	54
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	1,593	2,266	1,785	1,658	1,695	1,739	1,784	1,839	1,884	1,932	1,983
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	2,981	3,284	3,200	3,263	3,298	3,371	3,453	3,530	3,616	3,778	3,805
Applications of operating funding											
Payments to staff and suppliers	2,292	2,541	2,400	2,474	2,467	2,553	2,580	2,675	2,707	2,875	2,850
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overhead applied	674	774	790	809	821	839	863	877	898	926	943
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	2,966	3,314	3,190	3,283	3,288	3,392	3,443	3,552	3,605	3,800	3,793
Surplus (deficit) of operating funding (A - B)	15	(30)	10	(19)	10	(20)	10	(21)	11	(22)	11
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceed from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	0	0	0	0	0	0	0	0	0	0	0
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	26	0	0	0	0	0	0	(0)	0	0	0
Increase (decrease) in reserves	(11)	(30)	10	(19)	10	(20)	10	(21)	11	(22)	11
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	15	(30)	10	(19)	10	(20)	10	(22)	11	(22)	11
Surplus (deficit) of capital funding (C - D)	(15)	30	(10)	19	(10)	20	(10)	22	(11)	22	(11)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Reconciliation between Financial Summary and Funding Impact Statement (further information to the prescribed statement)											
Operating Surplus/(Deficit) as per Financial Summary for											
Community Services and Facilities	(11)	(31)	9	(20)	9	(21)	9	(22)	10	(23)	10
Add depreciation	26	1	1	1	1	1	1	1	1	1	1
Less development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Less subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Less increase in reserves	0	0	0	0	0	0	0	0	0	0	0
Surplus (deficit) of operating funding	15	(30)	10	(19)	10	(20)	10	(21)	11	(22)	11

Hurunui District Council: Funding impact statement for period 2018-2028 for Hanmer Springs Thermal Pools and Spa

	<u>Annual Plan</u> <u>2017/2018</u> (\$000)	<u>Year 1</u> <u>2018/2019</u> (\$000)	<u>Year 2</u> <u>2019/2020</u> (\$000)	<u>Year 3</u> <u>2020/2021</u> (\$000)	<u>Year 4</u> <u>2021/2022</u> (\$000)	<u>Year 5</u> <u>2022/2023</u> (\$000)	<u>Year 6</u> <u>2023/2024</u> (\$000)	<u>Year 7</u> <u>2024/2025</u> (\$000)	<u>Year 8</u> <u>2025/2026</u> (\$000)	<u>Year 9</u> <u>2026/2027</u> (\$000)	<u>Year 10</u> <u>2027/2028</u> (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	0	590	1,190	1,931	2,074	2,102	1,512	1,476	1,311	1,165	1,002
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	12,510	12,854	13,460	14,350	15,463	16,096	16,871	17,664	18,108	18,852	19,589
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	12,510	13,444	14,650	16,281	17,537	18,198	18,383	19,140	19,419	20,018	20,591
Applications of operating funding											
Payments to staff and suppliers	8,584	9,051	9,354	9,725	10,187	10,563	10,908	11,279	11,624	11,998	12,406
Finance costs	912	699	697	758	823	800	630	574	420	258	79
Internal charges and overhead applied	162	186	190	194	197	202	207	211	216	223	227
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	9,658	9,936	10,241	10,677	11,207	11,565	11,745	12,064	12,259	12,479	12,712
Surplus (deficit) of operating funding (A - B)	2,852	3,508	4,409	5,604	6,330	6,633	6,638	7,076	7,159	7,539	7,879
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	490	1,800	3,015	3,603	2,967	1,092	2,684	1,605	1,526	1,567	2,785
Gross proceed from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	490	1,800	3,015	3,603	2,967	1,092	2,684	1,605	1,526	1,567	2,785
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	1,600	2,709	3,133	2,669	655	2,237	1,146	1,174	1,205	2,475
- to replace existing assets	490	200	307	470	299	437	447	459	352	362	309
Increase (decrease) in reserves	2,852	3,508	4,409	5,604	6,330	6,633	6,638	7,076	7,159	7,539	7,879
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	3,342	5,308	7,424	9,207	9,297	7,725	9,322	8,681	8,686	9,106	10,664
Surplus (deficit) of capital funding (C - D)	(2,852)	(3,508)	(4,409)	(5,604)	(6,330)	(6,633)	(6,638)	(7,076)	(7,159)	(7,539)	(7,879)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Reconciliation between Financial Summary and Funding Impact Statement (further information to the prescribed statement)											
Operating Surplus/(Deficit) as per Financial Summary for Hanmer Springs Thermal Pools and Spa	1,952	2,652	3,480	4,588	5,266	5,611	5,611	6,080	6,211	6,640	6,997
Add depreciation	900	856	929	1,016	1,064	1,022	1,027	996	949	899	882
Less development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Less subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Less increase in reserves	0	0	0	0	0	0	0	0	0	0	0
Surplus (deficit) of operating funding	2,852	3,508	4,409	5,604	6,330	6,633	6,638	7,076	7,159	7,539	7,879

Hurunui District Council: Funding impact statement for period 2018-2028 for Governance and Corporate Services

	<u>Annual Plan</u> <u>2017/2018</u> (\$000)	<u>Year 1</u> <u>2018/2019</u> (\$000)	<u>Year 2</u> <u>2019/2020</u> (\$000)	<u>Year 3</u> <u>2020/2021</u> (\$000)	<u>Year 4</u> <u>2021/2022</u> (\$000)	<u>Year 5</u> <u>2022/2023</u> (\$000)	<u>Year 6</u> <u>2023/2024</u> (\$000)	<u>Year 7</u> <u>2024/2025</u> (\$000)	<u>Year 8</u> <u>2025/2026</u> (\$000)	<u>Year 9</u> <u>2026/2027</u> (\$000)	<u>Year 10</u> <u>2027/2028</u> (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	520	350	422	440	378	395	591	366	267	315	228
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	594	670	684	699	714	730	747	765	784	804	825
Internal charges and overheads recovered	4,565	5,174	5,273	5,391	5,475	5,596	5,754	5,855	5,995	6,180	6,302
Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	5,679	6,194	6,378	6,529	6,568	6,721	7,092	6,986	7,046	7,298	7,355
Applications of operating funding											
Payments to staff and suppliers	7,159	7,222	7,580	7,881	7,933	8,072	8,369	8,509	8,611	8,685	8,576
Finance costs	(2,271)	(2,185)	(2,377)	(2,550)	(2,581)	(2,589)	(2,542)	(2,807)	(2,876)	(2,730)	(2,588)
Internal charges and overhead applied	526	604	616	631	640	654	673	684	700	722	736
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	5,414	5,641	5,819	5,962	5,993	6,138	6,500	6,386	6,435	6,678	6,724
Surplus (deficit) of operating funding (A - B)	265	553	560	567	575	583	592	601	610	620	631
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(632)	488	(632)	(59)	(1,091)	(1,319)	(2,097)	(2,357)	(1,791)	(2,667)	(2,286)
Gross proceed from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	(632)	488	(632)	(59)	(1,091)	(1,319)	(2,097)	(2,357)	(1,791)	(2,667)	(2,286)
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	158	103	68	113	88	80	91	89	79	129	103
- to replace existing assets	306	723	494	332	416	482	454	508	416	428	589
Increase (decrease) in reserves	(831)	215	(634)	63	(1,021)	(1,298)	(2,050)	(2,353)	(1,675)	(2,603)	(2,347)
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	(367)	1,041	(72)	508	(516)	(735)	(1,505)	(1,756)	(1,180)	(2,046)	(1,655)
Surplus (deficit) of capital funding (C - D)	(265)	(553)	(560)	(567)	(575)	(583)	(592)	(601)	(610)	(620)	(631)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0

Reconciliation between Financial Summary and Funding Impact Statement (further information to the prescribed statement)

Operating Surplus/(Deficit) as per Financial Summary for Governance and Corporate Services	0	0	0	0	0	0	0	0	0	0	0
Add depreciation	265	553	560	567	575	583	592	601	610	620	631
Less development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Less subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Less increase in reserves	0	0	0	0	0	0	0	0	0	0	0
Surplus (deficit) of operating funding	265	553	560	567	575	583	592	601	610	620	631

Hurunui District Council: Funding impact statement for period 2018-2028 for Earthquake Recovery

	Annual Plan 2017/2018 (\$000)	Year 1 2018/2019 (\$000)	Year 2 2019/2020 (\$000)	Year 3 2020/2021 (\$000)	Year 4 2021/2022 (\$000)	Year 5 2022/2023 (\$000)	Year 6 2023/2024 (\$000)	Year 7 2024/2025 (\$000)	Year 8 2025/2026 (\$000)	Year 9 2026/2027 (\$000)	Year 10 2027/2028 (\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	0	447	451	454	457	460	464	467	470	473	477
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	3,691	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	4,427	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	3,671	0	0	0	0	0	0	0	0	0	0
Total operating funding (A)	7,362	4,874	451	454	457	460	464	467	470	473	477
Applications of operating funding											
Payments to staff and suppliers	4,394	5,583	0	0	0	0	0	0	0	0	0
Finance costs	0	136	186	170	154	136	117	96	75	51	26
Internal charges and overhead applied	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding (B)	4,394	5,719	186	170	154	136	117	96	75	51	26
Surplus (deficit) of operating funding (A - B)	2,968	(845)	265	284	304	325	347	371	396	422	450
Sources of capital funding											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(2,968)	845	(265)	(284)	(304)	(325)	(347)	(371)	(396)	(422)	(450)
Gross proceed from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding (C)	(2,968)	845	(265)	(284)	(304)	(325)	(347)	(371)	(396)	(422)	(450)
Applications of capital funding											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) of investments	0	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding (D)	0	0	0	0	0	0	0	0	0	0	0
Surplus (deficit) of capital funding (C - D)	(2,968)	845	(265)	(284)	(304)	(325)	(347)	(371)	(396)	(422)	(450)
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0
Reconciliation between Financial Summary and Funding Impact Statement (further information to the prescribed statement)											
Operating Surplus/(Deficit) as per Financial Summary for											
Water	2,968	(845)	265	284	304	325	347	371	396	422	450
Add depreciation	0	0	0	0	0	0	0	0	0	0	0
Less development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Less subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Less increase in reserves	0	0	0	0	0	0	0	0	0	0	0
Surplus (deficit) of operating funding	2,968	(845)	265	284	304	325	347	371	396	422	450

Rates system

Breakdown of Rates

	<u>Annual Plan</u> <u>2017/2018</u>	<u>Year 1</u> <u>2018/2019</u>	<u>Year 2</u> <u>2019/2020</u>	<u>Year 3</u> <u>2020/2021</u>	<u>Year 4</u> <u>2021/2022</u>	<u>Year 5</u> <u>2022/2023</u>	<u>Year 6</u> <u>2023/2024</u>	<u>Year 7</u> <u>2024/2025</u>	<u>Year 8</u> <u>2025/2026</u>	<u>Year 9</u> <u>2026/2027</u>	<u>Year 10</u> <u>2027/2028</u>
District Wide Rates											
General Rates & UACG	761,316	1,010,523	1,839,225	2,729,748	2,887,343	2,929,744	2,384,765	2,337,675	2,168,235	2,044,313	1,897,394
Canterbury Museum Rates	125,290	94,881	98,780	102,873	111,471	104,015	115,457	127,003	130,559	134,449	138,725
Roading	3,233,503	3,426,288	3,153,510	2,798,627	3,431,954	4,053,843	4,492,339	4,725,882	5,097,772	5,408,578	5,841,818
Governance	1,081,613	1,097,434	1,148,896	1,218,825	1,168,569	1,220,672	1,311,380	1,248,025	1,297,415	1,385,901	1,332,316
Planning	1,092,143	1,016,224	1,202,188	1,240,808	1,233,121	1,255,163	1,280,911	1,296,975	1,328,358	1,429,722	1,397,401
Waste Management	865,234	824,233	840,863	858,134	875,373	883,341	903,300	923,187	944,834	968,837	992,444
District Footpath Maintenance Rate	0	160,606	180,923	203,809	229,591	258,635	291,352	328,208	369,726	416,496	469,183
District Wide Earthquake Prone Buildings Rate	0	200,000	200,000	200,000	200,000	200,000	200,000	500,000	500,000	500,000	500,000
Earthquake Recovery	0	447,466	450,687	453,932	457,155	460,401	463,624	466,869	470,091	473,334	476,553
Total District Wide Rates	7,159,099	8,277,654	9,115,071	9,806,756	10,594,578	11,365,814	11,743,127	11,953,825	12,306,990	12,761,631	13,045,834
Raw Increase (\$)		1,118,555	837,418	691,684	787,823	771,235	377,314	210,697	353,165	454,641	284,203
Raw Increase (%)		15.62%	10.12%	7.59%	8.03%	7.28%	3.32%	1.79%	2.95%	3.69%	2.23%
Targeted Rates											
Refuse Collection	337,048	341,269	343,726	346,201	348,659	351,134	353,592	356,067	358,524	360,998	363,453
Swimming Pool Inspection	39,020	43,593	44,518	45,481	46,488	47,539	48,628	49,801	51,022	52,321	53,707
Stormwater & Drainage	424,184	540,286	601,710	704,853	750,827	841,806	974,593	1,062,570	1,197,823	1,377,059	1,532,137
Tourism	223,508	232,449	241,747	251,417	261,473	271,932	282,809	294,122	305,887	318,122	330,847
Medical Centres	253,756	253,756	253,756	253,756	253,756	253,756	253,756	253,756	193,756	148,756	93,756
Amberley Special Projects	37,483	48,712	48,712	48,712	14,809	11,229	11,229	11,229	11,229	11,229	11,229
Amberley Pools Fund Rate	137,633	195,063	197,192	199,375	201,603	203,890	206,216	208,647	211,128	213,709	216,385
Amenities	1,264,294	1,315,074	1,368,000	1,423,167	1,483,333	1,546,254	1,612,063	1,680,906	1,752,930	1,828,296	1,907,169
Roadside Construction	177,638	0	0	0	33,903	25,118	0	0	0	0	0
Sewerage	1,715,919	1,825,561	1,847,733	1,849,525	1,868,046	1,933,515	1,946,995	2,172,026	2,333,474	2,341,491	2,556,766
Water	5,814,070	6,042,774	6,338,633	6,638,482	6,941,766	7,249,092	7,559,808	7,874,603	8,151,147	8,451,945	8,779,726
Total Targeted Rates	10,424,353	10,838,537	11,285,727	11,760,969	12,204,663	12,735,265	13,249,691	13,963,728	14,566,921	15,103,926	15,845,176
Raw Increase (\$)		416,296	447,190	475,241	443,694	530,601	514,426	714,037	603,193	537,006	741,250
Raw Increase (%)		3.99%	4.13%	4.21%	3.77%	4.35%	4.04%	5.39%	4.32%	3.69%	4.91%
TOTAL RATE REQUIREMENT	17,583,652	19,116,191	20,400,799	21,567,725	22,799,242	24,101,078	24,992,818	25,917,553	26,873,910	27,865,558	28,891,010
Raw Increase (\$)		1,534,851	1,284,608	1,166,926	1,231,517	1,301,837	891,740	924,734	956,358	991,647	1,025,453
Raw Increase (%)		8.73%	6.72%	5.72%	5.71%	5.71%	3.70%	3.70%	3.69%	3.69%	3.68%
Growth Adjustment (%)		0.73%	0.72%	0.72%	0.71%	0.71%	0.70%	0.70%	0.69%	0.69%	0.68%
Growth Adjusted Increase (%)		8.00%	6.00%	5.00%	5.00%	5.00%	3.00%	3.00%	3.00%	3.00%	3.00%

Definitions used

All references to District are to the Hurunui District.

Serviceable means that the relevant service is available to the relevant rating unit or separately used or inhabited part of a rating unit and, specifically:

- in the context of water supply rates that the rating unit or separately used or inhabited part of a rating unit is within 100 metres of the relevant water infrastructure; and
- in the context of sewerage rates that the rating unit or separately used or inhabited part of a rating unit is within 30 metres of the a public sewerage drain.

A separately used or inhabited part of a rating unit includes any portion inhabited or used by the owner, or a per-son other than the owner who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement.

This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner.

For the purpose of this definition, vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as 'used'.

For avoidance of doubt, a rating unit that has a single use or occupation is treated as having one separately used or inhabited part.

Examples of multiple separately used or inhabited parts of a rating unit include:

- A rating unit that contains more than one dwelling.
- A motel complex that has a dwelling attached.
- A retail complex that has more than one shop.

District Wide Rates -

General Rate & Uniform Annual General Charge

A portion of the general rate requirement will be collected by way of a general rate which will be set under section 13 of the Local Government (Rating) Act 2002 for all rateable land within the District at a uniform rate in the dollar based on the capital value of the land. No differential has been included for the collection of the general rate.

The remainder of the general rate requirement will collected by way of a uniform annual general charge which will be set under section 15 of the Local Government (Rating) Act 2002 and be applied as a fixed amount on each separately used or inhabited part of a rating unit in the District.

The portion of the rate collected by way of uniform annual general charge varies from year to year to ensure that Council continues to comply with section 21 of the Local Government (Rating) Act 2002, which sets a maximum level of uniform annual general charge and certain targeted rates set on a uniform basis of 30% of the total rates revenue.

The General Rate requirement is used to fund (or is offset by surpluses recorded from), the following activities:

- District Promotion and Advocacy, Grants, Pensioner Housing, Residential and Other Property, Litter Bin Collection and Civil Defence (all part of the Public Services Group of Activities)
- Subdivision Inspections, Health Inspection, Liquor Licensing, Ranging & Impounding and Building Control (all part of the Regulatory Group of Activities)
- Depots (part of Governance & Corporate Services group of activities)

In setting the General Rate, the budgeted figure required was offset by the budgeted level of rate penalties received, external dividends and approximately 17.5% of the surplus recorded by the Council's treasury function after allowance for Library funding was made.

Governance

A portion (50%) of the Governance Rate requirement will be collected by way of a general rate which will be set under section 13 of the Local Government (Rating) Act 2002 and for all rateable land within the District at a uniform rate in the dollar based on the capital value of the land. No differential will has been included for the collection of the general rate.

The remainder (50%) of the governance rate requirement will be collected by way of a uniform annual general charge which will be set under section 15 of the Local Government (Rating) Act 2002 and be applied as a fixed amount on each separately used or inhabited part of a rating unit in the district.

The governance rate and uniform annual general charge fund the following activity (part of Governance & Corporate Services group of activities):

- Governance

In setting the governance rate and uniform general charge, the budgeted figure required was offset by the budgeted level of rate penalties received, external dividends and approximately 7.5% of the surplus recorded by the Council's treasury function after allowance for Library funding was made.

Roading

The Roothing rate requirement will be collected by way of a general rate which will be set under section 13 of the Local Government (Rating) Act 2002, and be applied for

all rateable land within the District at a uniform rate in the dollar based on the capital value of the land.

The Roothing Rate funds the following activities (all part of the Roads and Footpaths group of activities):

- Subsidised Roothing
- Special Purpose Roothing
- Unsubsidised Roothing
- Road Safety Programme

In setting the Roothing Rate, the budgeted figure required was offset by the budgeted level of rate penalties received, external dividends and approximately 75% of the surplus recorded by the Council's treasury function after allowance for Library funding was made.

Resource Management - Planning

The Planning rate requirement will be collected by way of a general rate which will be set under section 13 of the Local Government (Rating) Act 2002 and be applied for all rateable land within the District at a uniform rate in the dollar based on the capital value of the land.

The Planning Rate funds the following activities (all part of the Regulatory Services group of activities):

- Resource Management Act Implementation
- Resource Management Act Regulatory
- Resource Management Act Policy Development

Waste Management

The Waste Management rate requirement will be collected by way of a uniform annual general charge which will be set under section 15 of the Local Government (Rating) Act 2002 and be applied as a fixed amount on each separately used or inhabited part of a rating unit in the District.

The Waste Management Rate funds the following activities (part of Public Services group of activities):

- Recycling Centres
- Transfer Stations

Canterbury Museum

The Canterbury Museum rate requirement (both Operational and Capital) will be collected by way of a uniform annual general charge which will be set under section 15 of the Local Government (Rating) Act 2002 and be applied as a fixed amount on each separately used or inhabited part of a rating unit in the District.

The Canterbury Museum Rate funds the following activity (part of Public Services group of activities):

- Canterbury Museum Levy which is imposed on each contributing Local Authority pursuant to the Canterbury Museum Trust Board Act 1993

Earthquake Prone Buildings

The Earthquake Prone Buildings rate requirement will be collected by way of a uniform annual general charge, which will be set under section 15 of the Local Government (Rating) Act 2002 and be applied as a fixed amount on each separately used or inhabited part of a rating unit in the District.

The Earthquake Prone Buildings Rate funds the following activities (part of Public Services group of activities):

- Earthquake Prone Buildings

Earthquake Recovery

The Earthquake Recovery Rate requirement will be collected by way of a uniform annual general charge, which will be set under section 15 of the Local Government (Rating) Act 2002 and be applied as a fixed amount on each separately used or inhabited part of a rating unit in the district.

The Earthquake Recovery Rate funds the Earthquake Recovery groups of activities.

Targeted Rates

Area Amenities Rates

The Area Amenities rates will be collected by way of targeted rates set under section 16 of the Local Government (Rating) Act 2002. A portion of the Area Amenities Rate will be collected by way of a targeted rate per separately used or inhabited part of a rating unit, set differentially based on location as defined on the Rating Maps 16 to 21. The balance of the Area Amenities Rate requirement will be collected by way of a targeted rate applied to all rate-able land, set differentially based on location as defined on Rating Maps 16 to 21, on the capital value of the land.

The Area Amenities Rate requirement will be used to fund the following activities within each Area (part of Public Services group of activities):

- General administration
- cost of Area Committees
- township maintenance
- special projects
- community facilities
- local amenity reserves

District Footpath Maintenance Rates

The District Footpath Maintenance Rates will be collected by way of targeted rates set under section 16 of the Local Government (Rating) Act 2002 and be applied for all rateable land in the district on a fixed charge per separately used or inhabited part of the rating unit. The District Footpath Maintenance Rate will be set on a differential basis based on location and land use (the categories are “urban” and “rural” within the District). Urban properties are all rating units that are within the urban areas as defined on Rating Maps 1 to 13. Rural properties are all rating units that are outside those urban boundaries as defined on the Rating Maps 1 to 13.

The District Footpath Maintenance Rate requirement will be used to fund the following activities (part of Roads and Footpaths group of activities):

- Roadside construction

Water Rates

Water Rates set as Targeted Rates under sections 16 and 19 as follows:

- Fixed charges, set differentially based on location, and charged based on the volume of water supplied to a rating unit. The volume of water is measured in m³, or in units; and
- For Balmoral Rural, a fixed charge, set differentially based on location, and based on the number of units of water reserved for availability to a rating unit, whether or not supplied; and
- A targeted rate, set differentially based on location and on the availability of service (the categories are “connected” and “serviceable”), per separately used or inhabited part of a rating unit which is either connected to the scheme or for which connection is available.

Rating units which are not connected to the Council provided water schemes and are not serviceable will not be liable for Water Rates.

The Water Rate requirement funds the following activities (all part of the Water Supply group of activities):

- District Wide Water
- Miox Treatment
- Drinking Water Standards Compliance
- Amberley Township Water Supply
- Amuri Plains Water Supply
- Ashley Rural Water Supply
- Balmoral Rural Water Supply
- Cheviot Water Supply
- Culverden Township Water Supply
- Hanmer Springs Township Water Supply
- Hawarden-Waikari Township Water Supply

- Hurunui Rural Water Supply
- Leithfield Beach Water Supply
- Waiau Rural Water Supply
- Waiau Township Water Supply
- Waipara Township Water Supply

Sewerage Rates

Sewerage rates will be collected by way of targeted rates set under section 16 of the Local Government (Rating) Act 2002. Sewerage Rates will be collected by way of:

- a targeted rate per separately used or inhabited part of a rating unit which is either connected to the scheme or for which connection is available. This targeted rate will be set on a differential basis based on location and the provision of service (with the categories being “connected” and “serviceable”). A connected property is any rating unit that is connected to a public sewerage drain. A serviceable property is any rating unit that is not connected to a public sewerage drain but is within 30 metres of such a drain.
- a targeted rate set differentially based on location, calculated based on the number of water closets (toilets) or urinals in excess of one per separately used or inhabited part of a rating unit. A residence of not more than one household is deemed to have one water closet.

Rating units which are not connected to the schemes and which are not serviceable will not be liable for this rate.

The Sewerage rates requirement funds the following activities:

- Sewerage group of activities

Local Stormwater/Drainage/Erosion Protection Rates

Stormwater/Drainage/Erosion Protection Rates will be collected by way of targeted rates set under section 16 of the Local Government (Rating) Act 2002. The Stormwater/Drainage/Erosion Protection Rates will be set on a differential basis based on location, and collected by way of:

- a rate on the land value of each rating unit; and
- a fixed charge per hectare of land within a drainage area, or per separately used or inhabited part of a rating unit in each stormwater/drainage/erosion protection area.

The Stormwater and Drainage Rate requirements fund the following activities (all part of the Stormwater & Drainage group of activities):

- Jed River Drainage
- Amberley Stormwater
- Cheviot Township Stormwater
- Motunau Beach Township Stormwater
- Hanmer Springs Stormwater

- Hawarden Township Stormwater
- Waikari Township Stormwater

The Erosion Protection Rate funds the following activity (part of the Stormwater & Drainage group of activities):

- Amberley Beach Erosion Protection Works

District Urban Stormwater Rates

The District Urban Stormwater rates will be collected by way of targeted rates set under section 16 of the Local Government (Rating) Act 2002. The District Urban Stormwater rates will be collected by way of a targeted rate on each separately used or inhabited part of a rating unit within the urban boundaries as defined by the Ratings Maps 1 to 15.

Tourism Rates

A Tourism Rate will be collected by way of a targeted rate set under section 16 of the Local Government (Rating) Act 2002. The rate is set differentially on rating units which are within the following categories of rateable land for the Tourism Rate (Categories A, B, C, D and E).

The Tourism Rate is assessed using the following rules:

- When a rating unit is used for more than one of the above activities it will be charged a targeted rate at the highest rate category applicable to those activities.
- If a rating unit is used for more than one business or activity, and one or more of those businesses or activities is exempt from the Tourism Rate, the ratepayer will be charged the highest rate category applicable to the non-exempt businesses or activities for which the rating unit is used.

Tourism Rate Categories

Definitions of the categories:

Category 'A'

All rating units that are used for:

- long term rentals in Hanmer Springs
- a business holding a winemakers license
- wineries/vineyards with an 'off' license for internet or mail order sales
- small* retail stores
- a business in the Hanmer Springs Area not described within the categories or exemptions listed elsewhere in this policy
- seasonal visitor activities like fishing charters and horse trekking
- Mt Lyford holiday homes rentals
- any District wide visitor business property not captured within Categories B, C, D or exemptions listed elsewhere in this policy.
- businesses not described within the categories or exemptions listed elsewhere in this policy, that have a direct relationship with visitors.

Category 'B'

All rating units that are used for:

- holiday homes (owner/operator)
- service (petrol) stations with limited retail
- small* takeaway shops/tearooms/cafes (including bakeries) outside Hanmer Springs
- hairdressers with a beauty/health treatment service
- wineries/vineyards with an off license to operate a cellar door
- supermarkets outside of the Hanmer Springs that have a liquor license
- accommodation up to 3 bedrooms

Category 'C'

All rating units that are used for:

- accommodation with 4-10 bedrooms
- holiday homes with 4+ bedrooms
- holiday home coordination businesses (1-20 homes available for rent)
- accommodation units that are self-contained and/or serviced (for example motel type units that are on private property but are not B&Bs)
- campgrounds/holiday parks
- a business providing passenger services and operating from Hanmer Springs
- wineries with an 'On' license
- Hanmer Springs Supermarket
- service (petrol) stations with shops
- retail stores
- restaurants, cafés, hotels, taverns, pubs

Category 'D'

All rating units that are used for:

- accommodation with 11- 20 bedrooms
- holiday home coordination businesses (21+ homes available for rent)

Category 'E'

All rating units that are used for:

- accommodation with 21+ bedrooms

Exemptions

The properties which are exempt from the Tourism Rate are shown below, and are all rating units that are used for:

- Medical centres or medical practices (including physiotherapy and chiropractic clinics)
- Sports clubs, incorporated societies, not for profit groups, registered charities, and charitable trusts

- Tree and plant nurseries and similar e.g. landscaping (excluding shops selling flowers, which are included in Band A as a small retail store)
- Hairdressing unless the land is also used to provide another service such as beauty treatments and/or on site retail services
- Service (petrol) stations - fuel card only pumps are automatically exempt. Owners can make application to Hurunui District Council to reduce to Band A based on location, through-put, opening hours, etc.
- Garages that do not sell fuel and who may or may not be used for non-automotive retail services
- Hanmer Springs Thermal Pools (including all businesses on site) because of its current direct contribution to tourism marketing in the District

Notes:

* The determination of small is to be carried out by a Council Subcommittee that has been formed to review the classification of properties after information has been received from affected ratepayers.

The Tourism Rate funds the following activity (part of the Public Services group of activities):

- Tourism

Medical Buildings Rate

The Medical Buildings rate will be collected by way of a targeted rate set under section 16 of the Local Government (Rating) Act 2002. The Medical Buildings rate will be collected on each separately used or inhabited part of a rating unit on a differential basis based on location as defined by the Rating Maps.

The Medical Buildings Rate funds the following activity (part of the Public Services group of activities):

- Medical Buildings

Refuse and Recycling Collection Rates

The Refuse and Recycling Collection Rates will be collected by way of a targeted rate set under section 16 of the Local Government (Rating) Act 2002. The Rate will be assessed on each separately used or inhabited part of a rating unit (other than bare land) which:

- is within Council contracted household and commercial refuse and recycling collection areas; or
- outside such areas, have the benefit of Council provided refuse and recycling collection services.

The rate is set differentially according to the following categories of land:

- Urban properties within the contracted collection areas
- Rural properties that receive the service
- Business properties within the contracted collection areas

- Glass collection for residential properties in the Hanmer Springs collection area
- Rural refuse and recycling collection points must be agreed in advance with Council and be on the existing collection route (at point where the vehicle can stop and turn safely) or one of the Council’s designated drop off points must be used.

The Refuse and Recycling Collection rates funds the following activity (part of the Public Services group of activities):

- Household and business waste collection and disposal

Swimming Pool Inspection Rate

The Swimming Pool Inspection rate will be collected by way of a targeted rate set under section 16 of the Local Government (Rating) Act 2002. The Rate will be assessed as a targeted rate on each separately used or inhabited part of a rating unit on which a swimming pool is located.

The Swimming Pool Inspection rate funds the following activity (part of the Regulatory group of activities):

- Pool Inspection

Amberley Special Projects Rate

An Amberley Special Projects Rate set as a targeted rate under section 16 on each separately used or inhabited part of a rating unit in the Amberley Area (Rating Map 16).

The Amberley Special Projects rate is used to fund the following activity (part of the Rooding and Footpaths group of activities):

- Amberley Special Projects

Amberley Swimming Pool Operational Rate

An Amberley Swimming Pool Operational Rate set as a targeted rate under section 16 on each separately used or inhabited part of a rating unit in the Amberley Area (Rating Map 16).

The Amberley Swimming Pool Operational rate is used to fund the following activity (part of the Public Services group of activities):

- Amberley Swimming Pool Operational Fund

Amberley Swimming Pool Construction Rate

An Amberley Swimming Pools Construction rate set as a targeted rate under section 16 on each separately used or inhabited part of a rating unit in the Amberley Area (Rating Map 16).

The Amberley Swimming Pool Construction Rate is used to fund the following activity (part of the Public Services group of activities):

- Amberley Swimming Pool Construction Fund

Leithfield Beach Tennis Courts Rate

A Leithfield Beach Tennis Courts rate set as a targeted rate under section 16 on each separately used or inhabited part of a rating unit in the Leithfield Beach Township (Rating Map 8) and Leithfield Township (Rating Map 9).

The Leithfield Beach Tennis Courts rate is used to fund the following activity (part of the Public Services group of activities):

- Leithfield Beach Tennis Courts Fund

Differential Assessment and Categories

Where Council assesses rates on a differential basis they are limited to the list of categories of rateable land specified in Schedule 2 of the Local Government (Rating) Act 2002. Council is required to state the category or categories of rateable land used for setting the rate differentially. Where applicable, the category or categories of rateable land used for setting the rate differentially has been described for each of the rates set out above. A further explanation of some of the categories of rateable land used for setting the rate differentially is set out below.

Note that, subject to the rights of objection to the rating information database set out in section 29 of the Local Government (Rating) Act 2002, the Council determines the applicable category in respect of any given rateable land in the District.

Differential Assessment Based on Land Use

Council will use this category of rateable land for:

- Partially in respect of the Tourism Rate

The differential categories in respect of the Tourism Rate are set out above in the description of that rate.

Properties which have more than one use (or where there is doubt as to the relevant primary use) will be placed in a category with the highest rate factor.

Differential Assessment Based on Location

Council will use this category of rateable land for:

- Area Amenities Rates
- District Footpath Maintenance Rates
- Water Rates
- Sewerage Rates
- Stormwater/Drainage/Erosion Protection Rates
- District Urban Stormwater Rate
- Partially in respect of the Tourism Rate
- Medical Buildings Rates
- Refuse and Recycling Collection Rates

The following categories will apply:

- Amberley Area – all rating units situated within the Amberley Area (as per Rating Map 16);
- Amuri Area – all rating units situated within the Amuri Area (as per Rating Map 17);
- Cheviot Area – all rating units situated within the Cheviot Area (as per Rating Map 18);
- Glenmark Area – all rating units situated within the Glenmark Area (as per Rating Map 19);
- Hanmer Springs Area – all rating units situated within the Hanmer Springs Area (as per Rating Map 20);
- Hurunui Area – all rating units situated within the Hurunui Area (as per Rating Map 21).

Where a rating unit is situated in more than one Rating Area, Council will assign the rating unit to a Rating Area based on whichever part of the rating unit has the greatest land area.

Additional categories of rateable land in respect of Water Rates, Sewerage Rates, Refuse and Recycling Collection Rates, and Stormwater/Drainage/Erosion Protection Rates are defined on plans held at the Council Office.

Availability of Service

The differential categories for the Water Rate are:

- Connected – any rating unit that is connected to a Council operated waterworks
- Serviceable – any rating unit that is not connected to a Council operated waterworks but is within 100 metres of such waterworks

The differential categories for the Sewerage Rate are:

- Connected – any rating unit that is connected to a public sewerage drain
- Serviceable – any rating unit that is not connected to a public sewerage drain but is within 30 metres of such a drain

Metered Water

For On-Demand Water Supplies, Council has water meters to record water usage. The water meters are read annually between March and April each year. The readings are applied to the rates for the following year, included in the rates assessment, and collected as part of the four instalments of rates.

Due Date for Payment of Rates

All rates will be payable in four instalments on due dates as follows:

Instalment number	Due Date	Penalty Date
One	20 August 2018	21 August 2018
Two	20 November 2018	21 November 2018
Three	20 February 2019	21 February 2019
Four	20 May 2019	21 May 2019

Penalties

Pursuant to sections 57 and 58 of the Local Government (Rating) Act 2002, the Council has prescribed the following penalties to be added to rates unpaid by the due date:

- A penalty of 10 per cent of the amount of any instalment or part thereof that has been assessed after 1 July 2018 and which is unpaid after the due date.
- A penalty of 10 per cent on any unpaid rates and penalties to unpaid rates levied before 30 June 2018 which remain unpaid on 1 July 2018.
- A penalty of 10 per cent on any rate to which a penalty has been added under the second bullet above if the rates remain unpaid on 1 January 2019.

Rating examples for sample properties

On the following pages are examples of the effect on rates of the rating proposals for a range of sample properties is provided.

Rating base information

Section 15A of Schedule 10 of the Local Government Act 2002 requires Councils to disclose information about the rating base. A long-term plan must state, for each year covered by the plan, the projected number of rating units within the district or region of the local authority at the end of the preceding financial year. The rating base information projected as at 30 June 2018 is as follows:

Year	Date	Number of Rating Units
2017/2018 (Annual Plan)	30 June 2017	8,229
2018/2019 (Year 1)	30 June 2018	8,289
2019/2020 (Year 2)	30 June 2019	8,349
2020/2021 (Year 3)	30 June 2020	8,409
2021/2022 (Year 4)	30 June 2021	8,469
2022/2023 (Year 5)	30 June 2022	8,529
2023/2024 (Year 6)	30 June 2023	8,588
2024/2025 (Year 7)	30 June 2024	8,649
2025/2026 (Year 8)	30 June 2025	8,708
2026/2027 (Year 9)	30 June 2026	8,768
2027/2028 (Year 10)	30 June 2027	8,828

Rates for 2018/19 - 2020/21

District Wide Rates

Rate Type	Actual Rates for 2017/2018 (GST incl)	Rates for 2018/2019 (GST incl)	Rates for 2019/2020 (GST incl)	Rates for 2020/2021 (GST incl)
General Rate and UAGC				
Rate per \$ of Capital Value	\$0.00000835	\$0.00006716	\$0.00017343	\$0.00030378
Total Expected Rates (Excl GST)	\$48,968	\$398,102	\$1,035,420	\$1,826,757
Fixed Charge per separately used or inhabited part of a rating unit	\$100.00	\$84.97	\$110.72	\$123.49
Total Expected Rates (Excl GST)	\$712,348	\$612,421	\$803,805	\$902,991
Governance Rate				
Rate per \$ of Capital Value	\$0.00009220	\$0.00009257	\$0.00009622	\$0.00010134
Total Expected Rates (Excl GST)	\$540,806	\$548,717	\$574,448	\$609,412
Fixed Charge per separately used or inhabited part of a rating unit	\$75.91	\$76.14	\$79.14	\$83.35
Total Expected Rates (Excl GST)	\$540,806	\$548,717	\$574,448	\$609,412
Roading Rate				
Rate per \$ of Capital Value	\$0.00055128	\$0.00057802	\$0.00052820	\$0.00046540
Total Expected Rates (Excl GST)	\$3,233,503	\$3,426,288	\$3,153,510	\$2,798,627
Planning Rate				
Rate per \$ of Capital Value	\$0.00018620	\$0.00017144	\$0.00020136	\$0.00020634
Total Expected Rates (Excl GST)	\$1,092,143	\$1,016,224	\$1,202,188	\$1,240,808
Waste Management Rate				
Fixed Charge per separately used or inhabited part of a rating unit	\$121.69	\$114.60	\$116.08	\$117.62
Total Expected Rates (Excl GST)	\$865,234	\$824,233	\$840,863	\$858,134
Canterbury Museum Rate				
Fixed Charge per separately used or inhabited part of a rating unit - Operational Rate	\$10.57	\$10.83	\$11.29	\$11.77
Fixed Charge per separately used or inhabited part of a rating unit - Capital Rate	\$7.04	\$2.35	\$2.33	\$2.31
Total Expected Rates (Excl GST)	\$125,290	\$94,881	\$98,780	\$102,873
Earthquake Prone Buildings Rate				
Fixed Charge per separately used or inhabited part of a rating unit	\$0.00	\$27.75	\$27.55	\$27.35
Total Expected Rates (Excl GST)	\$0	\$200,000	\$200,000	\$200,000
Earthquake Recovery Rate				
Fixed Charge per separately used or inhabited part of a rating unit	\$0.00	\$62.08	\$62.08	\$62.08
Total Expected Rates (Excl GST)	\$0	\$447,466	\$450,687	\$453,932

Targeted Rates - Amenities Rates

Rate Type	Actual Rates for 2017/2018 (GST incl)	Rates for 2018/2019 (GST incl)	Rates for 2019/2020 (GST incl)	Rates for 2020/2021 (GST incl)
Amberley Ward Amenities Rates				
Rate per \$ of Capital Value	\$0.00004098	\$0.00004168	\$0.00004262	\$0.00004359
Total Expected Rates (Excl GST)	\$49,825	\$51,320	\$52,860	\$54,445
Fixed Charge per separately used or inhabited part of a rating unit	\$202.27	\$206.18	\$210.85	\$215.62
Total Expected Rates (Excl GST)	\$448,427	\$461,880	\$475,736	\$490,008
Amuri Ward Amenities Rates				
Rate per \$ of Capital Value	\$0.00000844	\$0.00000878	\$0.00000915	\$0.00000954
Total Expected Rates (Excl GST)	\$13,680	\$14,364	\$15,082	\$15,836
Fixed Charge per separately used or inhabited part of a rating unit	\$111.40	\$114.77	\$119.64	\$124.73
Total Expected Rates (Excl GST)	\$123,118	\$129,274	\$135,738	\$142,525
Cheviot Ward Amenities Rates				
Rate per \$ of Capital Value	\$0.00001014	\$0.00001044	\$0.00001077	\$0.00001113
Total Expected Rates (Excl GST)	\$7,739	\$8,049	\$8,371	\$8,705
Fixed Charge per separately used or inhabited part of a rating unit	\$82.41	\$84.82	\$87.58	\$90.43
Total Expected Rates (Excl GST)	\$69,652	\$72,438	\$75,335	\$78,349
Glenmark Ward Amenities Rates				
Rate per \$ of Capital Value	\$0.00000000	\$0.00000000	\$0.00000000	\$0.00000000
Total Expected Rates (Excl GST)	\$0	\$0	\$0	\$0
Fixed Charge per separately used or inhabited part of a rating unit	\$114.65	\$118.22	\$122.07	\$126.05
Total Expected Rates (Excl GST)	\$80,403	\$83,619	\$86,964	\$90,442
Hanmer Springs Ward Amenities Rates				
Rate per \$ of Capital Value	\$0.00005505	\$0.00005713	\$0.00005956	\$0.00006209
Total Expected Rates (Excl GST)	\$41,202	\$43,263	\$45,426	\$47,697
Fixed Charge per separately used or inhabited part of a rating unit	\$242.44	\$251.85	\$262.56	\$273.71
Total Expected Rates (Excl GST)	\$370,822	\$389,363	\$408,831	\$429,272
Hurunui Ward Amenities Rates				
Rate per \$ of Capital Value	\$0.00000836	\$0.00000858	\$0.00000881	\$0.00000906
Total Expected Rates (Excl GST)	\$5,943	\$6,151	\$6,366	\$6,589
Fixed Charge per separately used or inhabited part of a rating unit	\$74.87	\$76.65	\$78.76	\$80.94
Total Expected Rates (Excl GST)	\$53,483	\$55,355	\$57,293	\$59,298
Amberley Ward Roadside Construction Rates				
Urban Rate per \$ of Capital Value	\$0.00009034	\$0.00000000	\$0.00000000	\$0.00000000
Rural Rate per \$ of Capital Value	\$0.00001710	\$0.00000000	\$0.00000000	\$0.00000000
Total Expected Rates (Excl GST)	\$59,126	\$0	\$0	\$0
Amuri Ward Roadside Construction Rates				
Urban Rate per \$ of Capital Value	\$0.00031319	\$0.00000000	\$0.00000000	\$0.00000000
Rural Rate per \$ of Capital Value	\$0.00000452	\$0.00000000	\$0.00000000	\$0.00000000
Total Expected Rates (Excl GST)	\$34,643	\$0	\$0	\$0
Cheviot Ward Roadside Construction Rates				
Urban Rate per \$ of Capital Value	\$0.00025499	\$0.00000000	\$0.00000000	\$0.00000000
Rural Rate per \$ of Capital Value	\$0.00000896	\$0.00000000	\$0.00000000	\$0.00000000
Total Expected Rates (Excl GST)	\$29,961	\$0	\$0	\$0

Waipara Township Roadside Construction				
Fixed Charge per separately used or inhabited part of a rating unit	\$59.41	\$0.00	\$0.00	\$0.00
Total Expected Rates (Excl GST)	\$7,181	\$0	\$0	\$0
Hanmer Springs Ward Roadside Construction Rates				
Urban Rate per \$ of Capital Value	\$0.00004249	\$0.00000000	\$0.00000000	\$0.00000000
Rural Rate per \$ of Capital Value	\$0.00001160	\$0.00000000	\$0.00000000	\$0.00000000
Total Expected Rates (Excl GST)	\$25,129	\$0	\$0	\$0
Hurunui Ward Roadside Construction Rates				
Urban Rate per \$ of Capital Value	\$0.00031951	\$0.00000000	\$0.00000000	\$0.00000000
Rural Rate per \$ of Capital Value	\$0.00000657	\$0.00000000	\$0.00000000	\$0.00000000
Total Expected Rates (Excl GST)	\$21,598	\$0	\$0	\$0
District Footpath Maintenance Rate				
Urban Fixed Charge per separately used or inhabited part of a rating unit	\$0.00	\$39.80	\$44.51	\$49.78
Rural Fixed Charge per separately used or inhabited part of a rating unit	\$0.00	\$8.07	\$9.03	\$10.10
Total Expected Rates (Excl GST)	\$0	\$160,606	\$180,923	\$203,809

Targeted Rates - Water Rates

Rate Type	Actual Rates for 2017/2018 (GST incl)	Rates for 2018/2019 (GST incl)	Rates for 2019/2020 (GST incl)	Rates for 2020/2021 (GST incl)
District Wide Water - Urban (On Demand Supplies)				
Fixed Charge per connected separately used or inhabited part of a rating unit	\$228.16	\$239.74	\$251.32	\$262.90
Fixed Charge per serviceable separately used or inhabited part of a rating unit	\$114.08	\$119.87	\$125.66	\$131.45
Fixed Charge per m3 supplied	\$0.89038000	\$0.93557100	\$0.98076100	\$1.02595100
Total Expected Rates (Excl GST)	\$1,479,971	\$1,501,911	\$1,585,793	\$1,670,805
District Wide Water - Rural (Restricted Supplies)				
Hanmer Springs - Fixed Charge per Rural unit provided (1,800 litres per day)	\$747.69	\$782.23	\$816.78	\$851.32
Medbury Line - Fixed Charge per Rural unit provided (1,800 litres per day)	\$606.61	\$661.31	\$716.01	\$770.70
Waipara - Fixed Charge per Rural unit provided (1,800 litres per day)	\$657.25	\$704.71	\$752.18	\$799.64
Ashley - Fixed Charge per Rural unit provided (1,800 litres per day)	\$725.25	\$763.00	\$800.75	\$838.49
Amuri Plains - Fixed Charge per Rural unit provided (1,000 litres per day)	\$318.92	\$351.89	\$384.86	\$417.83
Waiau - Fixed Charge per Rural unit provided (1,800 litres per day)	\$821.26	\$845.29	\$869.33	\$893.36
Cheviot - Fixed Charge per Rural unit provided (1,800 litres per day)	\$803.65	\$830.20	\$856.75	\$883.30
Hurunui - Fixed Charge per Rural unit provided (1,800 litres per day)	\$850.37	\$870.24	\$890.12	\$909.99
Total Expected Rates (Excl GST)	\$4,238,186	\$4,441,556	\$4,649,861	\$4,860,890
Balmoral Rural				
Fixed Charge per unit provided (1,000 litres per day)	\$130.00	\$133.90	\$137.92	\$142.05
Fixed Charge for availability	\$30.00	\$30.90	\$31.83	\$32.78
Total Expected Rates (Excl GST)	\$95,913	\$99,307	\$102,979	\$106,788

Targeted Rates - Sewerage Rates

Rate Type	Actual Rates for 2017/2018 (GST incl)	Rates for 2018/2019 (GST incl)	Rates for 2019/2020 (GST incl)	Rates for 2020/2021 (GST incl)
District Wide Sewer				
Fixed Charge per connected separately used or inhabited part of a rating unit	\$508.42	\$531.98	\$534.60	\$531.29
Fixed Charge for second Water Closet or Urinal	\$254.21	\$265.99	\$267.30	\$265.64
Fixed Charge for additional Water Closets or Urinals	\$127.11	\$133.00	\$133.65	\$132.82
Fixed Charge per serviceable separately used or inhabited part of a rating unit	\$254.21	\$265.99	\$267.30	\$265.64
Total Expected Rates (Excl GST)	\$1,715,919	\$1,825,561	\$1,847,733	\$1,849,525

Targeted Rates - Stormwater/Drainage/Land Protection Rates

Rate Type	Actual Rates for 2017/2018 (GST incl)	Rates for 2018/2019 (GST incl)	Rates for 2019/2020 (GST incl)	Rates for 2020/2021 (GST incl)
Jed River Drainage				
Rate per \$ of Land Value	\$0.00003273	\$0.00003250	\$0.00003227	\$0.00003203
Total Expected Rates (Excl GST)	\$524	\$524	\$524	\$524
Class A - Fixed Charge per hectare	\$10.34	\$10.27	\$10.19	\$10.12
Class B - Fixed Charge per hectare	\$7.55	\$7.49	\$7.44	\$7.39
Class C - Fixed Charge per hectare	\$4.15	\$4.12	\$4.09	\$4.06
Total Expected Rates (Excl GST)	\$286	\$286	\$286	\$286
District Urban Stormwater				
Fixed Charge per separately used or inhabited part of a rating unit	\$0.00	\$19.56	\$20.37	\$31.42
Total Expected Rates (Excl GST)	\$0	\$63,136	\$66,237	\$102,912
Amberley Stormwater				
Fixed Charge per separately used or inhabited part of a rating unit	\$123.49	\$136.86	\$151.51	\$167.72
Total Expected Rates (Excl GST)	\$271,736	\$302,986	\$337,829	\$376,679
Hanmer Springs Stormwater				
Fixed Charge per separately used or inhabited part of a rating unit	\$63.80	\$75.79	\$90.30	\$107.58
Total Expected Rates (Excl GST)	\$80,134	\$96,161	\$115,393	\$138,471
Amberley Beach Erosion Protection				
Fixed Charge per rating unit	\$175.00	\$220.00	\$223.06	\$226.26
Total Expected Rates (Excl GST)	\$18,900	\$21,043	\$21,490	\$21,955
Cheviot Township Stormwater				
Fixed Charge per separately used or inhabited part of a rating unit	\$65.63	\$68.55	\$71.29	\$74.14
Total Expected Rates (Excl GST)	\$12,954	\$13,569	\$14,214	\$14,889
Motunau Beach Village Stormwater				
Fixed Charge per separately used or inhabited part of a rating unit	\$75.97	\$79.76	\$83.14	\$86.68
Total Expected Rates (Excl GST)	\$9,381	\$9,850	\$10,343	\$10,860
Hawarden Township Stormwater				
Fixed Charge per separately used or inhabited part of a rating unit	\$158.31	\$168.95	\$180.32	\$192.46
Total Expected Rates (Excl GST)	\$17,483	\$18,794	\$20,204	\$21,719
Waikari Township Stormwater				
Fixed Charge per separately used or inhabited part of a rating unit	\$88.05	\$95.28	\$103.11	\$111.58
Total Expected Rates (Excl GST)	\$12,786	\$13,937	\$15,191	\$16,558

Targeted Rates - Tourism Rates

Rate Type	Actual Rates for 2017/2018 (GST incl)	Rates for 2018/2019 (GST incl)	Rates for 2019/2020 (GST incl)	Rates for 2020/2021 (GST incl)
Fixed Charge per property				
Band A (as defined in the Funding Impact Statement)	\$151.86	\$157.93	\$164.25	\$170.82
Band B (as defined in the Funding Impact Statement)	\$281.22	\$292.46	\$304.16	\$316.33
Band C (as defined in the Funding Impact Statement)	\$449.95	\$467.94	\$486.66	\$506.13
Band D (as defined in the Funding Impact Statement)	\$1,012.38	\$1,052.87	\$1,094.99	\$1,138.79
Band E (as defined in the Funding Impact Statement)	\$1,237.35	\$1,286.84	\$1,338.32	\$1,391.85
Total Expected Rates (Excl GST)	\$223,508	\$232,449	\$241,747	\$251,417

Targeted Rates - Medical Centre Rates

Rate Type	Actual Rates for 2017/2018 (GST incl)	Rates for 2018/2019 (GST incl)	Rates for 2019/2020 (GST incl)	Rates for 2020/2021 (GST incl)
Amuri Ward Medical Centre				
Fixed Charge per separately used or inhabited part of a rating unit	\$101.30	\$101.30	\$101.30	\$101.30
Total Expected Rates (Excl GST)	\$105,000	\$105,000	\$105,000	\$105,000
Cheviot Ward Medical Centre				
Fixed Charge per separately used or inhabited part of a rating unit	\$60.00	\$60.00	\$60.00	\$60.00
Total Expected Rates (Excl GST)	\$49,466	\$49,466	\$49,466	\$49,466
Hanmer Springs Ward Medical Centre				
Fixed Charge per separately used or inhabited part of a rating unit	\$19.91	\$19.91	\$19.91	\$19.91
Total Expected Rates (Excl GST)	\$28,651	\$28,651	\$28,651	\$28,651
Hanmer Springs Ward Medical House				
Fixed Charge per separately used or inhabited part of a rating unit	\$32.66	\$32.66	\$32.66	\$32.66
Total Expected Rates (Excl GST)	\$55,000	\$55,000	\$55,000	\$55,000
Hurunui Ward Medical Centre				
Fixed Charge per separately used or inhabited part of a rating unit	\$22.00	\$22.00	\$22.00	\$22.00
Total Expected Rates (Excl GST)	\$15,639	\$15,639	\$15,639	\$15,639

Targeted Rates - Other Targeted Rates

Rate Type	Actual Rates for 2017/2018 (GST incl)	Rates for 2018/2019 (GST incl)	Rates for 2019/2020 (GST incl)	Rates for 2020/2021 (GST incl)
Refuse Collection Rates				
Fixed Charge per separately used or inhabited part of a rating unit within the contracted collection area (Urban Residential)	\$90.00	\$90.00	\$90.00	\$90.00
Fixed Charge per Rural property that receive the service	\$90.00	\$90.00	\$90.00	\$90.00
Fixed Charge per separately used or inhabited part of a rating unit within the contracted collection area (Urban Business)	\$90.00	\$90.00	\$90.00	\$90.00
Fixed Charge per separately used or inhabited part of a rating unit within the contracted Hanmer Springs Residential collection area for Glass Collection	\$20.00	\$20.00	\$20.00	\$20.00
Total Expected Rates (Excl GST)	\$337,048	\$341,269	\$343,726	\$346,201
Amberley Ward Special Projects Rate				
Fixed Charge per separately used or inhabited part of a rating unit	\$16.82	\$16.81	\$16.69	\$16.57
Total Expected Rates (Excl GST)	\$37,483	\$37,483	\$37,483	\$37,483
Leithfield Beach Tennis Courts Rate				
Fixed Charge per separately used or inhabited part of a rating unit	\$0.00	\$31.12	\$31.12	\$31.12
Total Expected Rates (Excl GST)	\$0	\$11,229	\$11,229	\$11,229
Amberley Swimming Pool Capital Rate				
Fixed Charge per separately used or inhabited part of a rating unit	\$64.00	\$64.00	\$64.00	\$64.00
Total Expected Rates (Excl GST)	\$137,633	\$143,313	\$144,345	\$145,385
Amberley Swimming Pool Operational Rate				
Fixed Charge per separately used or inhabited part of a rating unit	\$0.00	\$23.11	\$23.43	\$23.77
Total Expected Rates (Excl GST)	\$0	\$51,750	\$52,847	\$53,991
Swimming Pool Inspection Rates				
Fixed Charge per separately used or inhabited part of a rating unit	\$124.99	\$138.25	\$140.17	\$142.18
Total Expected Rates (Excl GST)	\$39,020	\$43,593	\$44,518	\$45,481

Sample properties with rating examples

Amberley Ward - Sample Properties

Property	Capital Value	No of Fixed Charges	Water		Connected to Sewer	Tourism Rate	Refuse Collection	Actual Rates 2017/2018
			Supply	Unit/Points				
Amberley Township Dwelling	305,000	1	Amberley	296	Yes	No	Yes	\$2,107.57
Amberley Township Dwelling	345,000	1	Amberley	296	Yes	No	Yes	\$2,146.34
Amberley Township Dwelling	400,000	1	Amberley	296	Yes	No	Yes	\$2,199.66
Amberley Township Dwelling	465,000	1	Amberley	296	Yes	No	Yes	\$2,262.66
Amberley Township Dwelling	670,000	1	Amberley	296	Yes	No	Yes	\$2,461.38
Amberley Township Section	122,000	1	Amberley	0	Yes	No	No	\$1,208.34
Amberley Township Section	143,000	1	Amberley	0	Yes	No	No	\$1,228.69
Amberley Beach Township Dwelling	235,000	1	Ashley Rural	0.5	Yes	No	Yes	\$2,085.63
Amberley Beach Township Dwelling	275,000	1	Ashley Rural	0.5	Yes	No	Yes	\$2,124.40
Amberley Beach Township Section	77,000	1	Ashley Rural	0.5	Yes	No	No	\$1,588.26
Leithfield Township Dwelling	375,000	1	Ashley Rural	0.5	Yes	No	Yes	\$2,046.34
Leithfield Township Dwelling	490,000	1	Ashley Rural	0.5	Yes	No	Yes	\$2,157.81
Leithfield Township Dwelling	580,000	1	Ashley Rural	1	Yes	No	Yes	\$2,607.67
Leithfield Township Section	110,000	1	Ashley Rural	0.5	Yes	No	No	\$1,445.25
Leithfield Beach Dwelling	240,000	1	Leithfield Beach	No Meter	Yes	No	Yes	\$1,781.01
Leithfield Beach Dwelling	255,000	1	Leithfield Beach	No Meter	Yes	No	Yes	\$1,795.55
Leithfield Beach Dwelling	340,000	1	Leithfield Beach	No Meter	Yes	No	Yes	\$1,877.94
Leithfield Beach Section	130,000	1	Leithfield Beach	No Meter	Yes	No	No	\$1,216.09
Amberley Rural Property	445,000	1	Ashley Rural	1	No	No	No	\$1,845.80
Amberley Rural Property	560,000	1	Ashley Rural	1	No	No	No	\$1,948.86
Amberley Rural Property	650,000	1	Ashley Rural	1	No	No	No	\$2,029.50
Amberley Rural Property	770,000	1	Ashley Rural	1	No	No	No	\$2,137.04
Amberley Rural Property	970,000	1	Ashley Rural	2	No	No	No	\$3,041.51
Amberley Rural Section	132,000	1	Ashley Rural	1	No	No	No	\$1,565.32
Amberley Rural Property	235,000	1	n/a	n/a	No	No	No	\$932.37
Amberley Rural Property	320,000	1	n/a	n/a	No	No	No	\$1,008.54
Amberley Rural Property	510,000	1	n/a	n/a	No	No	No	\$1,178.80
Amberley Rural Property	620,000	1	n/a	n/a	No	No	No	\$1,277.37
Amberley Rural Property	895,000	1	n/a	n/a	No	No	No	\$1,523.80
Amberley Rural Section	110,000	1	n/a	n/a	No	No	No	\$820.36

Rates 2018/2019	Increase \$	Increase %
\$2,313.69	\$206.12	9.78%
\$2,351.72	\$205.38	9.57%
\$2,404.02	\$204.36	9.29%
\$2,465.82	\$203.16	8.98%
\$2,660.75	\$199.37	8.10%
\$1,386.89	\$178.55	14.78%
\$1,406.86	\$178.16	14.50%
\$2,331.96	\$246.33	11.81%
\$2,369.99	\$245.59	11.56%
\$1,825.73	\$237.47	14.95%
\$2,276.19	\$229.86	11.23%
\$2,385.54	\$227.73	10.55%
\$2,852.62	\$244.95	9.39%
\$1,668.22	\$222.97	15.43%
\$2,006.07	\$225.06	12.64%
\$2,020.33	\$224.78	12.52%
\$2,101.15	\$223.21	11.89%
\$1,425.61	\$209.52	17.23%
\$2,039.43	\$193.63	10.49%
\$2,148.78	\$199.92	10.26%
\$2,234.36	\$204.85	10.09%
\$2,348.46	\$211.42	9.89%
\$3,301.63	\$260.13	8.55%
\$1,741.81	\$176.49	11.27%
\$1,076.75	\$144.38	15.49%
\$1,157.57	\$149.03	14.78%
\$1,338.24	\$159.44	13.53%
\$1,442.83	\$165.46	12.95%
\$1,704.32	\$180.52	11.85%
\$957.89	\$137.53	16.77%

Rates 2019/2020	Increase \$	Increase %
\$2,424.52	\$110.83	4.79%
\$2,466.19	\$114.47	4.87%
\$2,523.49	\$119.47	4.97%
\$2,591.21	\$125.39	5.08%
\$2,804.78	\$144.03	5.41%
\$1,460.60	\$73.71	5.32%
\$1,482.48	\$75.62	5.38%
\$2,433.40	\$101.44	4.35%
\$2,475.07	\$105.08	4.43%
\$1,911.49	\$85.76	4.70%
\$2,387.31	\$111.12	4.88%
\$2,507.12	\$121.58	5.10%
\$3,001.26	\$148.64	5.21%
\$1,753.93	\$85.71	5.14%
\$2,097.61	\$91.54	4.56%
\$2,113.24	\$92.91	4.60%
\$2,201.79	\$100.64	4.79%
\$1,500.05	\$74.44	5.22%
\$2,169.42	\$129.99	6.37%
\$2,289.23	\$140.45	6.54%
\$2,382.99	\$148.64	6.65%
\$2,508.01	\$159.55	6.79%
\$3,517.13	\$215.49	6.53%
\$1,843.33	\$101.52	5.83%
\$1,149.89	\$73.14	6.79%
\$1,238.44	\$80.87	6.99%
\$1,436.39	\$98.15	7.33%
\$1,550.99	\$108.16	7.50%
\$1,837.49	\$133.17	7.81%
\$1,019.66	\$61.77	6.45%

Rates 2020/2021	Increase \$	Increase %
\$2,526.48	\$101.96	4.21%
\$2,571.29	\$105.10	4.26%
\$2,632.92	\$109.43	4.34%
\$2,705.75	\$114.54	4.42%
\$2,935.44	\$130.66	4.66%
\$1,530.66	\$70.05	4.80%
\$1,554.18	\$71.70	4.84%
\$2,526.96	\$93.56	3.84%
\$2,571.78	\$96.71	3.91%
\$1,994.29	\$82.79	4.33%
\$2,488.69	\$101.38	4.25%
\$2,617.54	\$110.42	4.40%
\$3,137.63	\$136.37	4.54%
\$1,836.12	\$82.19	4.69%
\$2,181.08	\$83.47	3.98%
\$2,197.89	\$84.65	4.01%
\$2,293.13	\$91.33	4.15%
\$1,570.73	\$70.68	4.71%
\$2,294.28	\$124.85	5.76%
\$2,423.13	\$133.90	5.85%
\$2,523.97	\$140.98	5.92%
\$2,658.42	\$150.41	6.00%
\$3,721.01	\$203.88	5.80%
\$1,943.57	\$100.24	5.44%
\$1,220.49	\$70.60	6.14%
\$1,315.73	\$77.28	6.24%
\$1,528.62	\$92.23	6.42%
\$1,651.87	\$100.88	6.50%
\$1,959.99	\$122.50	6.67%
\$1,080.43	\$60.77	5.96%

Glenmark Ward - Sample Properties

Property	Capital Value	No of Fixed Charges	Water		Connected to Sewer	Tourism Rate	Refuse Collection	Actual Rates 2017/2018
			Supply	Unit/Points				
Motunau Beach Dwelling	315,000	1	Hurunui Rural	0.5	Motunau Beach	No	Yes	\$1,793.41
Motunau Beach Dwelling	400,000	1	Hurunui Rural	0.5	Motunau Beach	No	Yes	\$1,864.64
Motunau Beach Dwelling	445,000	1	Hurunui Rural	0.5	Motunau Beach	No	Yes	\$1,902.35
Motunau Beach Section	155,000	1	Hurunui Rural	0.5	Motunau Beach	No	No	\$1,315.11
Greta Valley Dwelling	235,000	1	Hurunui Rural	0.5	Greta Valley	No	Yes	\$1,650.39
Greta Valley Dwelling	295,000	1	Hurunui Rural	0.5	Greta Valley	No	Yes	\$1,700.67
Greta Valley Section	110,000	1	Hurunui Rural	0.5	Greta Valley	No	No	\$1,201.43
Greta Valley Property	980,000	1	Hurunui Rural	4.75	n/a	No	No	\$5,290.37
Omihi Property	745,000	1	Hurunui Rural	1	n/a	Band A	No	\$2,056.40
Omihi Property	460,000	1	n/a	n/a	n/a	No	No	\$815.34
Waipara Township Dwelling	230,000	1	Waipara Town	384	n/a	No	Yes	\$1,342.07
Waipara Township Dwelling	300,000	1	Waipara Town	384	n/a	No	Yes	\$1,400.73
Waipara Township Dwelling	325,000	1	Waipara Town	384	n/a	No	Yes	\$1,421.68
Waipara Township Section	90,000	1	Waipara Town	0	n/a	No	Yes	\$678.76
Glenmark Rural Property	1,350,000	2	Hurunui Rural	7	n/a	No	No	\$7,513.77
Glenmark Rural Property	1,900,000	1	Hurunui Rural	1	n/a	No	No	\$2,872.46
Glenmark Rural Property	3,160,000	1	Hurunui Rural	1.25	n/a	No	No	\$4,140.97
Glenmark Rural Property	111,000	1	n/a	n/a	n/a	No	No	\$522.87
Glenmark Rural Property	345,000	1	n/a	n/a	n/a	No	No	\$718.97
Glenmark Rural Property	770,000	1	n/a	n/a	n/a	No	No	\$1,075.13

Rates 2018/2019	Increase \$	Increase %
\$1,979.54	\$186.13	10.38%
\$2,056.82	\$192.18	10.31%
\$2,097.73	\$195.38	10.27%
\$1,478.08	\$162.96	12.39%
\$1,807.49	\$157.10	9.52%
\$1,862.04	\$161.37	9.49%
\$1,337.85	\$136.42	11.36%
\$5,561.37	\$271.00	5.12%
\$2,210.52	\$154.11	7.49%
\$923.23	\$107.89	13.23%
\$1,434.84	\$92.77	6.91%
\$1,498.48	\$97.75	6.98%
\$1,521.21	\$99.53	7.00%
\$738.43	\$59.66	8.79%
\$7,824.08	\$310.31	4.13%
\$3,102.69	\$230.23	8.01%
\$4,465.82	\$324.86	7.84%
\$605.93	\$83.06	15.88%
\$818.67	\$99.71	13.87%
\$1,205.08	\$129.95	12.09%

Rates 2019/2020	Increase \$	Increase %
\$2,063.69	\$84.15	4.25%
\$2,148.62	\$91.80	4.46%
\$2,193.58	\$95.85	4.57%
\$1,546.52	\$68.44	4.63%
\$1,880.24	\$72.75	4.02%
\$1,940.19	\$78.15	4.20%
\$1,398.04	\$60.19	4.50%
\$5,783.06	\$221.69	3.99%
\$2,339.06	\$128.54	5.82%
\$999.92	\$76.69	8.31%
\$1,523.52	\$88.68	6.18%
\$1,593.46	\$94.98	6.34%
\$1,618.44	\$97.23	6.39%
\$791.36	\$52.93	7.17%
\$8,120.05	\$295.96	3.78%
\$3,328.89	\$226.19	7.29%
\$4,810.41	\$344.58	7.72%
\$651.20	\$45.27	7.47%
\$885.01	\$66.34	8.10%
\$1,309.67	\$104.60	8.68%

Rates 2020/2021	Increase \$	Increase %
\$2,137.41	\$73.72	3.57%
\$2,228.94	\$80.32	3.74%
\$2,277.40	\$83.82	3.82%
\$1,609.47	\$62.95	4.07%
\$1,933.16	\$52.92	2.81%
\$1,997.77	\$57.58	2.97%
\$1,442.91	\$44.87	3.21%
\$5,981.60	\$198.54	3.43%
\$2,447.21	\$108.15	4.62%
\$1,059.49	\$59.57	5.96%
\$1,598.36	\$74.84	4.91%
\$1,673.74	\$80.28	5.04%
\$1,700.66	\$82.22	5.08%
\$832.18	\$40.82	5.16%
\$8,387.84	\$267.79	3.30%
\$3,520.18	\$191.29	5.75%
\$5,104.53	\$294.13	6.11%
\$683.66	\$32.46	4.98%
\$935.65	\$50.64	5.72%
\$1,393.32	\$83.65	6.39%

Hanmer Springs Ward - Sample Properties

Property	Capital Value	No of Fixed Charges	Water		Connected to Sewer	Tourism Rate	Refuse Collection	Actual Rates 2017/2018
			Supply	Unit/Points				
Hanmer Springs Dwelling	345,000	1	Hanmer Springs	269	Hanmer Springs	Band B	Yes	\$2,364.08
Hanmer Springs Dwelling	415,000	1	Hanmer Springs	269	Hanmer Springs	No	Yes	\$2,148.36
Hanmer Springs Dwelling	420,000	1	Hanmer Springs	269	Hanmer Springs	No	Yes	\$2,153.03
Hanmer Springs Dwelling	470,000	1	Hanmer Springs	269	Hanmer Springs	Band B	Yes	\$2,481.03
Hanmer Springs Dwelling	600,000	1	Hanmer Springs	269	Hanmer Springs	Band B	Yes	\$2,602.65
Hanmer Springs Section	160,000	1	Hanmer Springs	0	Hanmer Springs	No	No	\$1,191.99
Hanmer Springs Section	180,000	1	Hanmer Springs	0	Hanmer Springs	No	No	\$1,210.70
Hanmer Springs Unit Title	54,000	1	Hanmer Springs	0	Hanmer Springs	Band B	No	\$1,742.32
Boyle River Dwelling	115,000	1	n/a	n/a	n/a	No	No	\$714.25
Hanmer Springs Lifestyle Block	660,000	1	Hanmer Springs (Rural)	1	n/a	No	No	\$1,954.98
Hanmer Springs Lifestyle Block	885,000	1	Hanmer Springs (Rural)	1	n/a	No	No	\$2,158.53
Hanmer Springs Rural Dwelling	150,000	1	n/a	n/a	n/a	No	No	\$745.91
Hanmer Springs Rural Property	380,000	1	n/a	n/a	n/a	No	No	\$953.98
Hanmer Springs Rural Property	780,000	1	n/a	n/a	n/a	No	No	\$1,315.85

Rates 2018/2019	Increase \$	Increase %
\$2,577.51	\$213.43	9.03%
\$2,352.69	\$204.33	9.51%
\$2,357.52	\$204.49	9.50%
\$2,698.30	\$217.27	8.76%
\$2,823.92	\$221.27	8.50%
\$1,358.75	\$166.76	13.99%
\$1,378.08	\$167.38	13.83%
\$1,934.65	\$192.33	11.04%
\$802.33	\$88.09	12.33%
\$2,111.21	\$156.22	7.99%
\$2,328.63	\$170.09	7.88%
\$836.16	\$90.25	12.10%
\$1,058.41	\$104.42	10.95%
\$1,444.93	\$129.08	9.81%

Rates 2019/2020	Increase \$	Increase %
\$2,708.67	\$131.16	5.09%
\$2,478.62	\$125.93	5.35%
\$2,483.91	\$126.39	5.36%
\$2,841.01	\$142.71	5.29%
\$2,978.65	\$154.73	5.48%
\$1,441.85	\$83.10	6.12%
\$1,463.03	\$84.95	6.16%
\$2,026.74	\$92.10	4.76%
\$855.10	\$52.77	6.58%
\$2,248.90	\$137.70	6.52%
\$2,487.13	\$158.50	6.81%
\$892.16	\$56.00	6.70%
\$1,135.67	\$77.26	7.30%
\$1,559.18	\$114.24	7.91%

Rates 2020/2021	Increase \$	Increase %
\$2,832.49	\$123.83	4.57%
\$2,595.89	\$117.27	4.73%
\$2,601.59	\$117.67	4.74%
\$2,974.86	\$133.85	4.71%
\$3,122.93	\$144.28	4.84%
\$1,522.38	\$80.53	5.59%
\$1,545.16	\$82.13	5.61%
\$2,115.08	\$88.33	4.36%
\$895.34	\$40.24	4.71%
\$2,367.40	\$118.50	5.27%
\$2,623.67	\$136.54	5.49%
\$935.21	\$43.05	4.83%
\$1,197.17	\$61.50	5.42%
\$1,652.76	\$93.58	6.00%

Hurunui Ward - Sample Properties

Property	Capital Value	No of Fixed Charges	Water		Connected to Sewer	Tourism Rate	Refuse Collection	Actual Rates 2017/2018
			Supply	Unit/Points				
Waikari Township Dwelling	205,000	1	Hawarden-Waikari	491	Waikari	No	Yes	\$2,002.89
Waikari Township Dwelling	235,000	1	Hawarden-Waikari	491	Waikari	No	Yes	\$2,037.86
Waikari Township Dwelling	285,000	1	Hawarden-Waikari	491	Waikari	No	Yes	\$2,096.16
Waikari Township Section	66,000	1	Hawarden-Waikari	0	Waikari	No	No	\$1,035.36
Hawarden Township Dwelling	160,000	1	Hawarden-Waikari	491	Hawarden	No	Yes	\$2,020.68
Hawarden Township Dwelling	190,000	1	Hawarden-Waikari	491	Hawarden	No	Yes	\$2,046.08
Hawarden Township Dwelling	240,000	1	Hawarden-Waikari	491	Hawarden	No	Yes	\$2,113.96
Hawarden Township Section	60,000	1	Hawarden-Waikari	0	Hawarden	No	No	\$1,030.28
Hurunui Rural Property	340,000	1	Medbury Line	1.25	n/a	No	No	\$1,460.34
Hurunui Rural Property	660,000	1	Medbury Line	2.5	n/a	No	No	\$2,491.55
Hurunui Rural Property	555,000	1	Hurunui Rural	1.25	n/a	No	No	\$1,948.42
Hurunui Rural Property	1,190,000	1	Hurunui Rural	3	n/a	No	No	\$3,978.20
Hurunui Rural Property	2,570,000	1	Hurunui Rural	4	n/a	No	No	\$6,005.64
Hurunui Rural Property	105,000	1	n/a	n/a	n/a	No	No	\$501.63
Hurunui Rural Property	460,000	1	n/a	n/a	n/a	No	No	\$804.43
Hurunui Rural Property	990,000	1	n/a	n/a	n/a	No	No	\$1,256.50

Rates 2018/2019	Increase \$	Increase %
\$2,141.22	\$138.33	6.91%
\$2,168.75	\$130.89	6.42%
\$2,214.64	\$118.48	5.65%
\$1,168.42	\$133.06	12.85%
\$2,173.59	\$152.91	7.57%
\$2,201.13	\$155.05	7.58%
\$2,247.01	\$133.06	6.29%
\$1,162.92	\$132.63	12.87%
\$1,624.11	\$163.77	11.21%
\$2,744.43	\$252.88	10.15%
\$2,082.59	\$134.16	6.89%
\$4,188.28	\$210.09	5.28%
\$6,325.03	\$319.39	5.32%
\$581.80	\$80.16	15.98%
\$907.60	\$103.17	12.83%
\$1,394.01	\$137.52	10.94%

Rates 2019/2020	Increase \$	Increase %
\$2,242.05	\$100.84	4.71%
\$2,272.29	\$103.54	4.77%
\$2,322.69	\$108.06	4.88%
\$1,227.43	\$59.01	5.05%
\$2,273.91	\$100.31	4.62%
\$2,304.15	\$103.02	4.68%
\$2,354.55	\$107.53	4.79%
\$1,221.38	\$58.46	5.03%
\$1,756.72	\$132.61	8.17%
\$2,974.29	\$229.87	8.38%
\$2,191.08	\$108.49	5.21%
\$4,388.87	\$200.59	4.79%
\$6,670.05	\$345.02	5.45%
\$624.82	\$43.03	7.40%
\$982.67	\$75.06	8.27%
\$1,516.91	\$122.90	8.82%

Rates 2020/2021	Increase \$	Increase %
\$2,334.25	\$92.20	4.11%
\$2,366.83	\$94.54	4.16%
\$2,421.13	\$98.44	4.24%
\$1,282.47	\$55.05	4.48%
\$2,366.27	\$92.36	4.06%
\$2,398.84	\$94.70	4.11%
\$2,453.14	\$98.59	4.19%
\$1,275.96	\$54.58	4.47%
\$1,873.61	\$116.89	6.65%
\$3,184.48	\$210.19	7.07%
\$2,281.20	\$90.12	4.11%
\$4,563.24	\$174.37	3.97%
\$6,971.81	\$301.76	4.52%
\$655.04	\$30.22	4.84%
\$1,040.55	\$57.88	5.89%
\$1,616.09	\$99.18	6.54%

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Significance and Engagement Policy

Introduction

Engagement

Engagement is a process of dialogue between decision-makers, partners, communities and stakeholders for the purpose of making better decisions, policies or programmes. Public input into significant decisions, policies or programmes undertaken by the Council is essential to ensure they reflect the aspirations and priorities of communities, Ngāi Tahu and interested groups throughout the Hurunui District.

Objectives

This Significance and Engagement Policy aims to enable a flexible but focused approach to engagement that:

- recognises the importance of involving Hurunui's communities in Council's work
- provides a range of options and methods for engagement with different groups and communities and for issues, decisions and proposals with different degrees of significance

demonstrates our commitment to building ongoing relationships and greater understanding of community views and preferences.

Local Government Act requirements

Council is required by Section 76AA of the Local Government Act 2002 (the Act) to adopt a Significance and Engagement Policy, which must set out:

- Council's general approach to determining the significance of proposals and decisions in relation to issues, assets and other matters
- any criteria or procedures that are to be used by Council in assessing the extent to which issues, proposals, assets, decisions or activities are significant or may have significant consequences
- how Council will respond to community preferences about engagement on decisions relating to specific issues, assets or other matters, including the form of consultation that may be desirable
- how Council will engage with communities on other matters.

Purpose

The Act specifies the purpose of the Significance and Engagement Policy as:

- to enable Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities
- to provide clarity about how and when communities can expect to be engaged in decisions about different issues, assets or other matters
- to inform Council from the beginning of a decision-making process about:
 - » the extent of any public engagement that is expected before a particular decision is made

- » the form or type of engagement required.

The Significance and Engagement Policy must list the assets considered by Council to be strategic assets.

Interpretation

Section 5 of the Act provides the following definitions:

- significance, in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,—
 - (a) the district or region:
 - (b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter:
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so
- significant, in relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance
- strategic asset, in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community.

General approach to determining significance and making decisions

Determining significance

On every issue requiring a policy or strategy decision, (other than issues which require processes specified under other legislation - see Section 5 below), Council will consider the degree of significance of the issue and the corresponding level of engagement.

The significance of the issue and appropriate forms of engagement will be considered in the earliest possible stages of a proposal or process, before decision-making occurs. If necessary, significance and engagement will be reviewed as the proposal develops and as community views, preferences and values become better known.

Section 76-82 compliance

In making any decision, Council will comply with sections 76 to 82 of the Act, regardless of the degree of significance of the decision or issue. These sections prescribe procedural steps to be followed as may be applicable, and ensure that Council:

- is clear about why it is making the decision and the issues involved
- has considered and evaluated all reasonably practical options for achieving the objective for which the decision is being made

- has information about the community’s views on the issues and the options, and in particular, has an understanding of the views and preferences of those likely to be affected by the decision or those who have a particular interest in the matter
- invests an appropriate amount of time, money and effort into researching and evaluating the issues and options, proportionate with the significance of the matter, including its importance to the community.

Decision making checks

In making any decision, Council will be satisfied that:

- it has sufficient information on the relevant issues and options
- it knows enough about and has given adequate consideration to the views and preferences of affected and interested parties.

Relevant effort

The significance of the issue, proposal or decision will determine how much time, money and effort Council will invest in exploring and evaluating options and obtaining the views of affected and interested parties.

Implications for Māori

In some instances, there may be particular requirements to learn about the implications of an issue or decision for Ngāi Tahu as mana whenua¹ and kaitiaki² of the Hurunui District.

Covering diversity

There may also be issues or decisions where there are diverse groups within the community with different concerns, interests, views and preferences, where multiple processes will be appropriate to distinguish and recognise the range of positions.

Limitations

The commitment to invest in exploring options and obtaining the views of communities and affected and interested parties does not mean that Council will have to fully consult with the public for every decision it makes, nor does it bind Council to the views of communities and interested or affected parties.

Other influences

As well as the views of communities and affected and interested parties, there are a wide range of information sources, considerations and perspectives that will inform Council’s decisions, including the requirements of Government policy, technical matters and the financial implications.

¹ *mana whenua* = territorial rights, power from the land, authority over land or territory, jurisdiction over land or territory - power associated with possession and occupation of tribal land. The tribe’s history and legends are based in the lands they have occupied over generations and the land provides the sustenance for the people and to provide hospitality for guests. Source: maoridictionary.co.nz

² *Kaitiaki* = trustee, minder, guard, custodian, guardian, keeper. Source: maoridictionary.co.nz

Criteria and procedures for assessing significance

In considering the degree of significance of proposals and decisions in relation to issues, assets and other matters, Council will be guided by the following:

Policy and outcomes

- the potential effects on delivery of Council’s policy and strategies
- the degree to which the decision or proposal contributes to promoting and achieving particular community outcomes
- the magnitude of the overall benefits that will be achieved for the region, its communities and present and future interests
- the magnitude of the net costs of the proposal or decision to Council and / or to affected communities or groups
- any impact on Council’s capacity to undertake its statutory responsibilities
- the extent to which the proposal or decision flows logically and consequentially from a decision already made or from a decision in the Long Term Plan or the Annual Plan
- any inconsistencies with any existing policy, plan or legislation.

Communities

- the level of community interest in the proposal, decision or issue
- the extent to which the proposal or decision impacts upon community members or groups, and the numbers of people or groups affected
- the extent to which the community’s views on the matter are already known
- any wider interest or concerns at national or international levels.

Ngāi Tahu / Iwi

- the values and interests of Ngāi Tahu whānau, hapū and rūnanga, as mana whenua for the district
- where proposals or decisions relate to land or a body of water, the implications for the relationships of Ngāi Tahu and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna and other taonga.

Contexts and implications

- the variation between the effects of the options identified (including the ‘do nothing’ option where appropriate), or the extent to which they have different effects in terms of, amongst other things: their costs, their benefits, and the extent to which they impact on the community and affected or interested groups
- the extent to which the proposal or decision could have an adverse effect on environmental outcomes as set out in Council plans and policies, or could have unintended adverse effects on other community interests
- if the proposal or decision impacts (positively or adversely) upon a physical or community resource that is scarce, rare or unique and/or under threat
- if the proposal or decision would be irreversible
- if there are high levels of controversy around the proposal or decision

- the practical demands of efficient decision-making in situations of urgency
- the need to be cautious about decision-making in the face of uncertainty, lack of clarity or unresolved matters.

Procedures for assessing significance

In determining the degree of significance of proposals and decisions in relation to issues, assets and other matters, and when applying the criteria listed above, Council will balance the requirements of efficient decision-making, and the information requirements of sections 76 to 81 of the Act, across the different levels of significance from low to high.

Every agenda will include a statement of “Significance Consideration” which will include the questions which determine the level of significance.

Every report to Council must state the level of significance of the matter being reported and include a recommendation where necessary. Council officers preparing these reports will use the following significance determinant matrix as well as having regard to this Significance and Engagement Policy.

Number affected	Medium	High	High
	Low	Medium	High
	Low	Low	Medium
	Likely level of impact, implications or risk		

Councillors will make the final determination on the level of significance. Unless Council explicitly determines that the subject under consideration is medium or high significance then the subject will be deemed as being of low significance.

When Council is considering the significance of an issue, proposal, decision or other matter, in the event elected members, cannot agree, Council will:

- Reconsider the significance questions, and/or;
- Consider whether a view should be sought from the relevant Ward Committee or Community Board if appropriate to do so.

Agenda reports will include a statement addressing what has been done to ensure compliance with the Act as applicable unless the matter is considered to be of low significance.

Processes and methods for engagement

Method determination

In determining the processes and methods appropriate for engaging with communities to consider proposals and decisions in relation to issues, assets and other matters covered under this Significance and Engagement Policy, Council will be guided by the following:

- the degree of significance of the issue, decision, proposal, asset or other matters – as determined by the criteria set out in the preceding section of this Policy
- the objectives of the engagement – the feedback that is sought from communities and affected and interested parties
- the preferences, capacities, views and values of the community groups and individuals affected by and / or interested in the decision or proposal
- the diversity of preferences, capacities, views and values amongst the community groups and individuals affected by and / or interested in the decision or proposal
- the benefits, limitations and costs of the range of possible processes and methods for engaging with the community groups and individuals affected by and / or interested in the decision or proposal
- timing issues, including any concurrent engagement processes on other matters involving the same, similar or contiguous groups or communities
- opportunities provided by innovative technologies for efficient yet effective engagement
- opportunities for relatively informal community-based meetings and discussions

Differing levels and forms of engagement may be required during the varying phases of consideration and decision-making on an issue, and for different community groups or stakeholders. Council will review the appropriateness and effectiveness of the engagement strategy and methods as the process proceeds.

Council will follow an ‘engagement spectrum’ approach to determine the most appropriate processes and methods for engagement with affected and interested communities on particular decisions or issues. This approach is based on the International Association for Public Participation (IAP2) framework. The methods discussed below are not a definitive list, but an indication of the spectrum of engagement opportunities that may be useful for Council and our communities.

Engagement spectrum	
Inform	To provide the public with balances and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions
Consult	To obtain public feedback on analysis, alternatives and/or decisions
Involve	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered

Collaborate	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution
Empower	To place final decision making in the hands of the public

Inform communities

These methods are efficient and practical means to raise awareness of a new or newly significant issue, to provide basic information about the issue, and to build community interest:

- distribution of pamphlets or other materials such as newsletters and notices
- information provided on Council’s website
- information provided via social media

Communities are kept up to date with developing issues and new proposals, and communications can be targeted to interested and affected groups. However these methods are essentially a one-way process out to communities, and as such are more useful in the earliest stages of proposals or processes. Other limitations to these methods include the costs of printing and distribution, and the challenges in reaching as widely within the community as may be necessary.

Consult and involve communities

A range of tools and methods can be used to bring communities and particular interested and affected groups into the process to contribute their views, priorities and preferences.

For relatively straightforward issues or proposals, methods such as surveys (whether by phone, online or written) or focus groups may be effective. These methods can be targeted and undertaken relatively quickly. However they can be limited in that there is little ability to address more complex or subtle dimensions of an issue and its implications for communities. There can be low response rates to surveys, with respondents representing only a narrow range of people and groups within the community.

For more complex issues or proposals, including legislative issues, more technical issues and policy and service reviews, a more comprehensive level of consultation and engagement will be appropriate:

- Special Consultative Procedure (under LGA)
- other submissions processes
- formal public meetings
- focus groups, local action groups.

The public consultation undertaken in the development of Long Term Plans, Annual Plans and other Council Plans helps to ensure robust policies and relevance to communities. These methods allow Council and communities to research and explore the issues and

background matters, and to consider the full range of implications of a proposal, policy or decision. However these processes can be costly and time-consuming. There can be low participation rates with only a narrow range of people and groups engaging. The consultation may be off-putting to people and groups not familiar with the issues or confident with the technicalities or the process.

Collaborate with communities and empower their involvement

The value of a collaborative approach is increasingly recognised in a wide range of policy and decision-making contexts. These kinds of methods and approaches are particularly useful when there is a high degree of significance of the issue or proposal, and when there is strong community interest, capacity and commitment. These kinds of issues and proposals tend to be complex with multiple values, perspectives and interests at stake and often involving complex technical or scientific questions.

Methods include:

- multi-stakeholder processes such as Citizen Juries or Panels
- multi-stakeholder groups such as the Canterbury Water Management Strategy Zone Committees
- task groups, local action groups, advisory groups
- interactive websites

Like the more comprehensive consultation methods outlined in the previous section, these methods allow for research into the issues and background, and exploration of a wide diversity of implications. Multiple goals and values can be recognised and achieved. In addition, a collaborative approach establishes legitimacy through representative community participation, develops and affirms long-term relationships and understanding, and builds trust and community networks for future collaborative initiatives.

These processes do require ongoing skilled facilitation and considerable time and resourcing to be effective. Specific processes, such as a Citizen Jury called to address a particular issue, may be focused closely around that issue and the interested and affected groups, and may not sustain continuing engagement over time.

Engaging with communities on other matters

Local Government Act

The Act prescribes particular processes for Councils to follow to consult and engage with communities on particular matters.

Special Consultative Procedure:

The Act specifies that a Special Consultative Procedure (SCP), as defined under section 83, must be followed for community engagement on certain plans and processes including:

- Long Term Plans

- Annual Plans where there are significant or material differences from the Long Term Plan
- Bylaws of significant interest.

Long Term Plan:

Where Council intends to commence a large-scale planning or other project, the commitment will be set out in advance in the Long Term Plan. These matters may also have been foreshadowed in other policy or planning documents and Council may have been made aware of the community's views and preferences through other processes.

Other provisions in the Act specify particular decisions or activities where community engagement is to be addressed through the larger public consultation processes for a Long Term Plan:

- a decision to transfer the ownership or control of a strategic asset to or from Council or a decision to construct, replace or abandon a strategic asset
- a decision that will, directly or indirectly, significantly affect Council's capacity, or the cost to Council, in relation to any activity identified in the Long Term Plan
- a decision to alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of Council, including a decision to commence or cease any such activity.

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Other legislation

Other decisions made by Council will be made under legislation that prescribes the consultation and decision-making procedures that are required, including the procedures that must be used for public notification, considering submissions and making decisions (e.g. Resource Management Act).

Even if a decision is clearly a significant one within the meaning of the Act, where the procedures for decision-making are set out in other legislation, those procedures will be used instead of those contained in this Significance and Engagement Policy. Section 82(5) of the Act broadly allows the authorising legislation's procedures to apply.

This Significance and Engagement Policy will not be used in making decisions taken under the RMA on the following matters:

- resource consents or other permissions
- submissions on plans
- decisions required when following the procedures set out in Schedule 1 of the RMA
- references to the Environment Court
- decisions to proceed with enforcement procedures under various legislation including Council bylaws.

There are also numerous administrative and personnel decisions that are entirely internal to Council. This Significance and Engagement Policy will not apply to these processes and decisions.

Ngāi Tahu / Iwi Treaty of Waitangi

The Act provides principles and requirements for local authorities that are intended to facilitate participation by Māori in local authority decision-making processes (for example, sections 81 and 82(2)). This is to recognise and respect the Crown's responsibility to take appropriate account of the principles of the Treaty of Waitangi and to maintain and improve opportunities for Māori to contribute to local government decision-making processes.

Ngāi Tahu special status

While the Act sets out provisions relating to all Māori, it is recognized that within the Canterbury region, Ngāi Tahu are the tangata whenua. They have a special status in terms of Council's resource management activities, and are not just another interest group. In addition to the Local Government Act obligations, the Resource Management Act 1991 (RMA) gives regional Councils specific obligations regarding kaitiakitanga, the principles of the Treaty of Waitangi and the relationship between Māori and their culture and traditions with their ancestral lands, water, sites, wāhi tapu and other taonga. In the Canterbury region, the Ngāi Tahu Claims Settlement Act 1998 includes confirmation of the ability for Ngāi Tahu to express its traditional kaitiaki relationship with the environment.

Memorandum of Understanding

Central to our working with Māori is a Memorandum of Understanding between Te Rūnanga o Ngāi Tahu, Te Ngāi Tūahuriri Rūnanga, Te Rūnanga o Kaikoura and the Council. This MoU has been in place since 2004 and is an agreement for us to work together to develop appropriate processes that will allow Council to fulfil its statutory responsibilities while recognising Ngāi Tahu as the tangata whenua.

In addition to the MoU, Council has also developed policies covering Māori Contribution to Decision Making and protocols covering the accidental discovery of human remains and artefacts.

Council's strategic assets

Asset groups

Council has identified a schedule of the strategic physical assets which are considered significant in ensuring Council's capacity to achieve or promote important outcomes. It is important to note that Council manages a number of strategic assets as a whole. This is because these asset classes as a whole, deliver the service. Strategic decisions in these areas, therefore only concern the whole asset class and not individual components, unless those components substantially affect the ability of Council to deliver the service. It is the principle of the provision of the services that makes these asset groups strategic, not the individual roads, individual toilet blocks, individual halls, etc.

List of assets

The physical assets owned by the Council that are considered strategic assets as a whole are:

- The water supply network
- The wastewater collection
- The stormwater system
- The roading and footpath network
- The Hanmer Springs Thermal Pools and Spa Reserve

- The Library network
- The reserves lands as a whole including land held under the Reserves Act and land used for parks, domains, village greens, cemeteries, sports fields and recreational areas
- The lands and buildings including:
 - » Social housing
 - » Community halls
 - » Medical centres and doctors' houses
- The solid waste network

Development contribution policy

Introduction

This policy is about ensuring the cost of new or increased infrastructure to meet growth demands, is distributed fairly amongst those who will benefit.

Growth in the District impacts on the existing reserves, sewerage, water, stormwater, roading, township infrastructure and recreation facilities. To ensure that the expected population growth does not adversely affect residents, the Council has identified several infrastructural developments needed to cope with this growth.

The Local Government Act 2002 (LGA) allows councils to collect 'development contributions', which are contributions of land or money made by developers towards the cost of providing new infrastructure, or increased capacity in existing infrastructure as a result of growth.

Councils can also collect Financial Contributions under the Resource Management Act 1991 through the rules in the Council's District Plan. Councils cannot take both Development Contributions and Financial Contributions for the same purpose. The type of contribution must be stipulated in this Development Contributions Policy.

The Hurunui District Council has decided that growth in the district will be funded from three main sources:

- Financial Contributions (levied under the Resource Management Act) designed to offset adverse effects of a particular development as identified in the Hurunui District Plan.
- Development Contributions (charged under the Local Government Act 2002) for growth related projects that are identified in the Long Term Plan (LTP).
- Existing ratepayers and residents through rates and loans.

Review of Development Contributions Policy

The Council's Development Contributions Policy was last reviewed for the 2015-2025 LTP. The Policy is reviewed every three years to coincide with the LTP review. Growth projections are based on Statistics New Zealand data which has originated from the last Census done in 2013.

Changes to the Methodology

The projects that are subject to the methodology have remained the same and those that have been fully paid have been removed. The portion of each project that relates to growth has been reviewed and most remain unchanged from the 2015 – 2025 LTP.

Result of Changes

The Council's overriding philosophy in regards to development contributions is that

the level of the individual contribution should be consistent with the level that has been charged in the past, with the adjustment for inflation or changes to the projected growth.

Specifics of the Development Contributions Policy

The specifics of this policy are explained in the following sections to explain the rationale and formula for contributions.

1. Development Contributions

Development contributions are charged to ensure that the growth related capital expenditure identified in the LTP is recovered from those who benefit from it, rather than only current ratepayers. Development contributions will be charged when the effect of the development, or the cumulative effect of developments, contribute to the need for the development of physical works or Council services and when these works or services have been allowed for in the LTP.

2. Financial Contributions

The purposes for which financial contributions may be taken under the Resource Management Act 1991 are related to section 5 of the Act (the sustainable management of natural and physical resources). A financial contribution can be imposed on a resource consent as long as it is in accordance with a rule in the District Plan.

Financial contributions in the District Plan can be taken to pay the costs of services such as roads, water supplies, sewerage and drainage systems which must be developed to address adverse effects on the environment.

The Council uses financial contributions to fund capital expenditure on infrastructure and community facilities where the following situation or situations have occurred:

- The development has not been foreseen in the LTP, but the effect of development directly contributes to the need for physical works on Council services and infrastructure.
- Population projections do not indicate that the costs of the Council's investment will be recovered within an appropriate timeframe.
- Costs of Council-funded investment will impact on existing ratepayers.
- Adverse environmental effects that may result from a development, for example to improve a wetland to offset land disposal, need to be offset.

Financial contributions are also used to take land for any infrastructure, reserves or other community facility within a development, where that land or those facilities will vest in the Council.

Further information on financial contributions is available in the Hurunui District Plan.

3. Basis for Calculation of Contribution

The detailed basis for assessment for developments is explained for each contribution. There are two broad groups of contributions:

- i. One applies to services and facilities that have a district wide benefit and the costs are apportioned across the whole district.
- ii. The second group has more tangible benefits for a defined group of users and the costs are apportioned to the direct beneficiaries.

4. Growth Forecasting Assumptions

The 2013 census confirmed an increase in the Hurunui district's resident population. High rates of absentee ownership of lifestyle blocks and holiday homes (especially in Hanmer Springs) complicate the process of forecasting growth in the district, but statistical correlations indicate a significant relationship between the census data (the "usually resident population") and overall growth in the district (the number of properties added to the rating database from which development contributions may be collected, including holiday homes, seasonal accommodation etc).

In some localities, this correlation is stronger with census data in the surrounding area (ward), or even with that for the district as a whole. In such cases it has been assumed that population growth in these wider areas is more of a driver of growth (i.e. that there will be more migration into the area than the Statistics New Zealand (SNZ) data for that area indicates).

The Council has used the medium/high series of growth projections (SNZ) for the period of the LTP. Instead of reducing the number of new units of growth to be collected (in the defined period to calculate the resulting level of the individual development contribution), the collection period has been extended to achieve that same level of growth.

5. Accuracy of Predictions

Unfortunately, the "area unit" boundaries used by SNZ do not always align with the areas that the Council wants to collect development contributions. A number of assumptions have been used for calculating the population projections for these areas (for example: subtracting or adding areas we do have population data for; extrapolating mapping data for unknown areas in cases where there is a good correlation between this and known areas).

This procedure and all of the assumptions mentioned above are potential sources of error for this policy, but they are necessary approximations given the information and resources that we have to work with.

There is obviously a large degree of uncertainty in any attempt at predicting the future with variances in population estimates and the large number of assumptions for this policy, the future is difficult to quantify.

The accuracy of the growth projections is further complicated by not knowing how long demand for land in the Hurunui district will continue following recent earthquakes (Canterbury earthquakes in 2010 and 2011, Hurunui/Kaikoura earthquake in 2016).

6. Administration

Development contributions will be levied at different development 'trigger' points. Under the Local Government Act 2002 the contribution can be collected on any of the following:

- The grant of a resource consent under the Resource Management Act.
- The grant of a building consent under the Building Act.
- An authorisation for a service connection.

The particular development contributions payable will be determined from the policy schedules applicable at the date of approval of a resource consent, building consent, or service-connection authorisation.

Contributions paid for sections will cover subsequent development relating to one residential housing unit per section. Additional sections, units of housing, and/or units of water connected will incur additional contributions as determined from the policy schedules applicable at the date of approval of the resource consent, building consent, or service-connection authorization for the additional units. Existing lots at the time of the development will not be charged contributions. For subdivision, each existing lot will be counted as a credit.

Contributions will be refunded, less administration costs, if the works for which they were collected (or equivalent works) do not proceed within the "maximum period" identified for each work in table two.

7. Projects Costs

In reviewing this policy, the projected units of demand have been updated for all projects have remained the same as in the 2015/25 LTP. Where the capital cost of a project has increased or decreased from the amount previously projected, the capital expenditure on which the development contributions are calculated has been amended. All figures have been inflation adjusted as shown in table one. The projected development contribution payable for each year of the ten year financial planning period of this plan is set out in table two (GST added and figures rounded).

Development Contribution for Reserves Definition

Within the Hurunui district, development contributions for reserves apply to land and the development of land that is under the control and management of the Hurunui District Council or is being managed under the Reserve Management Act 1977.

Development contributions are collected for the following purposes:

- Land purchase of reserves for the reserves network including linkage strips
- Development of vested reserve land, including:
 - » Construction of recreation facilities including buildings
 - » Fencing and gates
 - » Sport surfaces
 - » Development and upgrading of reserves to meet growth
 - » Developing access to reserves, including paths, roads, car parking and cycleways
 - » Signage
 - » Planting of major trees
 - » Public toilets associated with the use of the reserve
 - » Playgrounds and play equipment
 - » Park furniture including seats, litter bins, picnic tables and lighting
 - » Infrastructure, water, irrigation, power and sewage
 - » Any site specific requirements
- Particular projects are the:
 - » Amberley walking and cycling routes
 - » Acquisition and development of Amberley Ward and Amberley Township Reserves
 - » Redevelopment of the Amberley Domain Pavilion
 - » Development and upgrade of the Queen Mary Hospital Historic Reserve for recreational use
 - » Development of facilities on the Hanmer Springs Domain
 - » Conical Hill walkway development
 - » Hanmer Springs Township development
 - » Hanmer Springs Medical Centre
 - » Hanmer Springs Hall

Need to Undertake the Activity

The Council aims to add to and develop its reserve network to provide areas that allow people to enjoy physical and passive recreation, while at the same time retaining areas of conservation value. The capital projects proposed will add considerable improvements to the existing network of reserves and facilities.

Community Outcomes to which the Activity Primarily Relates

- A desirable and safe place to live
- A place where our traditional rural values and heritage make Hurunui unique

Distribution of Benefits

Economic

The ongoing development of the reserves network will result in a better physical environment and a healthier community, which in turn will encourage more people to do business and live in the area.

Social

As growth increases and demographic and lifestyle changes occur, it is necessary for appropriate reserve space to be provided and enhanced, in line with community expectations.

Cultural

Open spaces, pedestrian links and sports fields provide opportunities for sporting and other recreational activities which are important aspects of the community's culture.

Environmental

The development of reserves will enable the physical environment, including special heritage, vistas and open spaces to be protected as growth increases.

Duration of Benefits

The reserves that are being developed over the next twenty years will provide ongoing and long term benefits to the community.

While there are wider community and environmental benefits from the creation of new reserves, the Council considers that future property owners should contribute directly to the development costs of reserves to ensure that the District can continue to provide the existing level of service to a growing population.

Sources of Funding

- | | |
|-----------------------------|-----|
| • Loans | Yes |
| • Rates | Yes |
| • Development Contributions | Yes |

Calculation of Contribution

There are two reserve contributions:

1. One for district wide reserves applicable to all new residential units of demand. This is based on a wider sphere of use of the land.
2. The other is for amenity reserves, which is primarily based around use by the residents of a ward or township.

In both cases, contributions will be payable on a unit rate of demand for any new residential activity or subdivision, which creates a residential opportunity whether urban or rural.

Contributions are calculated per lot by dividing the cost of the capital expenditure due to growth as detailed in table one by the number of units of growth expected in

the target period. The resulting amounts are set out in table two. These amounts are capped as per statutory requirements at the greater of 7.5% of the value of the additional allotments created by a subdivision or the value equivalent of 20 square metres of land for each additional household unit created by the development. This value will be calculated on an individual basis based upon estimated market value at the time that the contributions are collected.

Points at which Contributions are Collected

Contributions will be collected at the time of granting a subdivision consent and where subsequently an additional dwelling house, including a minor dwelling unit or family flat, is promoted on the same lot. Contributions will be collected at the time a building consent is granted.

Rationale for Individual Projects

Queen Mary Hospital Historic Reserve: This site is envisaged as providing for future recreational opportunities for a twenty year planning horizon from 2004. There is a need to add to and improve this land and expand its potential for recreation use. It is a district reserve and, as such, all expenditure on development will be spread across both existing and future units of demand across the district over the twenty year period.

Conical Hill/Oregon Heights/Lucas Lane Reserve Walkway: The development and upgrade of this area is to cater for the increased demands put on this reserve from growth and a local desire to fund this project. The cost will therefore be spread across the future units of demand from within the Hanmer Springs Ward.

Hanmer Springs Domain: The development of the facilities at the Domain was identified by the Hanmer Springs Community Board as a key project to undertake after discussions with the community. The portion of the costs that is deemed to be growth related will be spread across the future units of demand from within the Hanmer Springs Ward.

Amberley Domain Pavilion: This amenity reserve was redeveloped to improve the facilities on the Domain. The cost is to be spread across both existing and future units of demand from within the Amberley Ward.

Amberley Ward Reserves: The acquisition and development of these reserves are to provide additional recreation facilities and sports grounds due to growth over the foreseeable future, as identified in the Amberley Reserve Strategy. Its cost will thus be recovered from development occurring within the Amberley Ward.

Amberley Township Reserves: The acquisition and development of these are to provide for additional neighbourhood reserves, passive reserve areas and linkage strips, in line with the Amberley Reserve Strategy. These reserves will be required due to growth within the Township. The cost will be spread across the future units of

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demand from within the Amberley Township.

Basis for Assessment

It is recognised that there are two main types of reserves:

- Those that are used by the community as a whole
- Those that are used more often by those living or working in the immediate locality of the reserve.

For this reason, the Reserves Policy is divided into “district wide reserves” and “amenity reserves”.

Residents and workers in a ward or township area make use of amenity reserves, while a wider cross section of the community will more often use a district reserve. Accordingly the formula for calculating contributions is adjusted to recognise the type of reserve which development is occurring on. The exception to this rule is the Conical Hill/Oregon Heights/Lucas Lane Reserve which is a district reserve but will be funded by growth in the Hanmer Springs ward. This is due to a desire by the local community to upgrade this reserve in order to accommodate the demands from growth occurring within the ward. The Council has accepted this modification to the general policy.

Residential Activities

Each new subdivision lot established will be charged one development contribution for each reserve item as identified in the schedule. Additional dwelling units established on the same lot will be charged a separate development contribution.

Multi-Unit Residential Developments

The payment for multi-unit residential housing including flats, town houses, retirement villages and apartments, will be applied on the basis that each separate residential unit shall be treated as a separate unit of demand and be charged accordingly.

Travellers Accommodation Including Hotel/Motel Units

For each hotel, motel unit or separate unit of travellers accommodation (excluding home stays accommodating less than 6 visitors) a payment of 50% of the standard reserve development contribution will be applied to each separate unit of accommodation let for tariff.

For camping grounds, hostels, bunkhouses and backpackers accommodation or comparative travellers accommodation a contribution shall be determined on the basis of payment of 50% of the standard reserve development contribution for each 4 visitors the premises/camping ground can accommodate.

Any manager’s accommodation associated with travellers accommodation shall be charged at the full rate.

Assumptions

- That all households should contribute equally to either district or amenity reserves irrespective of whether the unit of demand is urban based or rurally based. This assumption is based on the fact that the capital expenditure being proposed on reserves for growth is likely to be used on an equal basis by both urban and rural dwellers.
- That development that creates equivalent transient demands for infrastructure upgrades should contribute on a reduced scale.
- That the district will grow as per the forecasts set out in this Policy.

Circumstances for Refunds or Reductions

In the event that planned reserve purchases, developments or upgrades are not undertaken within the “maximum period” set out in table two, development contributions will be refunded, after allowing for the associated administration costs. (In the case of land taken for reserve purposes, the maximum period will be negotiated with the land owner at the time the contribution is made.)

Where land is transferred to the Council for reserve purposes that will have benefits to the community that are similar to those which would be provided by a reserve under its existing control, the Council may agree to a reduction in the reserve contribution to acknowledge the benefit. For Amberley Township Reserves and Amberley Ward Reserves, circumstances where this may be appropriate is detailed in the Amberley Reserve Strategy.

Where the Council and a developer agree that the development will incorporate assets of benefit to the community, the Council may agree to a reduction in the reserve contribution to acknowledge the benefit.

Where the Council assesses that no additional demand on reserves will arise from a development, the Council may agree to a reduction in the reserve contribution.

Development Contributions for Network Infrastructure

Definition

Network infrastructure for the purposes of development contributions includes water, sewer and stormwater / drainage services under the control and management of the Hurunui District Council.

Policy Principles

The policies for the assessment of development contributions for water, sewer, and stormwater / drainwater have been developed on the broad principle that infrastructure costs incurred to meet demands associated with growth should be spread as equitably and as practicable among the beneficiaries of the expenditure. The primary beneficiaries of expenditure on new network infrastructure are

developers, builders, and new property / building owners. Hence development contributions are collected for the costs involved.

District Plan Development Areas

The District Plan identifies zoning for future growth in Amberley, Hanmer Springs and Leithfield. Growth is also occurring in areas serviced by the Ashley, Cheviot and Hurunui Rural Water schemes. Growth in other towns in the district can be accommodated without substantial upgrading of water, sewerage or stormwater infrastructure.

Formula

The formula and the contribution for each category of network infrastructure is the capital cost of the project attributable to growth (appendix 2) divided by the number of new units of demand expected in the target period, producing the contribution amounts (appendix 3).

Point at which Contributions are Collected

Contributions for rural water schemes will be collected at the point of making an application to connect to the scheme in question. One development contribution will be charged per unit of water purchased. Contributions for stormwater, sewerage and township water will be collected when a subdivision consent is granted and where subsequently an additional dwelling house is promoted on the same lot, contributions will be collected at the time a building consent is granted.

Connecting to Existing Services

In addition to any development contribution charge, all connections to utilities and services will be charged a connection fee, based on an assessment of actual costs.

1. Water Infrastructure

The Hurunui District Council operates several different water supply schemes across the district and the funding rationale is affordability. The methodology for calculating development contributions for water projects is to combine all water projects. Each individual project has the percentage of growth calculated to it but is added and divided by the total number of projects to find the average development contribution cost.

Need to Undertake the Activity

The Council provides potable water to avoid the risk of water borne diseases affecting public health. The growth of the district will result in additional connections to the system which will increase the demand on existing services. The Council believes it should be developing long term sustainable solutions that cater for users of today and tomorrow; therefore, any scheme it develops or extends will have a planned growth component within it.

Community Outcomes to Which the Activity Primarily Contributes

- A desirable and safe place to live
- A place with essential and appropriate infrastructure

Distribution of Benefits

Economic

The supply of potable water supports economic growth, which impacts on the whole community; however the individuals that are connecting to a system will gain the direct benefits of the service.

Social

It is convenient and efficient that an agreed level of supply is made available. The expansion of the systems in line with growth benefits the health of individuals and the community.

Cultural

The extraction of water is done in a manner that respects cultural relationships with water.

Environmental

The extraction of water for potable water supply systems impacts on the natural waterways and ecosystems of this district. Sustainable growth contributes to the maintenance of a high quality natural environment.

Duration of Benefits

The water supply systems that are being upgraded over the years within their respective planning horizons will provide long-term benefit to the community. The duration of benefit is dependent on the ability to gain the necessary resource consents, but is anticipated to be a minimum of 35 years with any engineering solution intended to provide future benefits equivalent to the design life of the system's components which for certain assets is in excess of 70 years.

The capacity of the schemes allow for growth that ensures not only current users, but also future users, will benefit from the system. It is equitable that those who join a scheme should contribute to the cost of providing for growth. Current users must fund the cost of additional capacity until those future users are connected; therefore it is reasonable that when those future users arrive they make a contribution to the cost of catering for that growth.

Sources of Funding:

- | | |
|-----------------------------|-----|
| • Loans | Yes |
| • Rates | Yes |
| • Development Contributions | Yes |

Calculation of Contribution

The contribution will be calculated on the cost of the capital expenditure associated with increasing the capacity of the systems to enable growth (divided by the number of new units of demands (including business and residential use development) that the area is capable of servicing. The resulting cost is added and divided by the number of projects. The result is the cost that will apply to each new unit of demand across the district.

Basis for Assessment

Current users and future users benefit equally from the maximum capacity of a water supply system. Based on the assumption that one current user will consume the same amount of system capacity as a future user, they should equally share the cost of providing that maximum capacity.

Residential & Business Activities (Urban Areas)

Each new standard connection or subdivision lot established will be charged one development contribution as identified in the schedule.

Multi-Unit Residential Developments

The payment for multi-unit residential housing including minor dwelling units, family flats, town houses, retirement villages and apartments, will be applied on the basis that each separate residential unit shall be treated as a separate unit of demand and be charged accordingly.

Travellers Accommodation Including Hotel/Motel Units (Urban Areas)

For each hotel, motel unit or separate unit of travellers accommodation (excluding home stays accommodating less than 6 visitors) a payment of 50% of the standard water development contribution will be applied to each separate unit of accommodation let for tariff.

For camping grounds, hostels, bunkhouses and backpackers accommodation or comparative travellers accommodation a contribution shall be determined on the basis of payment of 50% of the standard water development contribution for each 4 visitors the premises/camping ground can accommodate.

Any manager's accommodation associated with travellers accommodation shall be charged at the full rate.

Assumptions

- That all residential and business zone properties consume the same unit of demand and that where this is not the case a means exist to determine a variance to the standard (see above).
- That the district will continue to grow as per the population forecasting contained within this Policy and new infrastructure assets will be designed to cater for additional growth capacity.

Circumstances for Refunds or Reductions

In the event that planned system upgrades or alternative upgrades are not undertaken within the “maximum period” set out in table two, development contributions will be refunded, after allowing for the costs of investigating the upgrade options and associated administrative costs.

There will be no postponements of payments or remissions of payments.

2. Sewer Infrastructure

The district operates sewerage schemes in Amberley and Hanmer Springs which are subject to the pressures of growth and require extra capacity. The policies and methodology for calculating development contributions are the same for each scheme, but the actual level of contribution is the same across the district. The calculation is the same as for water infrastructure above.

Need to Undertake the Activity

Reticulated sewer treatment and disposal systems are provided to minimise public health issues and adverse effects on the environment. There is an expectation from the community that high environmental standards will be met.

The growth of the district and the resulting additional connections to the system will increase the demand on existing services. The Council believes it should be developing long term sustainable solutions that cater for users of today and tomorrow; therefore, any scheme it develops or extends will have a planned growth component within it.

Community Outcomes to Which the Activity Primarily Contributes

- A desirable and safe place to live
- A place with essential and appropriate infrastructure
- A place that demonstrate environmental responsibility

Distribution of Benefits

Economic

Effective and efficient sewerage treatment and disposal systems will support economic growth, which impacts on the whole community, however the individuals that are connecting to a system, will gain the direct benefits of the service.

Social

The expansion of the systems in line with growth benefits the health of individuals and the community.

Cultural

Effective sewerage treatment and disposal systems and practices respect the values of all sections of the community.

Environmental

The health of the district’s water resources and natural ecosystems will be better protected by reticulated treatment and disposal systems.

Duration of Benefits

The reticulation, treatment and disposal systems that are being implemented are anticipated to have a minimum of 35 years benefit, with any engineering solution intended to provide future benefits equivalent to the design life of the systems’ components.

The capacity of the schemes allow for growth that ensures not only current users, but also future users, will benefit from the system. It is equitable that those who join a scheme should contribute to the cost of providing for that growth. Current users must fund the cost of additional capacity until those future users are connected; therefore it is reasonable that when those future users arrive they make a contribution to the cost of catering for that growth.

Sources of Funding:

- | | |
|-----------------------------|-----|
| • Loans | Yes |
| • Rates | Yes |
| • Development Contributions | Yes |

Calculation of Contribution

The contribution for both Amberley and Hanmer Springs sewerage schemes is calculated on the cost of the capital expenditure associated with increasing the capacity of the system to provide for growth, divided by the number of units of demand that are expected. The result is the cost that will apply to each new lot. (Refer to appendix 3.)

The Amberley sewerage scheme is broken down into two contributions:

1. One applies to all Amberley urban areas serviced by the scheme, for a pond upgrade which will increase capacity for the whole scheme.
2. The other is for pipe upgrades which benefit and are therefore funded by future Amberley township units only.

The Hanmer Springs capital expenditure is funded by new units of growth within the Hanmer Springs sewer area.

Basis for Assessment for Treatment, Disposal and Reticulation Costs

Current users and future users benefit equally from the maximum capacity of a sewerage system. Based on the assumption that one current user will consume the same amount of system capacity as a future user, they should equally share the cost of providing that maximum capacity.

Residential & Business Activities (Urban Areas)

Each new standard connection or subdivision lot established will be charged one development contribution as identified in the schedule. Additional dwelling units established on the same lot will be charged an additional development contribution.

Multi-Unit Residential Developments

The payment for multi-unit residential housing including minor dwelling units, family flats, town houses, retirement villages and apartments, will be applied on the basis that each separate residential unit shall be treated as a separate unit of demand and be charged accordingly.

Travellers Accommodation Including Hotel/Motel Units (Urban Areas)

For each hotel, motel unit or separate unit of travellers accommodation (excluding home stays accommodating less than 6 visitors) a payment of 50% of the standard sewer development contribution will be applied to each separate unit of accommodation let for tariff.

For camping grounds, hostels bunkhouses and backpackers accommodation or comparative travellers accommodation a contribution shall be determined on the basis of payment of 50 % of the standard sewer development contribution for each 4 visitors the premises/camping ground can accommodate. Any managers' accommodation associated with travellers' accommodation shall be charged at the full rate.

Assumptions

- That all residential lots produce the same unit of demand.
- That the district will continue to grow as set out within the population forecasting contained within this policy.
- That new infrastructural assets will be designed to allow for additional growth capacity.
- That the costs of reticulating, treating and disposing of sewage are in proportion to the volume of sewage produced.

Circumstances for Refunds or Reductions

In the event that planned system upgrades, or alternative upgrades, are not undertaken within the "maximum period" set out in table two, development contributions will be refunded, after allowing for the costs of investigating the upgrade options and associated administrative costs.

There will be no postponements of payments or remissions of payments.

3. Stormwater and Drainage Infrastructure

The Council has established a stormwater area in Hanmer Springs for stormwater disposal associated with expected demands created by growth.

The Council has also undertaken extensive upgrades to the Amberley stormwater system, for off-site upgrades to the reticulation system required by the expected growth in the township and for flood-management purposes (a component of which will cater for future growth). All on-site stormwater works in Amberley will be funded by developers through financial contributions under the District Plan.

The stormwater systems and upgrades will cater for growth. The policy and methodology for calculating development contributions are the same for each area, but the actual level of contribution varies depending upon the capital cost and upon the growth component.

Appendix 3 includes details of the different amounts applicable to developments within each township area.

Need to Undertake the Activity

Stormwater systems are provided to minimise public health issues and adverse effects on the environment.

Effective stormwater systems and networks remove a constraint on land development.

There is an expectation from the community for high environmental standards to be met.

The growth of the district and the resulting additional connections will increase the demand on existing services. The Council believes it should be developing long-term sustainable solutions that cater for users tomorrow; therefore, any scheme it develops will primarily be designed to accommodate planned growth.

Community Outcomes to Which the Activity Primarily Contributes

- A desirable and safe place to live
- A place with essential and appropriate infrastructure

Distribution of Benefits

Economic

Effective and efficient stormwater systems will support economic growth and mitigate the costs associated with flooding for the whole community. The individuals that are connecting to a system will gain the direct benefits of the service.

Social

Health, efficiency and safety benefits apply indirectly to the whole community and directly to those who are connected to each scheme. Stormwater systems minimise harm to people from potential flooding.

Cultural

Effective stormwater systems protect community values associated with waterways and incorporate the cultural concerns of Maori with land and water.

Environmental

Stormwater systems contribute to a high quality natural environment and mitigate the adverse environmental effects of flooding.

Duration of Benefits

The stormwater systems that are being implemented will provide a long-term benefit to the community. The duration of benefit is dependent on the ability to gain the necessary resource consents, but is anticipated to be a minimum of 35 years.

Current users must fund the cost of providing capacity until those future users are connected; therefore it is reasonable that when those future users arrive they make a contribution that relates to the cost of providing stormwater systems.

Sources of Funding:

• Loans	Yes
• Rates	Yes
• Development Contributions	Yes

Calculation of Contribution

The contribution is calculated on the cost of the capital expenditure associated with constructing that component of the stormwater systems that cater for growth. This is estimated at about 80% in the case of Hanmer Springs and 64% in Amberley. Then it is divided by the number of new units of demand establishing within the area being serviced. The result is the cost that will apply to each new lot. (Refer to table two for details of each contribution.)

Basis for Assessment

Future users both business and residential benefit equally from the maximum capacity of a stormwater system. Based on the assumption that one current user will need the same amount of system capacity as a future user, they should equally share the cost of providing that maximum capacity. Each new business or subdivision allotment that is created will pay on the basis of one unit of demand.

Assumptions

- That all residential and business zone properties have the same volume of run off.
- That the District will continue to grow as predicted in the population forecasting as per this policy, and the new infrastructure assets will be designed to accommodate the growth projected over 26 years (2004-2030).

Circumstances for Refunds or Reductions

In the event that planned system upgrades, or alternative upgrades, are not

undertaken within the “maximum period” set out in table two, development contributions will be refunded, after allowing for the costs of investigating the upgrade options and associated administrative costs.

There will be no postponements of payments or remissions of payments.

4. Community Infrastructure

The Council has planned for considerable capital investment on community infrastructure that is under its management and control. A proportion of this expenditure relates to catering for the increased demands of growth. The four projects listed below relate to planned capital development associated with community infrastructure demands within the LTP.

- Hanmer Springs Medical Centre
- Hanmer Springs Hall redevelopment
- Hanmer Springs town centre development
- Amberley walkway and cycleway network

Need to Undertake the Projects

The community infrastructure projects identified are essential to the ongoing economic, social, cultural and environmental wellbeing of the district, especially the Hanmer Springs and Amberley Townships.

The Hanmer Springs projects will enhance community facilities, provide access to health care, and result in an improved and pleasant environment, which will meet the demands of future growth.

Extending and improving Amberley’s walkway and cycleway network will help create connectivity between the existing township and new development areas.

Community Outcomes to Which the Activity Primarily Contributes

- A desirable and safe place to live
- A place where our traditional rural values and heritage make Hurunui unique

Distribution of Benefits

Economic

Improved community facilities will draw people into the District to invest in new business or to participate in the labour force.

Cultural

Facilities provide opportunities for participation in educational, recreational and cultural activities.

Social

Community infrastructure supports a high quality of life for residents through participation in activities and access to services.

The built environment is integral to the look, feel and functionality of the District.

Environmental

Community infrastructure supports the natural environment by providing appropriate places to carry out activities.

Duration of Benefits

Community infrastructure provides benefits for the duration of the assets. Given the nature of the assets, the duration is likely to be for the next 50 years.

The projects will each provide varying levels of benefit to different members of the community. The Hanmer Springs Medical Centre, Hanmer Springs hall redevelopment and Hanmer Springs town centre development provide benefits to those owning property in the Hanmer Springs ward. The expansion of Amberley's walkways and cycleways will principally be of benefit to the town's residents.

Future population growth, the demographic profile of the district and changes in lifestyle will require the Council to provide a range of opportunities for individuals and groups to participate in at various levels.

The Council considers that future property owners should contribute to the provision of these projects proposed under community infrastructure as they provide opportunities for individual and group wellbeing.

Sources of Funding:

- Loans Yes
- Rates Yes
- Development Contributions Yes

Point at which Contributions are Collected

Contributions for community infrastructure will be collected on granting a subdivision consent and where subsequently an additional dwelling house is promoted on the same lot contributions will be collected at the time a building consent is granted.

All new subdivisions will be subject to the community infrastructure contributions set out in table two.

Basis for Assessment

Medical centre and hall: Redvelopments benefit current and future users equally from access to and opportunities provided by these items of community infrastructure. Therefore each unit of demand, both existing and future, should contribute equally to infrastructure intended to be constructed over the period (set at the initial planning period of 10 years from 2004).

Hanmer Springs town centre development: There has been some benefit to existing residents, but the development was required due to increasing infrastructure to cope with the expected growth over the planning period. The Council has determined that it is fair and equitable that development contributions fund those areas of

development which are necessitated by growth, not driven by community desire. The Council recognises that renewals or upgrades of existing facilities will also benefit new residents, but considers that the demand for these are from the existing population are therefore should be funded by existing units of demand. The target period for collection is set at initial 20 year planning period of the project (from 2004).

Amberley walkway and cycleway network extension: This work is in the new development areas of Amberley and each new unit of demand should contribute to the development of the network. Where the infrastructure is an upgrade to existing areas it will be met by existing units of demand. The target period has been extended from its initial 20 year horizon to as a result of the lower level of growth anticipated.

Residential & Business Activities

Each new subdivision lot established will be charged one development contribution for each item of community infrastructure as identified in the schedule. Additional dwelling units established on the same lot will be charged a separate development contribution.

Multi-Unit Residential Developments

The payment for multi-unit residential housing including minor dwelling units, family flats, town houses, retirement villages and apartments, will be applied on the basis that each separate residential unit shall be treated as a separate unit of demand and be charged accordingly.

Travellers Accommodation Including Hotel/Motel Units

For each hotel, motel unit or separate unit of travellers accommodation (excluding home stays accommodating less than 6 visitors) a payment of 50% of the standard community infrastructure development contributions identified in the schedule will be applied to each separate unit of accommodation let for tariff.

For camping grounds, hostels, bunkhouses and backpackers accommodation or comparative travellers accommodation a contribution shall be determined on the basis of payment of 50 % of the standard community infrastructure development contribution for each 4 visitors the premises/camping ground can accommodate. Any manager's accommodation associated with travellers' accommodation shall be charged at the full rate.

Assumptions

- That all people in the district create a demand for community infrastructure irrespective of the type of lot created.
- That all people in the district have the same opportunity to use community infrastructure facilities.
- That community infrastructure use is related to people not type of property.
- That the district will continue to grow as set out in the population forecasting contained in this Policy.

Circumstances for Refunds or Reductions

In the event that planned community infrastructure upgrades are not undertaken within the “maximum period” set out in table two, or alternative upgrades are not completed within that time-frame, development contributions will be refunded, after allowing for the costs of investigating the upgrade options and associated administrative costs.

There will be no postponements of payments or remissions of payments.

Process for the reconsideration of a development contribution assessment

Section 199A of the Local Government Act provides that a request for reconsideration may only be made on the following grounds:

- the development contribution was incorrectly calculated or assessed under the territorial authority’s development contributions policy; or
- the territorial authority incorrectly applied its development contributions policy; or
- the information used to assess the person’s development against the development contributions policy, or the way the territorial authority has recorded or used it when requiring a development contribution, was incomplete or contained errors.

How a Reconsideration Request is lodged.

The reconsideration request must be made:

- within 10 working days after the date on which the person lodging the request receives notice from the Council of the level of development contribution the Council requires; and
- by making a written request and sending it with any relevant supporting information by email to info@hurunui.govt.nz, or posting it to Hurunui District Council , P O Box 13, Amberley 7441.

If the Council believes further relevant information is required from the applicant before it can make a decision, a further information request will be asked for in writing to the applicant as soon as possible after the reconsideration request is received.

No reconsideration request will be accepted by the Council if it is received after the 10 day period above, or if an objection has been lodged under section 199C of the LGA.

The applicant will receive written notice if the request for reconsideration cannot be made for one of these reasons.

The Council reserves the right to reconsider an assessment if it believes an error has been made.

Objections process for a development contributions assessment

A formal objections process has been introduced to enable any person who has been required to pay a development contribution, to object to the assessed amount of the development contribution.

Objections will be decided by Development Contributions Commissioners selected by the Council from a Register of Commissioners appointed by the Minister of Local Government.

Under section 199D an objection can only be made on the grounds that a territorial authority:

- failed to take into account features of a development that, on their own or cumulatively with other developments, would substantially reduce the impact of the development on requirements for community facilities;
- required a development contribution for community facilities not required by, or related to, the objector’s development;
- was in breach of section 200 (limitations applying to requirement for development contribution); or
- incorrectly applied its developments contributions policy to the development.

Once objections are lodged with the Council, it is the Council’s responsibility for administering the objections process and selecting and supporting the Development Contributions Commissioners.

Note that the Council has the ability to recover costs incurred by it from the objector, including the costs of:

- selecting, engaging, and employing development contributions commissioners;
- secretarial and administrative support of the objection process; and
- preparing for, organising and holding the hearing.

Table 1: Inflation adjusted Capital Costs and Portion Relating to Growth for Year 1-3 and 10 of this plan

Project	Funded From	Total Capital Cost of Project (including non-growth related components) in 2019 dollars	Est. Proportion of Growth attributable to Development (net result of estimates for each capital item in project)	Est. Total Units of Demand by end of target period (to spread Development Cost if applicable)	Est. (actual when available) Total Capital Cost due to growth, inflation adjusted to 2019	Est. (actual when available) Total Capital Cost due to growth, inflation adjusted to 2020	Est. (actual when available) Total Capital Cost due to growth, inflation adjusted to 2021	Est. (actual when available) Total Capital Cost due to growth, inflation adjusted to 2028
District Sewer	District Sewer Area	\$5,081,636	40%	4,743	\$2,200,369	\$2,249,078	\$2,297,787	\$2,723,460
District Urban Water	Urban Water Area	\$986,783	61%	4,289	\$697,123	\$712,555	\$727,987	\$862,849
District Rural Water	Rural Water Area	\$5,764,376	77%	7,670	\$5,118,392	\$5,231,696	\$5,345,000	\$6,335,179
Amberley Domain Pavilion	Amberley Ward	\$260,388	Spread based on a ratio of new units of demand / total units of demand	2,670	\$46,852	\$47,889	\$48,926	\$57,990
Amberley Stormwater	Amberley Township	\$452,868	64%	1,933	\$288,557	\$294,945	\$301,332	\$357,155
Amberley Township Reserves	Amberley Township	\$763,526	90%	2,048	\$687,173	\$702,385	\$717,597	\$850,534
Amberley Walking & Cycling Routes	Amberley Township	\$274,000	80%	2,037	\$219,200	\$224,052	\$228,905	\$271,310
Amberley Ward Reserves	Amberley Ward	\$1,472,330	90%	3,257	\$1,325,097	\$1,354,430	\$1,383,763	\$1,640,110
Conical Hill Reserve Walkway Development	Hanmer Springs Ward	\$101,479	90%	1,962	\$91,331	\$93,353	\$95,375	\$113,043
Hanmer Springs Hall	Hanmer Springs Ward	\$529,700	Spread based on a ratio of new units of demand / total units of demand	1,844	\$137,077	\$140,111	\$143,145	\$169,664
Hanmer Springs Medical	Hanmer Springs Ward	\$836,414	Spread based on a ratio of new units of demand / total units of demand	1,923	\$241,883	\$247,238	\$252,592	\$299,386
Hanmer Springs Stormwater	Hanmer Springs Township	\$156,688	80%	1,721	\$125,351	\$128,125	\$130,900	\$155,150
Hanmer Springs Town Centre Development	Hanmer Springs Ward	\$2,401,786	60%	2,325	\$1,441,072	\$1,472,972	\$1,504,873	\$1,783,656
Hanmer Springs Domain	Hanmer Springs Ward	\$400,000	50%	1,864	\$200,000	\$204,427	\$208,855	\$247,546
Queen Mary Development	Hurunui District	\$4,531,689	Spread based on a ratio of new units of demand / total units of demand	8,867	\$1,038,864	\$1,061,861	\$1,084,858	\$1,285,831

Table 2: Development Contribution Schedule for Years 1-3 and 10 of this plan

Project	Funded From	Relevant Subsection of Policy (Category of Contribution)	Point at which Contribution is collected (number refers to options in NOTES below)	Start Year for Contributions	Maximum No. of years from start year until project is undertaken*	Target period (years from start year) over which to collect contributions	Est. Num of New Units to Collect From in target period based on growth model	New Development Contribution (GST added) 2017/2018	New Development Contribution (GST added) 2018/2019	New Development Contribution (GST added) 2019/2020	New Development Contribution (GST added) 2020/2021	New Development Contribution (GST added) 2027/2028
District Sewer	District Sewer Area	Network Infrastructure	3	2016	10	31	875	\$2,880	\$2,890	\$2,960	\$3,020	\$3,580
District Urban Water	Urban Water Area	Network Infrastructure	3	2016	10	21	572	\$1,360	\$1,400	\$1,430	\$1,460	\$1,730
District Rural Water	Rural Water Area	Network Infrastructure	3	2016	10	22	1,484	\$3,940	\$3,970	\$4,060	\$4,140	\$4,910
Amberley Domain Pavilion	Amberley Ward	Reserves	1	2004	10	18	480	\$140	\$110	\$110	\$120	\$140
Amberley Stormwater	Amberley Township	Network Infrastructure	3	2004	10	29	351	\$950	\$950	\$970	\$990	\$1,170
Amberley Township Reserves	Amberley Township	Reserves	1	2008	25	36	437	\$1,730	\$1,810	\$1,850	\$1,890	\$2,240
Amberley Walking & Cycling Routes	Amberley Township	Community Infrastructure	4	2008	20	35	427	\$560	\$580	\$590	\$600	\$710
Amberley Ward Reserves	Amberley Ward	Reserves	1	2008	25	48	971	\$1,550	\$1,570	\$1,600	\$1,640	\$1,940
Conical Hill Reserve Walkway	Hanmer Springs Ward	Reserves	1	2008	10	20	475	\$230	\$220	\$230	\$230	\$270
Hanmer Springs Hall	Hanmer Springs Ward	Community Infrastructure	4	2004	10	18	477	\$340	\$330	\$340	\$340	\$410
Hanmer Springs Medical	Hanmer Springs Ward	Community Infrastructure	4	2004	10	22	556	\$580	\$500	\$510	\$520	\$620
Hanmer Springs Stormwater	Hanmer Springs Township	Network Infrastructure	3	2004	20	35	489	\$290	\$290	\$300	\$310	\$360
Hanmer Springs Town Centre	Hanmer Springs Ward	Community Infrastructure	4	2004	10	59	959	\$1,690	\$1,730	\$1,770	\$1,810	\$2,140
Hanmer Springs Domain	Hanmer Springs Ward	Reserves	1	2013	10	10	227	\$980	\$1,010	\$1,040	\$1,060	\$1,250
Queen Mary Development	Hurunui District	Reserves	1	2004	20	25	2,033	\$770	\$590	\$600	\$610	\$730

NOTES: Points at which Contributions are payable and maximum contribution for reserves**

- At the time of granting a subdivision consent, or if a separate certificate of title exists against which no development levy has been paid, at the time of issuing a building consent.
- At time of granting subdivision consent or if no development levy has been paid, at the time of issuing a building consent or resource consent or at time of connection to service.
- When subdivision consent is granted and or where subsequently an additional dwelling house or business premise is promoted on the same lot at the time when either a resource consent or a building consent is granted.
- Upon granting a subdivision consent or Building Consent or Resource Consent. All new subdivisions will be subject to the community infrastructure contributions set out in this table. Where allotments already exist but have not been built on the contribution will be collected on the granting of the building consent or resource consent.
- At time of application to the Rural Water Scheme.

** In the case of reserves contributions, the contribution payable will be capped at the greater of 7.5% of the value of the additional allotments created by a subdivision or the value equivalent of 20 square metres of land for each additional household unit created by the development.

Totals:

Hanmer Springs Township	\$9,120	\$8,960	\$9,180	\$9,360	\$11,090
Hanmer Springs Ward (excl. Town)	\$4,590	\$4,380	\$4,490	\$4,570	\$5,420
Amberley Township	\$9,940	\$9,900	\$10,110	\$10,330	\$12,240
Leithfield Township & Amberley Beach Township	\$9,280	\$9,130	\$9,330	\$9,530	\$11,300
Leithfield Beach Township	\$6,700	\$6,560	\$6,700	\$6,850	\$8,120
Amberley Ward (excl. Townships)	\$2,460	\$2,270	\$2,310	\$2,370	\$2,810
Glenmark Ward	\$770	\$590	\$600	\$610	\$730
Cheviot Ward (Including Rural Water)	\$4,710	\$4,560	\$4,660	\$4,750	\$5,640
Hurunui Community (including Rural Water)	\$4,710	\$4,560	\$4,660	\$4,750	\$5,640
Amuri Community	\$770	\$590	\$600	\$610	\$730

* In the case of land taken for reserve purposes, this figure will be negotiated with the land owner at the time the contribution is made.

Māori contribution to decision making policy

Introduction

The Hurunui District lies within the traditional boundaries of Ngāi Tahu. Ngāi Tahu is the largest iwi in Te Waipounamu (the South Island) and comprises of hundreds of whānau who descend from the tribe's five primary hapū (Ngāti Kurī, Ngāti Irakehu, Kāti Huirapa, Ngāi Tūāhuriri and Ngāi Te Ruahikihiki) as well as earlier Ngāti Mamoe and Waitaha ancestors. The collective of all of these genealogies is known today as Ngāi Tahu Whānui.

Te Rūnanga o Ngāi Tahu (TRoNT) is the mandated Iwi Authority for Ngāi Tahu Whānui, and was established by the Te Rūnanga o Ngāi Tahu Act 1996. While TRoNT accepts its statutory responsibilities as the representative voice of Ngāi Tahu Whānui "for all purposes" it also respects the rights of local Ngāi Tahu whānau and hapū to represent and express their own respective rights, values and interests as mana whenua (i.e. those that hold traditional authority within their recognised takiwā) via their local papatupu rūnanga.

The hapū who have mana whenua over the Hurunui District are Ngāti Kurī and Ngāi Tūāhuriri. Their respective rūnanga are Te Rūnanga o Kaikōura and Te Ngāi Tuahuriri Rūnanga. The takiwā of Te Rūnanga o Kaikōura centres on Takahanga Marae in Kaikōura and extends from Te Pari-nui-o-Whiti (White Bluffs) in the north to the Hurunui River in the south, inland to the main divide and seawards. The takiwā of the Ngāi Tūāhuriri Rūnanga centres on Tuahiwi Marae in Tuahiwi and extends from the Hurunui River in the north to the Hakatere/Ashburton River in the south, inland to the main divide and seawards.

Purpose

The Hurunui District Council, as a legal representative of the Crown, seeks to engage meaningfully with Ngāi Tahu in the spirit of the partnership established under Te Tiriti o Waitangi. The Council recognises that Ngāti Kurī and Ngāi Tūāhuriri have rights and responsibilities as Mana Whenua (e.g. kaitiakitanga) and has worked with their representatives to enter into a Memorandum of Understanding to record and help guide this partnership.

It is important that Māori perspectives are heard when it comes to Council decision making and that we have procedures in place to make sure this is the case. In addition, both the Local Government Act and the Resource Management Act include certain requirements for councils to work alongside Māori.

The Local Government Act, section 81 requires councils to:

- (a) establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority; and

- (b) consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority; and
- (c) provide relevant information to Māori for the purposes of paragraphs (a) and (b).

The Resource Management Act, sections 58K to 58U is about a new inclusion named Mana Whakahono a Rohe. The Resources Management Act has been amended to enhance opportunities for iwi input to resource management plan-making processes and has introduced a new process for establishing agreements between tangata whenua (through iwi authorities) and councils. This has been named Mana Whakahono a Rohe - Iwi participation arrangements. The intent is to improve working relationships between iwi and councils, and enhance Māori participation in resource management processes. While this is a new requirement under the Act, the Council is keen to enhance its relationship with iwi and to work together to discuss and agree how this would work for us all.

An important relationship has been fostered through having representatives from Te Rūnanga o Kaikōura and Te Ngāi Tuahuriri Rūnanga on the Hurunui Waiau Zone Committee. Working together on water issues for the future of the district under the wider Canterbury Water Management Strategy is an important area of mutual concern.

Ngāi Tahu and the Hurunui District

Ngāi Tahu's historic relationship with the Hurunui district is reflected by the numerous pā (fortified settlements), mahinga kai, taurangawaka (canoe landing sites), nohoanga (seasonal camps associated with mahinga kai), tuhinga-o-nehe (rock art), ara-tawhito (highways) and urupā (burial sites) found throughout the District. Today, Ngāi Tahu maintain a relationship with a number of these sites (particularly remnant mahinga kai) and are becoming more active in discussions and decisions that relate to the management of sites of significance to them.

Protocol

The Council has with Te Ngāi Tūāhuriri Rūnanga, Te Rūnanga o Kaikōura and Te Rūnanga o Ngāi Tahu, a Memorandum of Understanding. The purpose of this is to recognise the role that local Rūnanga has in environmental resource management matters dealt with by our Council, and to provide an opportunity for a working relationship to be enhanced and improved.

The Council and representatives of the local Rūnanga have agreed to meet from time to time to review this protocol and explore ways of extending it to ensure that it remains consistent with meeting the wider objectives and mandate of the Local Government Act.

Iwi Management Plans

In order to facilitate the expression of their kaitiaki responsibilities and the understanding of their values, issues, objectives and policies; Ngāti Kurī and Ngāi Tūāhuriri have their own respective environmental management plans, namely:

- Te Poha o Tohu Raumati 2005 (Ngāti Kurī)
- Maha-a-nui 2013 (Ngāi Tūāhuriri)

The Resource Management Act (section 74(2A)) requires territorial authorities to take into account planning documents recognised by iwi and lodged with the territorial authority. The content of the Iwi Management Plans have a bearing on District resource management issues under the Resource Management Act. Each Plan provides guidance on specific issues and locations within the Hurunui District. These are vital resources for the Council and consent applicants to understand how to recognise and provide for the relationship of each hapū with their ancestral lands, water, sites of significance and other taonga (Section 6 of the Resource Management Act).

Statutory Acknowledgments

The Ngāi Tahu Claims Settlement Act 1998 created Statutory Acknowledgement areas as a mechanism to recognise the special relationship Ngāi Tahu has with a given site. The purpose of Statutory Acknowledgments is to improve both the effectiveness of Ngāi Tahu participation within resource management processes, as well as the protection that each such site receives under the Resource Management Act.

The Statutory Acknowledgement areas in the Hurunui District are:

- Waipara River
- Lake Sumner/Hoka Kura
- Kōwai River
- Hurunui River/Huruhurunui Awa
- Conway River/Tūtāe Putaputa

Reference: Proposed Hurunui District Plan Chapter 2 Schedule 2.1 map SA

The Council must send copies of resource consent applications to Ngāi Tahu and consider whether Ngāi Tahu is an affected party for all activities within, adjacent to, or impacting directly on a Statutory Acknowledgement area.

Archaeological Sites

In addition to the Statutory Acknowledgment areas, there are over 100 Māori archaeological sites throughout the District recorded by the New Zealand Archaeological Association (NZAA). Ngāi Tahu regards these recorded sites as indicators of the existence of other sites that have not been publicly recorded or identified. All archaeological sites, whether recorded or unrecorded, are protected by

the Historic Places Act 1993. Māori archaeological sites include pā sites, cultivation areas, gardens, terraces, pits, middens and rock art sites. Ngāi Tahu considers all archaeological sites related to Māori occupation and activity to be culturally significant regardless of site type. All of these sites are wāhi taonga and some are wāhi tapu – all are significant on account of their association with tipuna (ancestors).

While the primary legislation protecting archaeological sites in New Zealand is the Historic Places Act 1993, the Resource Management Act also plays an important role. The Council has responsibilities under Sections 5, 6, 7 and 8 of the Act to sustainably manage archaeological sites. Therefore, engagement with Ngāi Tahu when decisions are made on resource management in the vicinity of archaeological sites is required.

Integration with archaeological authority processes under the Historic Places Act 1993 is also an important consideration when assessing effects involving places and areas of significance to Māori under the RMA. The NZHPT should be contacted in the early stages of a proposal as an archaeological authority from the NZHPT may be required.

Nohoanga Sites

Nohoanga are temporary dwelling sites that are used in the seasonal pursuit of food and other natural resources. A certain number of nohoanga have been recognised within the Ngāi Tahu Claim Settlement Act 1998 and provision made for them so that Ngāi Tahu are able to occupy and use these sites for a defined period within any given year to pursue mahingakai traditions.

The nohoanga within in the Hurunui District are located on:

- Hurunui River/Huruhurunui Awa
- Lake Sumner/Hoka Kura
- Waiau River/Waiāu Au
- Waipara River

As with Statutory Acknowledgments, the Council undertakes to send copies of resource consent applications to Ngāi Tahu and consider whether Ngāi Tahu is an affected party for all activities within, adjacent to, or impacting directly upon a nohoanga site.

Revenue and financing policy

Introduction

This policy explains who pays for Council services and why¹. The policy also sets out:

- the community outcomes to which the service primarily contributes
- The funding principles relevant to each service including:
 - » the distribution of benefits between Hurunui district as a whole, or smaller areas (such as townships or wards) and individuals
 - » the extent to which the actions of individuals or groups contribute to the need for the service
 - » the costs and benefits for funding the service distinctly from other services
 - » the overall impact of funding a service on the current and future social, economic, environmental and cultural wellbeing of the community
- The way operational costs are financed
- The way capital costs are financed.

Funds for each service are collected unless the Council believes that to do so would not be fair, or not be in the interest of the community, or is in conflict with Council policy. The Council has the responsibility to make the final decision on how to fund its services having considered public feedback.

Explanation of terms used

Capital Value: The value a property is expected to receive at the time of valuation if offered for sale on reasonable terms and conditions.

Development Contributions: Charges on future lots or units of demand to fund the growth portion of capital expenditure (such as upgraded infrastructure, new reserves, etc).

District Rate: District wide collection of revenue based on a set number of cents per dollar of the capital value of every property, or a uniform annual general charge (UAGC).

Drainage Rate: Targeted Rate on a defined area benefiting from a classified stormwater or drainage scheme.

Land Area: This is a set dollar amount for each rateable property based on the area of the land that property consists of.

Lot: A rateable property (lots can be combined). A lot is a legal entity.

Targeted Rate: Is a rate within a ward or other defined area and may be based on cents per dollar of capital value of every property or a fixed amount per rating unit (known for the purposes of this policy as a “Uniform Annual Charge”, UAC). Money is spent in that area only.

UAC: Uniform Annual Charge. Within the context of this policy, this is a Targeted Rate for a set dollar amount collected for each rateable property (or each separately used or inhabited part of a property) in the District as a whole or within part of the District for a specific Council service (e.g. water supply, sewerage, amenities etc).

UAGC: Uniform Annual General Charge. This is a set dollar amount which is collected for each rateable property or each separately used or inhabited part of a property in the District, irrespective of the value of the property, to cover the combined costs of various Council services.

Units of demand: Units of demand are defined as a rating unit or a separately used or inhabited part of a rating unit.

User Charges: Charges collected from individuals at the time service is used.

Utilities: Combination of water, wastewater and refuse services.

Service Reviews

The council activities and associated service reviews are detailed on the following pages.

¹ Local Government Act sections 101,102 and 103.

Service:	Sewerage
Community outcomes	<ul style="list-style-type: none"> • A desirable and safe place to live. • A place with essential and appropriate infrastructure. • A place that demonstrates environmental responsibility.
Relevant funding principles	<p>The increased requirements to meet environmental standards for sewerage systems place an exceptional burden on small communities to fund their own scheme. To fund the increased costs associated with meeting standards, the Council funds all sewerage requirements from a general rate, rather than a targeted rate (as was done in the past).</p> <p>Only those properties which are connected to a Council sewerage scheme are rated for this service.</p> <p>Not all areas of the district are connected to a sewerage system due to the geographical spread of the largely rural district. Most ratepayers have their own self-funded sewerage disposal system, such as septic tanks.</p>
Funding - operational	<p>A wastewater uniform annual charge applies:</p> <ul style="list-style-type: none"> • to each connection • for commercial properties a charge of: <ul style="list-style-type: none"> » full charge for the first toilet pan » ½ charge on the second toilet pan » ¼ charge on the third and subsequent toilet pans <p>Vacant properties within the urban sewerage scheme area will be charged ½ the uniform annual charge.</p>
Funding - capital	<ul style="list-style-type: none"> • Capital expenditure is initially funded by a loan as per the Council's Internal Financing Policy. • The depreciation costs for all sewerage schemes are included as part of the operational costs and charged as part of the targeted rate with the depreciation funds used for repayment of internal debt. • If the capital expenditure caters for future growth of the scheme, then that portion of the cost that relates to growth may be funded through development contributions. • Land owners will pay the cost of connection to the nearest main; plus if a new subdivision, the cost of a new sub-main and development contributions if they apply. • Property owners individually pay for new connections.

Service:	Water supplies
Community outcomes	<ul style="list-style-type: none"> • A place with essential and appropriate infrastructure.
Relevant funding principles	<p>The increased requirements to meet New Zealand drinking water standards place an exceptional burden on the rate payers of small water schemes. To fund the increased costs associated with meeting standards, the Council funds all drinking water requirements from a general rate, rather than a targeted rate (as was done in the past).</p> <p>Only those properties which are connected to a Council water scheme are rated for this service.</p> <p>Water rates are based on the principal that all ratepayers own an equal share in the water supply system and therefore, all users should meet an equal component of the fixed costs of water supply. They should then pay the economic marginal cost of any additional usage.</p>
Funding - operational	<ul style="list-style-type: none"> • For all on-demand supplies, a standard connection charge is applied regardless of the location. In addition, those connected to an on-demand supply are charged a standard charge for each cubic metre of water as recorded by individual water meters. • Properties that have the ability to connect to an on-demand supply but are not connected (e.g. vacant sections) will be charged ½ the standard connection charge. • For restricted supplies, except Balmoral, a staged increase is proposed to align all supplies to a common rate for each unit of water. • The Balmoral Rural Water Supply is charged as a local uniform annual rate per water unit entitlement.
Funding - capital	<ul style="list-style-type: none"> • Capital expenditure is initially funded by a loan as per the Council's Internal Financing Policy. • The depreciation costs for all water supplies are included as part of the operational costs and charged as part of the targeted rate with the depreciation funds used for repayment of internal debt. • If the capital expenditure caters for future growth of the scheme, then that portion of the cost that relates to growth may be funded through development contributions. • Land owners will pay the cost of connection to the nearest main; plus if a new subdivision, the cost of a new sub-main and development contributions if they apply. • Property owners individually pay for new connections.

Service:	Stormwater and drainage
Community outcomes	<ul style="list-style-type: none"> • A desirable and safe place to live. • A place with essential and appropriate infrastructure.
Relevant funding principles	<p>Further investigation is needed to fully understand the stormwater and drainage needs for the district. There is a mix of private and Council owned systems but limited understanding of how these inter-relate and interact with each other. The work to assess future needs will benefit those across the district in urban areas and will be charged to those in urban areas.</p> <p>The capital costs for the stormwater and drainage systems in the following areas will be charged to those who benefit from the individual drains:</p> <ul style="list-style-type: none"> • Ashworths drains • Leithfield Outfall drain • Newcombes Road drains • Jed River drains • Culverden • Cheviot • Motunau Beach • Hawarden • Waikari <p>A stormwater rate also applies to the Amberley Beach foreshore protection work to those property owners at Amberley Beach.</p>
Funding - operational	<ul style="list-style-type: none"> • District wide rate will be charged on each urban property to develop district-wide stormwater management and catchment plans. • For individual townships (except in the Amberley Ward), a targeted rate will be charged on each property in the defined township area. • For the Amberley Ward, a targeted rate will be charged to each property in the Ward.
Funding - capital	<ul style="list-style-type: none"> • Capital expenditure is initially funded by a loan as per the Council's Internal Financing Policy. • The depreciation costs relating to the capital renewal or replacement of stormwater assets is charged as a targeted rate to those properties which benefit from a particular stormwater outlet or drain. The depreciation funds are used for repayment of internal debt. • If the capital expenditure caters for future growth of the scheme, then that portion of the cost that relates to growth may be funded through development contributions.

Service:	Roads and footpaths
Community outcomes	<ul style="list-style-type: none"> • A desirable and safe place to live. • A place with essential and appropriate infrastructure.
Relevant funding principles	<p>The Council considers that all residents and ratepayers benefit from its roads and footpaths. Having a good road network that enables people to easily access their destination whether that be for work, recreation, shopping etc, is an expectation of most people. Rather than try to establish who may benefit more from certain roads, the Council charges a roading rate to all properties.</p> <p>Urban areas have footpaths and are charged a local rate. Some of the townships have more footpaths than others. The Council has delegated local committees to make decisions about where footpaths are needed. To ensure that all footpaths are well maintained, a maintenance plan is in place and funded from those who live in urban areas.</p>
Funding - operational	<ul style="list-style-type: none"> • District Rate for operations, roads and bridges known as the 'Roading Rate'. • Footpath maintenance is funded through a district rate for urban areas on an 80% basis, and rural areas for the remaining 20% of costs.
Funding - capital	<ul style="list-style-type: none"> • Subsidised capital expenditure (through NZTA) is funded as operational. • If the capital expenditure caters for future growth, then the portion of the expenditure that relates to growth may be funded from financial contributions. • For resealing work that does not qualify for a government subsidy (from NZTA), ratepayers on that particular road are to meet the full cost (as per the Road Seal Extension Policy). • Footpaths are funded through a local rate on ward or community rating areas.

Service:	Public services
Community outcomes	<ul style="list-style-type: none"> • A desirable and safe place to live. • A place where our traditional rural values and heritage make Hurunui unique. • A place that demonstrates environmental responsibility.
Relevant funding principles	<p>The Council provides a number of public services to meet a range of needs and services that would otherwise be unprofitable to run privately but considered necessary in today's society. A variety of funding mechanisms is used to pay for these services to spread the cost as fairly as possible without over burdening any individuals or communities.</p> <p>Where possible, 'user pay' principles are applied but this is not always practical or able to fully fund each service. For example, to fund the library, a number of mechanisms are used including a district rate, user pays (fees), Hanmer Springs Thermal Pools and Spa profits, and occasionally small grants are provided. If the library was to be fully user pays, the cost of using the library would be prohibitive to many individuals and go against the principles of libraries being equally accessible to all.</p> <p>Another example is reserves and playgrounds. It would be extremely difficult to have a user pay system for these items and charge individuals for using play grounds and for a walk through a reserve. Again, this goes against community principles and desires that these facilities are easily and equally available for all to use. Some user charges exist for some reserves for organised events.</p>
Funding - operational	See table opposite
Funding - capital	See table opposite

Public services funding mechanisms							
Activity	District rate	Local amenity rate	Targeted rate	User charges	Development Contributions	External grants	HSTPS
Community halls		X		X	X		
Reserves, parks and playgrounds	X	X	X	X	X	X	X
Township maintenance		X					
Youth programme	X					X	X
Medical centres		X		X	X		
Social housing				X		X	
Residential housing	X			X			
Cemeteries	X			X			X
Public toilets	X	X				X	X
Libraries	X			X		X	X
Civil defence	X					X	
Waste management	X			X		X	
District promotion	X						
Tourism			X			X	X
Swimming pools		X	X	X			

Service:	Regulatory services			
Community outcomes	<ul style="list-style-type: none"> • A desirable and safe place to live. • A place that demonstrates environmental responsibility. 			
Relevant funding principles	<p>User charge principles apply as much as possible. Regulatory services are often required to protect people, animals and the environment. To do this, rules are created to ensure the sustainable management of the districts natural and physical resources, and to minimise any factors that most people would deem a nuisance.</p> <p>Therefore, costs are recovered as much as practical from those who require a service that benefits them individually (building and resource consents), or provides a service that can cause potential harm (such as the sale of liquor and food), or directly cause nuisance (for example, loud music, barking dogs).</p> <p>Some statutory constraints apply that limit what the Council is able to recover under the Resource Management Act.</p> <p>Other Acts state actual fees that the Council must pass on to users of certain services (such as dog registration and liquor licencing fees).</p>			
Funding - operational	Activity	User charges	District rate	Fee set by statute
	Resource consents	X	X	
	Private plan change	X		
	Planning	X	X	
	Swimming pool inspections	X		
	Building consents	X	X	
	Health	X	X	
	Liquor		X	X
	Dog registration			X
	Animal control		X	
Earthquake prone buildings		X		
Funding - capital	<ul style="list-style-type: none"> • District rate. • Note: Capital costs are minimal in this function and mainly relate to vehicle purchases. 			

Service:	Hanmer Springs Thermal Pools and Spa	
Community outcomes	<ul style="list-style-type: none"> • A place where our traditional rural values and heritage make the Hurunui unique. • A place with a thriving local economy. • A place that demonstrates environmental responsibility. 	
Relevant funding principles	<p>The HSTPS is run as a department of the Council. Because of this, the use of the profits is restricted to that set out in the Reserves Act. HSTPS is run as a business and the Council deliberately aims to increase the profit margins each year.</p> <p>A substantial amount of the annual profits is reinvested into the Pools complex to ensure they remain attractive and compelling to visitors in order to reasonably expect increased profits. Another portion of the profits is used to repay Council debt – much of this resulting from improvements to the complex.</p> <p>All Hurunui ratepayers benefit from the HSTPS operation as the profits earned are used to offset the rates that would be charged if the profits were not available. For example, most of the funding for reserves, playgrounds, parks and libraries (on reserves) are funded from the profits rather than through direct rates.</p> <p>The Council strongly considers that HSTPS belongs to Hurunui district residents and has granted special discounted rates to encourage them to use the pools.</p>	
Funding - operational	<ul style="list-style-type: none"> • User charges. • The HSTPS sets its fee schedule for the use of the facilities annually. 	
Funding - capital	<ul style="list-style-type: none"> • Internal borrowing from the Council in accordance with the Internal Financing Policy. • The Council charges the HSTPS an interest rate of 2% above the Council's external borrowing rate. The additional interest derived from the internal financing to the HSTPS (\$20,000 per \$1 million of borrowings) provides a good return for the Council that contributes toward lower rates. • Loans are serviced by HSTPS from a portion of its profits. • The amount of depreciation that is charged is also used to repay debt. 	

Service:	Governance
Community outcomes	<ul style="list-style-type: none"> • A desirable and safe place to live.
Relevant funding principles	The Council's financial strategy is to support its strategic direction and the sustainable, affordable delivery of services and facilities. The Council's intent is to manage and reduce debt, to maximise the HSTPS profits, and ensure that council activities are affordable and relevant.
Funding - operational	<ul style="list-style-type: none"> • District rate (known as the governance rate). • Hanmer Springs Community Board members' remuneration is funded by the Hanmer Springs ward amenities rate.
Funding - capital	<ul style="list-style-type: none"> • No significant capital investment in this area.

Service:	Earthquake recovery
Community outcomes	<ul style="list-style-type: none"> • A desirable and safe place to live. • A place with essential and appropriate infrastructure.
Relevant funding principles	The Council was left with a shortfall in funding the response and recovery from the Earthquakes in November 2016. The resulting debt is still to be serviced. Recognising the Hurunui District as a whole is responsible for this debt, the Council has deemed that it is appropriate to service that debt from a district wide rate.
Funding - operational	<ul style="list-style-type: none"> • Ongoing operational costs relate to servicing of the debt. • Charged as a district wide rate.
Funding - capital	<ul style="list-style-type: none"> • No significant capital investment is anticipated in this area.

Treasury risk management policy

INCLUDING LIABILITY AND INVESTMENT POLICIES

ADOPTED BY COUNCIL
15 March 2018

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1.0 INTRODUCTION

1.1 Purpose of Policy

The purpose of the Treasury Risk Management Policy is to outline approved policies and procedures in respect of all treasury activity to be undertaken by Hurunui District Council. The formalisation of such policies and procedures will enable treasury risks within the Council to be prudently managed.

As circumstances change, the policies and procedures outlined in this policy will be modified to ensure that the Council will manage treasury risks. In addition, regular reviews will be conducted to test the existing policy against the following criteria:

- Industry “best practices” for a Council the size and type of Hurunui.
- The risk bearing ability and tolerance levels of the underlying revenue and cost drivers.
- The effectiveness and efficiency of the Treasury Risk Management Policy and treasury management function to recognise, measure, control, manage and report on Hurunui’s financial exposure to market interest rate risks, funding risk, liquidity, investment risks, counterparty credit risks and other associated risks.
- The operations of a pro-active treasury function in an environment of control and compliance.
- The robustness of the policy’s risk control limits and risk spreading mechanisms against normal and abnormal interest rate market movements and conditions.
- Assistance to the Council in achieving strategic objectives relating to ratepayers.

All staff involved in any aspect of the Council’s financial management must be completely familiar with their responsibilities under the policy at all times.

2.0 SCOPE AND OBJECTIVES

2.1 Scope

- This document identifies the Council’s policy and procedures in respect of treasury management activities.
- The policy does not cover other aspects of the Council’s operations, particularly transactional banking management, systems of internal control and financial management. Other Council policies and procedures cover these matters.
- Planning tools and mechanisms are also outside of the scope of this policy.

2.2 Objectives

The objective of this Treasury Risk Management Policy is to control and manage costs and investment returns that can influence operational budgets and public equity. Specifically:

Statutory Objectives

- All external borrowing, investments and incidental financial arrangements (e.g. use of interest rate hedging financial instruments) will meet requirements of the

Local Government Act 2002 and incorporate the Liability Management Policy and Investment Policy.

- The Council is governed by the following relevant legislation;
 - » Local Government Act 2002, in particular Part 6 including sections 101,102,104 and 105.
 - » Local Government (Financial Reporting and Prudence) Regulations 2014, in particular Schedule 4.
 - » Trustee Act 1956. When acting as a trustee or investing money on behalf of others, the Trustee Act highlights that trustees have a duty to invest prudently and that they shall exercise care, diligence and skill that a prudent person of business would exercise in managing the affairs of others. Details of relevant sections can be found in the Trustee Act 1956 Part II Investments.
 - » Public bodies Lease Act 1969 and Property Law Act 2007.
- All projected borrowings are to be approved by the Council as part of the Annual Plan process or Council resolution before the borrowing is effected.
- All legal documentation in respect to borrowing and financial instruments will be approved by the Council’s approved solicitors prior to the transaction being executed.
- The Council will not enter into any borrowings denominated in a foreign currency.
- The Council will not transact with any Council Controlled Trading Organisation (CCTO) on terms more favourable than those achievable by the Council itself.
- A resolution of the Council is not required for hire purchase, credit or deferred purchase of goods if:
 - the period of indebtedness is less than 91 days (including rollovers); or
 - the goods or services are obtained in the ordinary course of operations on normal terms for amounts not exceeding in aggregate, an amount determined by resolution of Council.

General Objectives

- To manage investments to optimise returns in the long term whilst balancing risk and return considerations.
- Minimise the Council’s costs and risks in the management of its borrowings.
- Minimise the Council’s exposure to adverse interest rate movements.
- Monitor, evaluate and report on treasury performance.
- Borrow funds and transact risk management instruments within an environment of control and compliance under the Council approved Treasury Risk Management Policy so as to protect the Council’s financial assets and costs.
- Arrange and structure long term funding for the Council at the lowest achievable interest margin from debt lenders. Optimise flexibility and spread of debt maturity within the funding risk limits established by this policy statement.

- Monitor and report on financing/borrowing covenants and ratios under the obligations of the Council’s lending/security arrangements.
- Comply with financial ratios and limits stated within this policy.
- Monitor the Council’s return on investments.
- Ensure the Council, management and relevant staff are kept abreast of the latest treasury products, methodologies, and accounting treatments through training and in-house presentations.
- Maintain appropriate liquidity levels and manage cash flows within the Council to meet known and reasonable unforeseen funding requirements.
- To minimise exposure to credit risk by dealing with and investing in credit worthy counterparties.
- Ensure that all statutory requirements of a financial nature are adhered to.
- To ensure adequate internal controls exist to protect the Council’s financial assets and to prevent unauthorised transactions.
- Develop and maintain relationships with financial institutions, LGFA investors and investment counterparties.

2.3 Policy Setting and Management

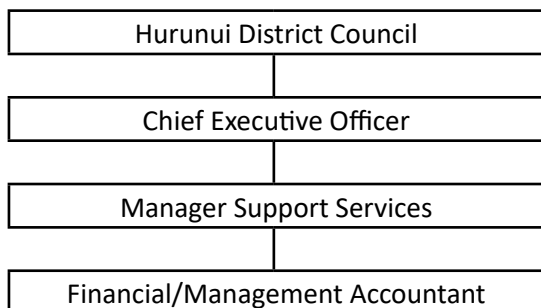
The Council approves policy parameters in relation to its treasury activities. The Council’s Chief Executive Officer has overall financial management responsibility for the Council’s borrowing and investments.

The Council exercises on-going governance over its subsidiary companies (CCO/CCTO), through the process of approving the Constitutions, Statements of (Corporate) Intent, and the appointment of Directors/Trustees of these companies.

3.0 MANAGEMENT RESPONSIBILITIES

3.1 Overview of Management Structure

The following diagram illustrates those individuals and bodies who have treasury responsibilities. Authority levels, reporting lines and treasury duties and responsibilities are outlined in the following section:



3.2 The Council

The Council has ultimate responsibility for ensuring that there is an effective policy for the management of its risks. In this respect the Council decides the level and nature of risks that are acceptable, according to its underlying objectives.

The Council is responsible for approving the Treasury Management Policy. While the policy can be reviewed and changes recommended by other persons, the authority to make or change policy cannot be delegated.

In this respect, the Council has responsibility for:

- Approving its long-term financial position through the Long Term Plan (LTP) and Financial Strategy along with the adopted Annual Plan.
- Approving new debt through the adoption of the Annual Plan, specific Council resolution and approval of this policy.
- Approving the Treasury Management Policy incorporating the following delegated authorities:
 - borrowing, investment and dealing limits and the respective authority levels delegated to the CEO, MSS and other management;
 - counterparties and credit limits;
 - risk management methodologies and benchmarks;
 - guidelines for the use of financial instruments;
 - receive an triennial review report on the policy.
- Evaluating and approving amendments to policy.
- Approving budgets and high level performance reporting.
- Approve opening and closing of bank accounts.
- Delegate authority to the CEO and other officers.

The Council should also ensure that:

- It receives regular information from management on risk exposure and financial instrument usage in a form, that is understood, and that enables it to make informed judgements as to the level of risk undertaken.
- Issues raised by auditors (both internal and external) in respect of any significant weaknesses in the treasury function are resolved in a timely manner.
- Submissions are received from management requesting approval for one-off transactions falling outside policy guidelines.

3.3 Chief Executive Officer (CEO)

While the Council has final responsibility for the policy governing the management of Council’s risks, it delegates overall responsibility for the day-to-day management of such risks to the Chief Executive Officer.

In respect of treasury management activities, the Chief Executive Officer's responsibilities include:

- Ensuring the Treasury Management policies comply with existing and new legislation;
- Approving the register of cheque and electronic banking signatories;
- Approve new counterparties and counterparty limits;
- Approve new borrowing undertaken in line with the Council resolution and approved borrowing strategy;
- Approve interest rate strategy;
- Receive advice of breaches of Treasury Management Policy and significant treasury events from the MSS;
- Approve all amendments to Council records arising from checks to bank confirmations.

3.4 Manager Support Services (MSS)

The MSS' responsibilities are as follows:

- Management responsibility for borrowing and investment activities;
- Recommend policy changes to the Council for approval;
- Ongoing risk assessment of borrowing and investment activity including procedures and controls;
- Approve treasury transactions in accordance with delegated authority;
- Authorise the use of approved interest rate risk management instruments within discretionary authority;
- Recommend authorised signatories and delegated authorities in respect of all treasury dealing and banking activities;
- Propose new funding requirements to the CEO for consideration and submission to the Council;
- Review and make recommendations on all aspects of the Treasury Risk Management Policy to the CEO, including dealing limits, approved instruments, counterparties, and general guidelines for the use of financial instruments;
- Conduct a review, at least triennially, of the Treasury Management Policy, treasury procedures and counterparty limits;
- Manage the long-term financial position of the Council as outlined in the LTP;
- Ensure management procedures and policies are implemented in accordance with this Treasury Management Policy;
- Ensure all financial instruments are valued and accounted for correctly in accordance with current best practice standards;
- Monitor and review the performance of the treasury function in terms of achieving the objectives of minimising and stabilising funding costs;
- Monitor treasury exposure on a regular basis, including current and forecast cash position, investment portfolio, interest rate exposures and borrowings;

- Oversee relationships with financial institutions/brokers;
- Negotiate borrowing facilities;
- Authorise interest rate hedge transactions (swaps, Forward Rate Agreements (FRAs) and options) with bank counterparties to change the fixed:floating mix to re-profile the Council's interest rate risk profile on borrowing;
- Design, analyse, evaluate, test and implement risk management strategies to position the Council's net interest rate risk profile to be protected against adverse market movements within the approved policy limits;
- Execute treasury transactions in accordance with set limits;
- Complete deal tickets for treasury transactions;
- Update treasury spread sheet for all new, re-negotiated and maturing transactions;
- Monitor credit ratings of approved counterparties;
- Investigate financing alternatives to minimise borrowing costs, margins and interest rates, making recommendations to the CEO as appropriate;
- Account for all treasury transactions in accordance with legislation and generally accepted accounting principles, Council's accounting and funding and financial policies.
- Prepare treasury reports;
- Update credit standing of approved counterparty credit list on a quarterly basis.
- Check compliance against limits and prepare report on an exceptions basis;
- Forecast future cash flow and debt requirements.

3.5 Financial / Management Accountant

Responsibilities are as follows:

- Co-ordinate the compilation of cash flow forecasts and cash management;
- Manage the operation of all bank accounts;
- Handle all administrative aspects of bank counterparty agreements and documentation such as loan agreements and ISDA swap documents;
- Monitor all treasury exposures daily;
- Check all treasury deal confirmations against deal documentation and treasury spreadsheet, and report any irregularities immediately to the CEO;
- Reconcile monthly summaries of outstanding financial contracts from banking counterparties to internal records;
- Review treasury spreadsheet reconciliation to general ledger.

3.6 Delegation of Authority and Authority Limits

Treasury transactions entered into without the proper authority are difficult to cancel given the legal doctrine of "apparent authority". Also, insufficient authorities for a given bank account or facility may prevent the execution of certain transactions (or at least cause unnecessary delays).

To prevent these types of situations, the following procedures must be complied with:

- All delegated authorities and signatories must be reviewed at least annually to ensure that they are still appropriate and current.
- A comprehensive letter must be sent to all bank counterparties at least annually to confirm details of all relevant current delegated authorities empowered to bind the Council.

Whenever a person with delegated authority on any account or facility leaves the Council, all relevant banks and other counterparties must be advised in writing in a timely manner to ensure that no unauthorised instructions are to be accepted from such persons.

The Council has the following responsibilities, either directly itself, or via the following stated delegated authorities.

Activity	Delegated Authority	Limit
Approving and changing policy	The Council	Unlimited
Approve external borrowing for year as set out in the AP/ LTP.	The Council	Unlimited (subject to legislative and other regulatory limitations)
Acquisition and disposition of investments other than financial investments	The Council	Unlimited
Approval for charging assets as security over borrowing	The Council	Unlimited
Approving new and reviewing re-financed bank facilities.	CEO (delegated by Council)	Unlimited
Appoint Debenture Trustee	The Council	N/A
Overall day-to-day risk management	CEO (delegated by Council) MSS (delegated by CEO)	Subject to policy
Re-financing existing debt	CEO (delegated by Council) MSS (delegated by CEO)	Subject to policy
Negotiate bank facilities	MSS	N/A
Manage borrowing and interest rate strategy	MSS	N/A
Approving transactions outside policy	The Council	Unlimited
Adjust interest rate risk profile	MSS	Per risk control limits

Managing funding maturities in accordance with Council approved risk control limits	MSS	Per risk control limits
Maximum daily transaction amount (borrowing, investing, interest rate risk management and cash management) excludes roll-overs on floating rate borrowing and interest rate roll-overs on swaps	The Council CEO (delegated by council) MSS	Unlimited \$5M \$1M
Manage cash/liquidity requirements	MSS	Per risk control limits
Authorising lists of signatories	CEO	Unlimited
Opening/closing bank accounts	The Council	Unlimited
Triennial review of policy	MSS	N/A
Ensuring compliance with policy	MSS	N/A

All management delegated limits are authorised by the CEO.

4.0 LIABILITY MANAGEMENT POLICY

The Council's liabilities comprise borrowings and various other liabilities.

4.1 Debt Ratios and Limits

Debt will be managed within the following macro limits.

Ratio	The Council	LGFA Lending Policy Covenants
Net external debt as a percentage of equity	<10%	n/a
Net external debt as a percentage of total revenue	<100%	<175%
Net Interest on external debt as a percentage of total revenue	<6.25%	<20%
Net Interest as a percentage of annual rates income (debt secured under debenture)	<12.5%	<25%
Liquidity (External, term debt + committed loan facilities + available liquid investments/cash equivalents to existing external debt)	>110%	>110%

Total revenue is defined as earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets).

Net external debt is defined as total external debt less liquid financial assets/ investments.

Net interest on external debt is defined as the amount equal to all interest and financing costs (on external debt) less interest income for the relevant period.

Annual Rates Income is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 (including volumetric water charges levied) together with any revenue received from other local authorities for services provided (and for which the other local authorities rate).

Disaster recovery requirements are to be met through the liquidity ratio and special funds.

4.2 Asset Management Plans

In approving new debt the Council considers the impact on its borrowing limits as well as the economic life of the asset that is being funded and its overall consistency with the Council's LTP and Financial Strategy.

4.3 Borrowing Mechanisms

The Council is able to externally borrow through a variety of market mechanisms including issuing stock/bonds, commercial paper (CP) and debentures, direct bank borrowing, LGFA, accessing the short and long-term wholesale and retail debt capital markets directly or indirectly, or internal borrowing of reserve and special funds. In evaluating strategies for new borrowing (in relation to source, term, size and pricing) the MSS, takes into account the following:

- Available terms from banks, LGFA, debt capital markets and loan stock issuance;
- The Council's overall debt maturity profile, to ensure concentration of debt is avoided at reissue/rollover time;
- Prevailing interest rates and margins relative to term for loan stock issuance, debt capital markets, LGFA and bank borrowing;
- The market's outlook on future interest rate movements as well as its own;
- Ensuring that the implied finance terms and conditions within the specific debt (e.g. project finance) are evaluated in terms such as cost/tax/risk limitation compared to the terms and conditions Hurunui could achieve in its own right;
- Legal documentation and financial covenants together with credit rating considerations:
- For internally funded projects, to ensure that finance terms for those projects are at least as equitable with those terms from external borrowing;
- Alternative funding mechanisms such as leasing should be evaluated with financial

analysis in conjunction with traditional on-balance sheet funding. The evaluation should take into consideration, ownership, redemption value and effective cost of funds.

The Council's ability to readily attract cost effective borrowing is largely driven by its ability to rate, maintain a strong financial standing and manage its relationships with its investors, LGFA and financial institutions/brokers.

4.4 Security

The Council's borrowings and interest-rate risk management instruments will generally be secured by way of a charge over rates and rates revenue. The utilisation of special funds and reserve funds and internal borrowing of special funds / reserve funds and other funds will be on an unsecured basis.

Under the Debenture Trust Deed, the Council's borrowing is secured by a floating charge over all Council rates levied under the Rating Act, excluding any rates collected by the Council on behalf of any other local authority. In such circumstances, the security offered by the Council ranks 'Pari Passu' with other lenders.

The Council offers deemed rates as security for general borrowing programs. From time to time, with prior Council and Debenture Trustee approval, security may be offered by providing a charge over one or more of the Council's assets.

Physical assets will be charged only where:

- There is a direct relationship between the debt and the purchase or construction of the asset, which it funds (e.g. an operating lease, or project finance).
- The Council considers a charge over physical assets to be appropriate.
- Any pledging of physical assets must comply with the terms and conditions contained within the security arrangement.

4.5 Debt Repayment

The funds from all asset sales and operating surpluses and subsidies will be applied to specific projects or the reduction of debt and/or a reduction in borrowing requirements, unless the Council specifically directs that the funds will be put to another use.

Debt will be repaid as it falls due in accordance with the applicable loan agreement. Subject to the debt limits, a loan may be rolled over or re-negotiated as and when appropriate.

The Council will manage debt on a net portfolio basis and will only externally borrow when it is commercially prudent to do so.

4.6 Internal borrowing

Refer to the Council's Internal Financing Policy.

4.7 New Zealand Local Government Funding Agency Limited Investment

Despite anything earlier in this Treasury Risk Management Policy, the Council may borrow from the New Zealand Local Government Funding Agency Limited (LGFA) and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- a. Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA, for example Borrower Notes;
- b. Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;
- c. Commit to contributing additional equity (or subordinated debt) to the LGFA if required;
- d. Subscribe for shares and uncalled capital in the LGFA; and
- e. Secure its borrowing from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

5.0 INVESTMENT POLICY AND LIMITS

5.1 General Policy

The Council generally holds investments for strategic reasons where there is some community, social, physical or economic benefit accruing from the investment activity. Generating a commercial return on strategic investments is considered a secondary objective. Investments and associated risks are monitored and managed, and regularly reported to the Council. Specific purposes for maintaining investments include:

- a. For strategic purposes consistent with the Council's Long Term Plan;
- b. To reduce the current ratepayer burden;
- c. The retention of vested land;
- d. Holding short term investments for working capital requirements;
- e. Holding investments that are necessary to carry out Council operations consistent with Annual Plans, to implement strategic initiatives, or to support inter-generational allocations;
- f. Holding assets (such as property) for commercial returns;
- g. Provide ready cash in the event of a natural disaster. The use of which is intended to bridge the gap between the disaster and the reinstatement of normal income streams and assets;
- h. Invest amounts allocated to accumulated surplus, Council created restricted reserves and general reserves;
- i. Invest proceeds from the sale of assets.

The Council recognises that as a responsible public authority, all investments held should be low risk. The Council also recognises that low risk investments generally means lower returns.

The Council can internally borrow from reserve funds in the first instance to meet future capital expenditure requirements, unless there is a compelling reason for establishing external debt.

In its financial investment activity, the Council's primary objective when investing is the protection of its investment capital and that a prudent approach to risk/ return is always applied within the confines of this policy. Accordingly, only approved credit worthy counterparties are acceptable. The Council will act effectively and appropriately to:

- Protect the Council's investments.
- Ensure the investments benefit the Council's ratepayers.
- Maintain a prudent level of liquidity and flexibility to meet both planned and unforeseen cash requirements.

5.2 Investment Mix

The Council maintains investments in the following assets from time to time:

- Equity investments, including investments held in CCO/CCTO and other shareholdings.
- Property investments incorporating land, buildings, a portfolio of ground leases and land held for development.
- Forestry investments.
- Financial investments.
- Loan advances for staff and rural housing purposes.
- Other.

5.2.1 Equity Investments

The Council maintains equity investments and other minor shareholdings. The Council's equity investments fulfil various strategic, economic development and financial objectives as outlined in the LTP. Equity investments may be held where the Council considers there to be strategic community value.

The Council's equity investments fulfil various strategic, economic development and financial objectives as outlined in the LTP.

The Council seeks to achieve an acceptable rate of return on all its equity investments consistent with the nature of the investment and their stated philosophy on investments.

Dividends received from CCO's and unlisted companies not controlled by the Council are recognised when they are received in the consolidated revenue account.

Any purchase or disposition of equity investments requires Council approval and any profit or loss arising from the sale of these investments is to be recorded in accordance with appropriate accounting standards.

Any purchase or disposition of equity investments will be reported to the next meeting of the Council.

Unless otherwise directed by the Council, the proceeds from the disposition of equity investments will be used firstly to repay any debt relating to the investment and then included in the relevant consolidated capital account.

The Council recognises that there are risks associated with holding equity investments and to minimise these risks, the Council through the relevant sub-committee, monitors the performance of its equity investments on a twice yearly basis to ensure that the stated objectives are being achieved. The Council seeks professional advice regarding its equity investments when it considers this appropriate.

5.2.2 Property Investments

The Council's overall objective is to only own property that is necessary to achieve its strategic objectives. As a general rule, the Council will not maintain a property investment where it is not essential to the delivery of relevant services, and property is only retained where it relates to a primary output of the Council. The Council reviews property ownership through assessing the benefits of continued ownership in comparison to other arrangements which could deliver the same results. This assessment is based on the most financially viable method of achieving the delivery of Council services. The Council generally follows similar assessment criteria in relation to new property investments.

The Council reviews the performance of its property investments on a regular basis.

All income, including rentals and ground rent from property investments is included in the consolidated revenue account.

5.2.3 Forestry

Forestry assets are held as long term investments on the basis of net positive discounted cashflows, factoring in projected market prices and annual maintenance and cutting costs.

All income from forestry is included in the consolidated revenue account.

Any disposition of these investments requires Council approval. The proceeds from forestry disposition are used firstly to repay related borrowings and then included in the relevant consolidated capital account.

5.2.4 Financial Investments

The Council's investment portfolio will be arranged to provide sufficient funds for planned expenditures and allow for the payment of obligations as they fall due. The Council prudently manages liquid financial investments as follows:

- Any liquid investments must be restricted to a term that meets future cash flow and capital expenditure projections.

- Interest income from financial investments is credited to general funds, except for income from investments for special funds, reserve funds and other funds where interest may be credited to the particular fund.
- Internal borrowing will be used wherever possible to avoid external borrowing.
- Financial investments do not include shares.

Financial Investment Objectives

- The Council's primary objectives when investing is the protection of its investment capital. Accordingly, the Council may only invest in approved creditworthy counterparties. Creditworthy counterparties and investment restrictions are covered in section 6.3. Credit ratings are monitored and reported quarterly to the Council.
- The Council may invest in approved financial instruments as set out in section 6.1.2. These investments are aligned with the Council's objective of investing in high credit quality and highly liquid assets.

Special Funds and Reserve Funds

Liquid assets are not required to be held against special funds and reserve funds. Instead the Council will internally borrow or utilise these funds where ever possible.

Unless otherwise directed by the Council, internal borrowing to/(from) reserves will be undertaken at the external cost of borrowing.

Trust Funds

Where the Council hold funds as a trustee, or manages funds for a Trust, then such funds must be invested on the terms provided within the trust. If the Trusts investment policy is not specified then this policy should apply.

5.2.5 New Zealand Local Government Funding Agency Limited

Despite anything earlier in this Investment Policy, the Council may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA), and may borrow to fund that investment. The Council's objective in making any such investment will be to:

- Obtain a return on the investment; and
- Ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for the Council.

Because of these dual objectives, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments.

If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA.

5.3 Investment management and reporting procedures

The Council’s investments are managed on a regular basis, with sufficient minimum immediate cash reserves and a cash buffer maintained. The daily cash position is monitored and managed through the Daily Cash Position Report, and long-term cash flow through the annual Cash flow Forecast. To best manage funding gaps, the Council’s financial investment maturities are matched with the Council’s forecast cash flow requirements.

The performance of Council investments is regularly reviewed to ensure the Council’s strategic objectives are being met. Both performance and policy compliance are reviewed through regular reporting.

6.0 RISK RECOGNITION / IDENTIFICATION / MANAGEMENT

The definition and recognition of interest rate, liquidity, funding, investment, counterparty credit, market, operational and legal risk of the Council will be as detailed below and applies to both the Liability Management policy and Investment policy.

6.1 Interest Rate Risk

6.1.1 Risk Recognition

Interest rate risk is the risk that funding costs (due to adverse movements in market interest rates) will materially exceed or fall short of projections included in the LTP and Annual Plan so as to adversely impact revenue projections, cost control and capital investment decisions/returns/and feasibilities.

The primary objective of interest rate risk management is to reduce uncertainty relating to interest rate movements through fixing/hedging of funding costs. Certainty around funding costs is to be achieved through the active management of underlying interest rate exposures.

6.1.2 Approved Financial Instruments

Dealing in interest rate products must be limited to financial instruments approved by the Council.

Approved financial instruments (which do not include shares or equities) are as follows:

Category	Instrument
Cash management and borrowing	Bank overdraft Committed cash advance and bank accepted bill facilities (short term and long term loan facilities) Loan stock /bond issuance <ul style="list-style-type: none"> Floating Rate Note (FRN) Fixed Rate Note (Medium Term Note/Bond) Uncommitted money market facilities Commercial paper (CP) / Promissory notes
Investments	Short term bank deposits Bank certificates of deposit (RCDs) Treasury bills NZ Government, Local Authority bonds and FRNs (secured/senior) LGFA borrower notes / CP / bills / bonds/ FRNs (floating rate notes) Local Authority promissory notes, Commercial paper (secured/senior)
Interest rate risk management	Forward rate agreements (“FRAs”) on: <ul style="list-style-type: none"> Bank bills Government bonds Interest rate swaps including: <ul style="list-style-type: none"> Forward start swaps (start date <24 months, unless linked to existing maturing swaps) Amortising swaps (whereby notional principal amount reduces) Swap extensions and shortenings Interest rate options on: <ul style="list-style-type: none"> Bank bills (purchased caps and one for one collars) Government bonds Interest rate swaptions (purchased swaptions and one for one collars only)

Any other financial instrument must be specifically approved by the Council on a case-by-case basis and only be applied to the one singular transaction being approved.

All unsecured investment securities must be senior in ranking. The following types of investment instruments are expressly excluded;

- Structured debt where issuing entities are not a primary borrower/ issuer.
- Sub-ordinated debt, junior debt, perpetual notes and debt/equity hybrid notes such as convertibles.

6.1.3 Interest Rate Risk Control Limits

Net Debt/Borrowings

Exposure to interest rate risk is managed and mitigated through the risk control limits below. Council debt/borrowings should be within the following fixed/floating interest rate risk control limit:

Master Fixed/Floating Risk Control Limit	
Minimum Fixed Rate 50%	Maximum Fixed Rate 90%

“Fixed Rate” is defined as an interest rate repricing date beyond 12 months forward on a continuous rolling basis.

“Floating Rate” is defined as an interest rate repricing within 12 months.

The percentages are calculated on the rolling 12 month projected net debt level calculated by management (signed off by the CEO, or equivalent). Net debt is the amount of total debt net of cash and cash equivalent financial investments. This allows for pre-hedging in advance of projected physical drawdown of new debt. When approved forecasts are changed, the amount of fixed rate cover in place may have to be adjusted to ensure compliance with the policy minimums and maximums.

The fixed rate amount at any point in time should be within the following maturity bands:

Fixed Rate Maturity Profile Limit		
Period	Minimum Cover	Maximum Cover
1 to 3 years	15%	60%
3 to 5 years	15%	60%
5 years plus	10%	60%

A fixed rate maturity profile that is outside the above limits, but self corrects in less than 90-days is not in breach of this Policy. However, maintaining a maturity profile beyond 90-days requires specific approval by the Council.

- Floating rate debt may be spread over any maturity out to 12 months. Bank advances may be for a maximum term of 12 months.
- Any interest rate swaps with a maturity beyond 10 years must be approved by the Council.
- Interest rate options must not be sold outright. However, 1:1 collar option structures are allowable, whereby the sold option is matched precisely by amount and maturity to the simultaneously purchased option. During the term of the option, only the sold side of the collar can be closed out (i.e. repurchased) otherwise, both sides must be closed simultaneously. The sold option leg of the

collar structure must not have a strike rate “in-the-money”.

- Purchased borrower swaptions mature within 12 months.
- Interest rate options with a maturity date beyond 12 months that have a strike rate (exercise rate) higher than 2.00% above the appropriate swap rate, cannot be counted as part of the fixed rate cover percentage calculation.
- Forward start period on swaps and collar strategies to be no more than 24 months, and the underlying cap or swap starts within this period, unless the forward start swap/collar starts on the expiry date of an existing swap/collar and has a notional amount which is no more than that of the existing swap/collar.

Special and General Reserve Funds

Given that the Council may require funding for capital expenditure cash shortfalls over the remaining life of the existing special and general reserve funds, where such funds are deemed necessary they should be used for internal borrowing purposes when external borrowing is required. Accordingly the Council maintains its funds in short term maturities emphasising counterparty credit worthiness and liquidity. The interest rate yield achieved on the funds therefore is a secondary objective.

This will negate counterparty credit risk and any interest rate repricing risk that occurs when the Council borrows at a higher rate compared to the investment rate achieved by Special / Reserve Funds.

Liquid assets will not be required to be held against special funds or reserve funds unless such funds are held within a trust requiring such, instead the Council will manage these funds using internal borrowing facilities.

Foreign Currency

The Council has minor foreign exchange exposure through the occasional purchase of foreign exchange denominated services, plant and equipment.

Generally, all significant commitments for foreign exchange are hedged using foreign exchange contracts, once expenditure is approved and legally committed. Both spot and forward foreign exchange contracts can be used by the Council.

The Council shall not borrow or enter into incidental arrangements, within or outside New Zealand, in currency other than New Zealand currency. The Council does not hold investments denominated in foreign currency.

6.2 Liquidity Risk / Funding Risk

6.2.1 Risk Recognition

Cash flow deficits in various future periods based on long term financial forecasts are reliant on the maturity structure of cash, financial investments, loans and bank facilities. Liquidity risk management focuses on the ability to access committed funding at that future time to fund the gaps. Funding risk management centres on the ability to re-finance or raise new debt at a future time at the same or more

favourable pricing (fees and borrowing margins) and maturity terms of existing loans and facilities.

The management of the Council’s funding risks is important as several risk factors can arise to cause an adverse movement in borrowing margins, term availability and general flexibility including:

- Local Government risk is priced to a higher fee and margin level
- The Council’s own credit standing or financial strength as a borrower deteriorates due to financial, regulatory or other reasons
- A large individual lender to the Council experiences their own financial/exposure difficulties resulting in the Council not being able to manage their debt portfolio as optimally as desired
- New Zealand investment community experiences a substantial “over supply” of Council investment assets
- Financial market shocks from domestic or global events.

A key factor of funding risk management is to spread and control the risk to reduce the concentration of risk at one point in time so that if any of the above events occur, the overall borrowing cost is not unnecessarily increased and desired maturity profile compromised due to market conditions.

6.2.2 Liquidity / Funding Risk Control Limits

- Alternative funding mechanisms such as leasing should be evaluated with financial analysis in conjunction with traditional on-balance sheet funding. The evaluation should take into consideration, ownership, redemption value and effective cost of funds.
- External, term loans and committed debt facilities together with available liquid investments/cash equivalents must be maintained at an amount of 110% over existing external debt.
- The CEO has the discretionary authority to re-finance existing debt on more favourable terms. Such action is to be reported and ratified by the Council at the earliest opportunity.
- The Council has the ability to pre-fund up to 12 months of forecast debt requirements including re-financings.
- The maturity profile of the total committed funding in respect to all external debt/ loans and committed debt facilities, is to be controlled by the following system and apply when external debt exceeds \$25 million:

Period	Minimum	Maximum
0 to 3 years	15%	60%
3 to 5 years	15%	60%
5 years plus	10%	60%

A maturity schedule outside these limits will require specific Council approval.

6.3 Counterparty Credit Risk

Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where the Council is a party. The credit risk to the Council in a default event will be weighted differently depending on the type of instrument entered into.

Credit risk will be regularly reviewed by the Council. Treasury related transactions would only be entered into with organisations specifically approved by the Council.

Counterparties and limits can only be approved on the basis of long-term credit ratings (Standard & Poor’s, Fitch or Moody’s) being A+ and above or short term rating of A-1 or above.

Limits should be spread amongst a number of counterparties to avoid concentrations of credit exposure.

The following matrix guide will determine limits.

Counterparty/Issuer	Minimum S&P long term / short term credit rating – stated and possible	Investments maximum per counterparty (\$m)	Interest rate risk management instrument maximum per counterparty (\$m)	Total maximum per counterparty (\$m)
NZ Government	N/A	unlimited	none	Unlimited
Local Government Funding Agency LGFA	AA-/A-1	20.0	N/A	20.0
NZ Registered Bank [name]	A+ / A-1	10.0	10.0	20.0
Local Government Stock/ Bonds/ FRN/ CP [name]*	A+ / A-1	2.0	none	5.0

* Subject to a maximum exposure no greater than 10% of the portfolio being invested in Local Government debt at any one point in time. The maximum portfolio exposure limit does not apply to the LGFA.

This summary list will be expanded on a counterparty named basis which will be authorised by the CEO

In determining the usage of the above gross limits, the following product weightings will be used:

- Investments (e.g. Bank Deposits) – Transaction Notional x Weighting 100%.(unless a legal right of set-off exists)

- Interest Rate Risk Management (e.g. swaps, FRAs) – Transaction Notional x Maturity (years) x 3%.
- Foreign Exchange – Transactional principal amount x the square root of the Maturity (years) x 15%

Each transaction should be entered into a treasury spreadsheet and a quarterly report prepared to show assessed counterparty actual exposure versus limits.

Individual counterparty limits are kept in a spreadsheet by management and updated on a day to day basis. Credit ratings should be reviewed by the MSS on an ongoing basis and in the event of material credit downgrades; this should be immediately reported to the CEO and assessed against exposure limits. Counterparties exceeding limits should be reported to the Council.

Investments are normally held to maturity date. Where investments are liquidated before legal maturity date, approval is obtained from the CEO.

Risk Management

To avoid undue concentration of exposures, financial instruments should be used with as wide a range of approved counterparties as possible. Maturities should be well spread. The approval process must take into account the liquidity of the market the instrument is traded in and repriced from.

6.4 Operational Risk

Operational risk is the risk of loss as a result of human error (or fraud), system failures and inadequate procedures and controls.

Operational risk is very relevant when dealing with financial instruments given that:

- Financial instruments may not be fully understood
- Too much reliance is often placed on the specialised skills of one or two people
- Most treasury instruments are executed over the phone
- Operational risk is minimised through the adoption of all requirements of this policy.

6.4.1 Dealing Authorities and Limits

Transactions will only be executed by those persons and within limits approved by the Council.

6.4.2 Segregation of Duties

As there are a small number of people involved in borrowing and investment activity, adequate segregation of duties among the core borrowing and investment functions of deal execution, confirmation, settling and accounting/reporting is not strictly achievable. The risk will be minimised by the following process:

- The MSS reports directly to the CEO.

- The FO independently cross checks the external bank confirmations with any irregularities reported directly to the CEO.
- There is a documented approval process for borrowing, interest rate and investment activity.

6.4.3 Procedures

All treasury instruments should be recorded and diarised within a treasury spreadsheet, with appropriate controls and checks over journal entries into the general ledger. Deal capture and reporting must be done immediately following execution/confirmation. Details of procedures including templates of deal tickets should be compiled in a treasury procedures manual separate to this policy.

Procedures should include:

- Regular management reporting.
- Regular risk assessment, including review of procedures and controls as directed by the Council or appropriate sub-committee of Council.
- Organisational, systems, procedural and reconciliation controls to ensure:
 - » All borrowing, interest rate and investment activity is bona fide and properly authorised.
 - » Checks are in place to ensure Council accounts and records are updated promptly, accurately and completely.
 - » All outstanding transactions are revalued regularly and independently of the execution function to ensure accurate reporting and accounting of outstanding exposures and hedging activity.

Organisational Controls

- The MSS, or equivalent has responsibility for establishing appropriate structures, procedures and controls to support borrowing, interest rate and investment activity.
- All borrowing, investment, cash management and interest rate risk management activity is undertaken in accordance with approved delegations authorised by the Council.

Cheque /Electronic Banking Signatories

- Positions approved by the CEO as per register.
- Dual signatures are required for all cheques and electronic transfers.
- Cheques must be in the name of the counterparty crossed “Not Negotiable, Account Payee Only”, via the Council bank account.

Authorised Personnel

- All counterparties are provided with a list of personnel approved to undertake transactions, standard settlement instructions and details of personnel able to receive confirmations.

Recording of Deals

- All deals are recorded on properly formatted deal tickets by the MSS and approved as required by the CEO. Deal summary records for borrowing, investments, interest rate risk management and cash management transactions (on spreadsheets) are maintained by the MSS and updated promptly following completion of transaction.

Confirmations

- All inward letter confirmations including LGFA/bank funding registry confirmations are received and checked by the FO against completed deal tickets and the treasury spreadsheet records to ensure accuracy.
- All deliverable securities are held in the Council's safe.
- Deals, once confirmed, are filed (deal ticket and attached confirmation) by the FO in deal date/number order.
- The MSS checks all dealing activity, deal tickets and confirmations monthly, to ensure documentation is in order.
- Any discrepancies arising during deal confirmation checks which require amendment to the Council records are signed off by the CEO.

Settlement

- The majority of borrowing, interest rate and investment payments are settled by direct debit authority.
- For electronic payments, batches are set up electronically. These batches are checked by the MSS to ensure settlement details are correct. Payment details are authorised by two approved signatories as per Council registers or by direct debit as per setup authority by the Council.

Reconciliations

- Bank reconciliations are performed monthly by the FO and checked and approved by the MSS. Any unresolved unreconciled items arising during bank statement reconciliation which require amendment to the Council's records are signed off by the CEO.
- A monthly reconciliation of the treasury spreadsheet to the general ledger is carried out by the FO and reviewed by the CEO.
- Interest income from the treasury spreadsheet is reconciled to bank statements by the FO.

6.5 Legal Risk

Legal and regulatory risks relate to the unenforceability of a transaction due to an organisation not having the legal capacity or power to enter into the transaction usually because of prohibitions contained in legislation. While legal risks are more relevant for banks, the Council may be exposed to such risks. In the event that the Council is unable to enforce its rights due to deficient or inaccurate documentation.

The Council will seek to minimise this risk by adopting policy regarding:

- The use of standing dealing and settlement instructions (including bank accounts, authorised persons, standard deal confirmations, contacts for disputed transactions) to be sent to counterparties.
- The matching of third party confirmations and the immediate follow-up of anomalies.
- The use of expert advice.

6.5.1 Agreements

Financial instruments can only be entered into with banks that have in place an executed ISDA Master Agreement with the Council.

The Council's internal/appointed legal counsel must sign off on all documentation for new loan borrowings, re-financings and investment structures.

6.5.2 Financial Covenants and Other Obligations

The Council must not enter into any transactions where it would cause a breach of financial covenants under existing contractual arrangements.

The Council must comply with all obligations and reporting requirements under existing funding facilities and legislative requirements.

7.0 MEASURING TREASURY PERFORMANCE

In order to determine the success of Hurunui District Council's treasury management function, the following benchmarks and performance measures have been prescribed.

Those performance measures that provide a direct measure of the performance of treasury staff (operational performance and management of debt and interest rate risk) are to be reported to Hurunui District Council or an appropriate sub-committee of Hurunui District Council on a quarterly basis.

7.1 Operational Performance

All Treasury Risk Management Policy limits must be complied with including (but not limited to) counterparty credit limits, control limits and exposure limits.

All treasury deadlines are to be met, including reporting deadlines.

7.2 Management of Debt and Interest Rate Risk (borrowing risks)

The actual borrowing cost for Hurunui District Council (taking into consideration costs/benefits of entering into interest rate risk management transactions) should be below the budgeted YTD/ annual interest cost amount.

Actual wholesale interest costs must be benchmarked to a market interest rate.

The market interest rate is the mid-point policy benchmark rate. The benchmark is constructed as follows:

- 27.50% 3-month BKBM interest rate (average of reporting month)
- 14.50% 5-year fixed swap interest rate, 1 year ago
- 14.50% 5-year fixed swap interest rate, 2 years ago
- 14.50% 5-year fixed swap interest rate, 3 years ago
- 14.50% 5-year fixed swap interest rate, 4 years ago
- 14.50% 5-year fixed swap interest rate, 5 years ago
- = 100%

8.0 CASH MANAGEMENT

The MSS has the responsibility to carry out the day-to-day cash and short-term debt management activities. All cash inflows and outflows pass through bank accounts controlled by the finance function.

The daily cash management function and investment of operational surpluses for Hanmer Springs Thermal Pools and Spa is managed by local accounting staff.

- The MSS will calculate and maintain comprehensive cash flow projections on a daily (two weeks forward), weekly (four weeks forward) and monthly (12 months forward) basis. These cash flow forecasts determine Hurunui District Council's borrowing requirements and surpluses for investment.
- On a daily basis, electronically download all Hurunui District Council bank account information.
- Co-ordinate Hurunui District Council's operating units to determine daily cash inflows and outflows with the objective of managing the cash position within approved parameters.
- Undertake short term borrowing functions as required, minimising overdraft costs.
- Ensuring efficient cash management through improvement to accurate forecasting using spreadsheet modelling.
- Minimise fees and bank/government charges by optimising bank account/facility structures.
- Monitor Hurunui District Council's usage of overdraft and cash advance facilities. Overdraft facilities are utilised as little as practical. Committed bank overdraft facilities of not more than \$500,000 are maintained.
- Ideally, Hurunui District Council will hold \$100,000 in the cheque account, with surplus cash transferred to an interest bearing current account.
- Match future cash flows to smooth overall timeline.
- Provide reports detailing actual cash flows during the month compared with those budgeted.
- Maximise the return from available funds by ensuring significant payments are made within the vendor's payment terms, but no earlier than required, unless there is a financial benefit from doing so.
- Interest rate management on cash management balances is not permitted.

- Cash is invested for a term of no more than 3 months and in approved instruments and counterparties only.

9.0 REPORTING – PERFORMANCE MEASUREMENT

When budgeting forecast interest costs/ returns, the actual physical position of existing loans, investments and interest rate instruments must be taken into account.

9.1 Treasury Reporting

9.1.1 Reporting

The following reports are produced:

Report Name	Frequency	Prepared by	Recipient
Daily Cash Position Treasury Spreadsheet	Daily	Management/ Financial Accountant	MSS
Treasury Report <ul style="list-style-type: none"> • Treasury Risk Management Policy compliance • Borrowing limits • Funding and Interest Position Profile • Funding facility • New treasury transactions • Cost of funds vs. budget • Cashflow forecast report • Liquidity risk position • Counterparty credit • Treasury performance • Funding and interest rate strategy commentary • Treasury exceptions 	Monthly	MSS	FARC
Half-yearly Financial Statements Half-yearly Reporting Certificate	Six monthly	MSS	Trustee
Annual Report Annual Reporting Certificate Auditors Report Insurance Certificate Annual Plan/Long Term Plan	Annual	MSS	Trustee
Revaluation of financial instruments	Annual	MSS	FARC
LGFA compliance report	Annual	MSS	LGFA

9.2 Accounting Treatment of Financial Instruments

Hurunui District Council uses financial arrangements (“derivatives”) for the primary purpose of reducing financial risk to fluctuations in interest rates. The purpose of this section is to articulate Hurunui District Council's accounting treatment of derivatives

in a broad sense. Further detail of accounting treatment is contained within the appropriate operations and procedures manual.

Under New Zealand Public Benefit Entity (PBE) International Public Sector Accounting Standards (IPSAS) changes in the fair value of derivatives go through the Income Statement unless derivatives are designated in an effective hedge relationship.

Hurunui District Council's principal objective is to actively manage Hurunui District Council's interest rate risks within approved limits and chooses not to hedge account. Hurunui District Council accepts that the marked-to-market gains and losses on the revaluation of derivatives can create potential volatility in Hurunui District Council's annual accounts.

The MSS is responsible for advising the CEO of any changes to relevant New Zealand Public Sector PBE Standards, which may result in a change to the accounting treatment of any financial derivative product.

9.3 Valuation of Treasury Instruments

All treasury financial instruments must be revalued (marked-to-market) at least annually for risk management purposes. This includes those instruments that are used only for hedging purposes.

Underlying rates to be used to value treasury instruments are as follows:

- Official daily settlement prices for established markets;
- Official daily market rates for short term treasury instruments (e.g. FRA settlement rates calculated by Reuters from price maker quotations as displayed on the BKBM page);
- Relevant market mid-rates provided by Hurunui District Council's bankers at the end of the business day (5.00pm) for other over-the-counter treasury instruments;
- For markets that are illiquid, or where market prices are not readily available, rates calculated in accordance with procedures approved by the MSS.

10.0 TREASURY RISK MANAGEMENT POLICY REVIEW

This Treasury Risk Management Policy is to be formally reviewed on a triennial basis and annually for internal purposes.

The MSS, or equivalent, has the responsibility to prepare the annual review report that is presented to the Hurunui District Council or the Finance Audit and Risk Committee.

The report will include:

- Recommendation as to changes, deletions and additions to the Treasury Risk Management Policy;
- Overview of the treasury management function in achieving the stated treasury objectives, and performance benchmarks;

- Summary of breaches of Treasury Risk Management Policy and one-off approvals outside Treasury Risk Management Policy;

The Hurunui District Council receives the report, approves Treasury Risk Management Policy changes and/or reject recommendations for Treasury Risk Management Policy changes.

Internal financing policy

Introduction

Council has developed a system of internal financing for various activities within the organisation. The system is designed to provide funding for communities to meet the cost of capital expenditure rather than setting its rates at a level to cover the entire cost in the year that it is incurred. The system allows communities to spread the cost of such capital expenditure over a longer period than just one year.

The system is used instead of the Council specifically setting its rates to cover the cost of depreciation on some of its assets - mainly community assets, such as halls, pools and medical centres.

The internal financing system is applicable those activities that are funded by a Targeted Rate, which requires the Council to ensure that the funds generated from rates are only applied to that activity, or there is reasons to separately account for an activity. As a result, the internal financing system is applied to the following:

- Ward Amenities
- Roadside Construction
- Household Refuse Collection
- Water Supplies
- Sewerage Schemes
- Stormwater and Drainage Schemes
- Medical Centres
- Foreshore Protection Schemes
- Special Funds including Development Contribution Funds
- Hanmer Springs Thermal Pools and Spa

Mechanics of the System

Each activity has a capital balance, which in essence is an individual bank account for that activity. Receipts from that activity – Rates, Fees & Charges, and Development Contributions etc. – are deposited into that account. Payments for that activity – Employment Costs, Direct Operating Expenditure, Council Overheads etc. and Capital Expenditure – are withdrawn from that account. The result is that at any stage, that bank account may be in funds or it could be overdrawn.

Like most bank accounts, if there are funds in the account from that activity, then the Council will pay interest to that activity. Conversely, if the bank account is overdrawn, then that activity will be charged interest.

Debt Repayment and Depreciation Funding

There is also a need for those activities whose bank accounts are overdrawn to

make provision to get out of overdraft. This is most likely done by setting rates at a level to not only pay the annual operating costs and interest charge, but to also fund additional amounts that will offset the overdraft. The Council's policy is that debt should be repaid over 20 years (or such term Council deems appropriate in particular circumstances). Communities will need to consider that requirement when recommending any rate increases to Council for the Long Term Plan or Annual Plans.

For Three Waters Assets (Water, Sewer and Stormwater) and the Hanmer Springs Thermal Pools and Spa Assets there is the requirement for the activity to fully fund depreciation, although this may be staged depending on compliance with Council's approved rate increase limits. The cash generated by increasing rates to cover the cost of depreciation will be used to repay debt within the internal financing structure.

Increasing the Account

As a way of increasing the account so communities are in a position to cover some or all of the cost of major capital projects in the future, the communities are encouraged to continue setting its rates at a level to cover the annual operating cost but also additional amounts (as a deemed affordable) which will increase the balance of the account. As a result, there will be a number of activities whose bank accounts will increase over time, with the knowledge that those funds will be utilised on capital expenditure. This will be particularly prevalent for those activities on which depreciation is funded.

Interest Component

To ensure consistency throughout the entire organisation, with the exception of the Hanmer Springs Thermal Reserve, the interest rates have been set as follows:

- Interest rate on Overdrawn Activity Accounts is charged interest at 100 basis points (1%) above the interest rate that Council is charged for any external debt.
- Interest rate on Activity Accounts in funds received interest at the interest rate that the Council receives on its call accounts.
- As the Hanmer Springs Thermal Pools and Spa activity is of a commercial nature, there is an increased level of risk involved and as such, the interest rate charged has been increased to reflect this level of risk. The rate charged for any debt drawn down by the Hanmer Springs Thermal Pools and Spa is set at 200 basis points (2%) above the Council's external cost of capital.

Use of Interest

All interest derived from internal financing is accumulated by the Council's treasury function. Costs associated with treasury, such as any external interest, external advice, and Council overheads, are paid from the interest derived with the overall surplus from the treasury function used actively to offset the District Rate requirement.

Hurunui Long Term Plan

2018 - 2028

Part II



HURUNUI
District Council

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Hurunui District Council - Mayor and Councillors



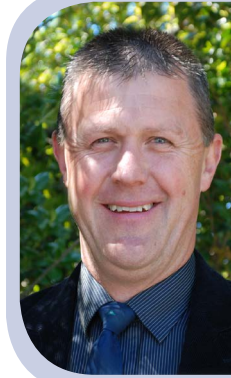
Councillor
Julia McLean
Amberley Ward



Councillor
Geoff Shier
Amberley Ward



Councillor
Michael Ward
Amberley Ward



Councillor
Jason Fletcher
Hanmer Springs
Ward



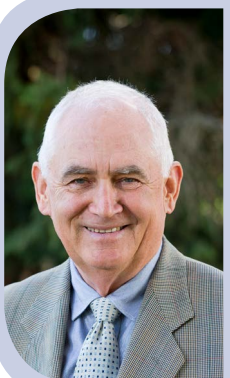
Mayor
Winton Dalley



Deputy
Mayor
Marie Black
Amuri-Hurunui
Ward



Councillor
Nicky Anderson
Amuri-Hurunui
Ward



Councillor
Dick Davison
Amuri-Hurunui
Ward



Councillor
Vince Daly
Cheviot Ward



Councillor
Fiona Harris
Glenmark Ward

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Hurunui District Council 30 Year Infrastructure Strategy 2018 - 2048



Quality Record Sheet

Hurunui District Council 30 Year Infrastructure Strategy 2018 - 2048

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Reviewed By	David Edge
Date	19 January 2018
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Date	05 April 2018

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Revision History

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1.0 EXECUTIVE SUMMARY

This is Hurunui District Council's second Infrastructure Strategy (Strategy). It has been prepared from Council workshops and strategic engagement with elected members, district scheme representatives and operational staff, Council's 2018 suite of Asset Management Plans (AMPs), the Financial Strategy and the Long Term Plan (LTP).

At this stage, Council's Strategy is focussed on the core infrastructure of water supply, wastewater, stormwater and roads and footpaths as a priority. The replacement value of each of these assets is shown in Table 1.1 below, with a total value of \$502.1M.

Parks and recreation assets, community buildings and solid waste will be added to the above list of core infrastructure assets in the future, as Council's asset management practices continue to advance and expand for all assets to gain a more holistic picture of each activity managed by Council. These too will incorporate the identification of evidence based issues, identified benefits for resolving these issues, risks of not addressing the issues, options considered to resolve the issue, costs associated with each option considered and the preferred option agreed upon to resolve the issue.

Council's AMPs separately cover the core activities, as listed above, in more detail. These plans are updated every three years preceding the required LTP cycle. The purpose of each AMP is to ensure that the core assets are operated, maintained and renewed in a sustainable and cost effective manner, so that they provide the required level of service for the present and future customers, and can accommodate reasonable predicted growth and demand.

Table 1-1: Hurunui District Council Core Infrastructure Assets

Asset	Description	Replacement Value	% of total
Water	Water extraction, treatment and distribution	\$97.3M	19%
Wastewater	Wastewater collection, treatment and discharge	\$28.5M	6%
Stormwater	Stormwater collection and discharge	\$7.6M	2%
Roads and footpaths	Roads (arterial, collectors, local; curbs and gutters), bridges, footpaths	\$368.7M	73%
TOTAL		\$502.1M	100%

1.1 Strategic Direction

The Council's Strategic Direction was adopted in 2017 and defines the thinking that will drive Council's plans and actions at both Council and Committee level. The key high-level opportunities identified within Council's Strategic Direction are:

- **Strengthen Hurunui's identity nationally and internationally**
- **Encourage and facilitate appropriate growth**
- **Improve our customer communication and engagement**
- **Shape our finances to support Hurunui's sustainable future**
- **Build strong relationships with all key stakeholders**

Throughout the development of the Infrastructure Strategy, each of the key issues have been compared with Council's strategic vision to ensure relevance and alignment.

1.2 Growth

Hurunui District has sustained modest growth comparable to the national average over the last 20 years. Growth has occurred predominantly in the south of the district, around Amberley and Leithfield, while there has been little or no growth elsewhere, with the exception of small growth in Hanmer Springs and the Amuri basin. Growth in the district is linked to the population trends in Waimakariri District, Selwyn District and Christchurch City, as well as labour-intensive developments within our own district. Part of the Waimakariri, Selwyn and Christchurch City growth could be attributed to migration since the 2010/2011 Canterbury earthquakes, where population has moved outwards from Christchurch City to areas perceived less seismic affected. Population projections have not yet been adjusted following the November 2016 North Canterbury earthquake, which is likely to have had an initial and possible ongoing impact. This projection will be assessed and adjusted after the next national census.

There is a projected growth in residents over the next 30 years, estimated to reach a total of 14,162 by 2046.

1.3 Emerging District Wide Infrastructure Issues

A workshop was held with Council staff and elected members to focus on the key issues for the district's core infrastructure over the next 30 years and beyond.

The six most significant issues that were identified are:

- **Vulnerability to Natural Hazards**
- **Aging Infrastructure**
- **Good Data to support good decision-making**
- **Safe Drinking Water for all**
- **Changes in Legislation and Regulation**
- **Affordability**

1.3.1 Vulnerability to Natural Hazards

Natural hazards, particularly earthquakes, drought and flooding are very real and front-of-mind for the Hurunui District. The 2016 North Canterbury earthquake caused significant disruption to service for communities and has raised issues such as assets redundancy and resilience to ensure that services can be continued in the wake of any reasonably expected natural hazard.

Council is developing their understanding of just how resilient our existing infrastructure assets are to natural disasters. Part of this understanding in the implementation of criticality frameworks to transparently prioritise asset management decision making in a more accountable and transparent manner.

1.3.2 Aging Infrastructure

Council's aging infrastructure is approaching an important period of decision-making to ensure that it continues to meet the needs of the community, both now and well into the future.

In particular, there is a significant "bulge" in future bridge renewals, and AC watermain renewal requirements.

There are a significant amount of concrete bridges that are predicted to reach the end of their respective useful lives in the next 30-60 years (106 no.) and steel bridges in the next 50-60 years (36 no.). The immediate impact is low, but these bridges will be maintained in a manner to ensure that these predicted dates are stretched out as much as is safely to do so. The full bridge replacement programme based on a district-wide condition assessment is being reviewed 2018, with a complete condition and structural reassessment of all the bridge stock. This will dictate the management of the bulge costs for renewals, using a risk management approach, with safety as a primary consideration followed by affordability and LoS.

There is an initial cost skyscraper in 2018-2021 for the replacement of water pipelines having reached the end of their theoretical life according to their age and material profile. These pipelines have been subsequently assessed and are not exhibiting condition failures to warrant age-based replacement. Thus, officers have developed a criticality and performance matrix to better understand the current and future demands to renew our water pipelines, with an

economic determination, to be discussed later in this document (item 4.1.1 Water network performance).

Council acknowledges that an age based approach is useful for long-term financial planning, but wants to avoid over-investing in the replacement of old infrastructure that is still performing to a reasonable level of service. Aging infrastructure, levels of service and customer affordability need to be considered in association with each other. Council is moving towards a more performance based criteria to determining whether and when bridges and water pipes will need replacement.

1.3.3 Good Data

Emphasis on good data collection and management over the next 30 years will provide Council opportunities to increase operational efficiency and prioritisation of future capital budgets. For example, renewal decisions based on age related data can be further optimised once specific and relevant performance data is available to determine which assets are in most need of replacement.

Council acknowledges there are limitations with its current data that affects high-quality decision-making surrounding the current condition of the water pipeline stock affected by the earthquake event, specifically as it relates to understanding the percentage useful asset life lost. A commitment to improving this data collection and the subsequent analysis is described in this strategy.

Good asset condition data, post-earthquake, for 3-waters is currently under review with assessments of all water mains damaged to date since 14 Nov 2016. Wastewater and stormwater stock were relatively undamaged when compared to the size of the event experienced, and the data gathered to date is very dependent upon the use of CCTV for wastewater pipes and visual inspections of stormwater stock. There is continued investment into data capture and improved information in AssetFinda to support a better understanding of what we have limited knowledge about today, especially as it relates to above-ground assets.

1.3.4 Safe Drinking Water for all

Significant scheme upgrades are required to achieve and meet Drinking Water Standards New Zealand (DWSNZ) compliance (principally protozoa compliance) within the next 8 years for the Council's 19 individual water schemes. This represents a significant investment and there are prudent decisions that need to be made about how to procure the design, construction and operation of these schemes in a most cost-effective manner.

1.3.5 Changes in Legislation and Regulation

Changes in the DWSNZ are expected to come about in response to the Havelock North 2017 Inquiry's recommendations. Increased treatment barriers will require extensive new investment in water supply treatment plants. Regulation changes will also impact upon the day-to-day operation of water supply schemes. Recommendations have been made to central government from the outcomes of Inquiry 2, but the level of actual changes to be made remain unknown. Thus, Council is assuming nothing at present. We continue to work alongside our drinking water assessor (CDHB) in this context, as it relates to our approved Water Safety Plans for each scheme. Adjustment of this document will run hand-in-hand with outcomes of any national changes made and respective changes imposed in our Water Safety Plan. Our water supply schemes already have provision for secondary barrier protection (chlorination), which is streets ahead of many other drinking water providers nation-wide.

New environmental legislation to reduce agricultural stock in waterways may have a substantial impact on increased drinking water takes from Council supplies on rural schemes.

Presently, compliance with the Natural Resources Regional Plan (NRRP) and the Land and Water Regional Plan (LWRP) is required. Stormwater discharges for the management of quantity and quality of discharges from reticulated urban networks need consent management plans (supported by a Stormwater Management Plan) and are required to be lodged prior to end June 2018.

The regulatory environment for roading is changing through NZ Transport Agency's One Road Network Classification (ONRC) policy, which may limit the Council's abilities to provide the traditional and desired levels of service on many of its lower volume (trafficked) roads.

1.3.6 Affordability

Underpinning all of the other emerging issues is the topic of affordability, as best explained in the accompanying HDC Financial Strategy 2018-2028. The small Hurunui population (12,700) with a rating base of around 8,300 rateable properties has an ongoing challenge to fund and provide services and facilities at an affordable level and cost. The large geographic area of the Hurunui District means that spatially, a significant length of assets (pipes and roads) are needed to service the population's demands and needs, and that individual schemes are required to service the widely dispersed communities.

In providing core infrastructure services to the community, Council must balance the standard of service desired with the actual cost of providing that service.

The existing debt levels, financial structures, and significant investments required in the next 30 years (both operational and capital) are key issues around affordability of the necessary works.

1.4 Significant Infrastructure Issues

Significant infrastructure issues for the core infrastructure activities are presented in the table below.

Table 1-2: Significant Issues

Asset	Significant Infrastructure Issues
Water Supply	<ul style="list-style-type: none"> • Cost of meeting future Drinking Water Standards New Zealand compliance • Pipe asset performance measurement and monitoring • Poor information surrounding facility assets • Reliability and resilience of continued water supply (including storage issues) • Determining the level of damage sustained to underground water main stock and better understanding the level of asset life lost as a result of the earthquake event
Wastewater	<ul style="list-style-type: none"> • Future LWRP requirements • Fresh water management requirements of natural waterways • Hydraulic modelling capability for future growth • Poor information surrounding plant and facility assets • Pipeline inflow and infiltration, and subsequent peak demand of treatment ponds
Stormwater	<ul style="list-style-type: none"> • District-wide stormwater management and catchment plans and consent compliance to LWRP • Funding arrangements for the provision of this core service • Asset condition assessments • Technical resources to manage this portfolio • Localised hydraulic, flooding, and maintenance issues • Management of land drains within the rural sector
Roads & Footpaths	<ul style="list-style-type: none"> • Sealed pavements: seal width; extra-heavy and extra-wide vehicle use • Unsealed pavements: heavy vehicle use on under designed structural layers • Bridges: ageing stock, traffic loadings and extra-wide vehicle use • Traffic services: requirement for more adequate signs, road markings, traffic delineation

Asset	Significant Infrastructure Issues
	<ul style="list-style-type: none"> • Road safety: increasing crash trends, improved road environment designs • Route 70: as alternative route to SH1, poor alignment and high risks in hilly areas, higher maintenance costs to service a higher level of service demand • High trip hazard count on footpath stock requiring maintenance investment • Repairing damaged roads and roading asset stock as a result of earthquake damage sustained, ensuring resilience to meet any similar future events
General: District-Wide	<ul style="list-style-type: none"> • Vulnerability of infrastructure to natural hazards • Aging infrastructure • Good data collection, assessment and application • Safe drinking water for all • Changes in legislation and regulation • Affordability • Understanding future demand across all core infrastructure

These significant issues form the strategic direction for Council's capital expenditure. Detailed breakdowns of each core service capital expenditure is presented in the various core service Council's AMPs.

1.5 Financial Strategy

Supporting this Infrastructure Strategy is the Council's Financial Strategy, which sets out the Council's financial position, financing structures and financial mechanisms underpinning the planned budgets and investments. HDC remains adamant to align these two documents for improved strategic reference and understanding.

The Local Government Act requires Council to assess their ability to provide and maintain existing levels of services and to meet additional demands for services within the rates and debt limits, as set out within the Financial Strategy and as agreed with the community.

The principles adopted within the Financial Strategy are:

- **Focus on core services**
- **Financial responsibility and affordability**
- **Continuous improvement in service to everyone in our district**
- **Facilitate appropriate growth in the district**

The higher levels of expenditure that relate to the period 2022 to 2026 are for drinking water compliance to meet the requirements of the Drinking Water Standards NZ. These works relate largely to the construction of water treatment plants to reduce the incidence of potential harmful water borne diseases to our drinking water customers. This was included in the last LTP, but has been further refined in cost accuracy for this LTP given the timing of the pending investigation and works required.

1.6 Financial Forecasts

The financial forecasts for the strategy period are presented in the figures below, showing capital (new and renewal) and operational & maintenance expenditure. The forecasts are split by each core infrastructure activity.

The financial forecasts are estimates and the reliability of the forecasts decreases beyond ten years, especially as it heads towards the end of the thirty year planning period horizon.

Figure 1-1 and 1-2 show the core infrastructure capital and operational expenditure forecasts for the 30 year Strategic Plan period.

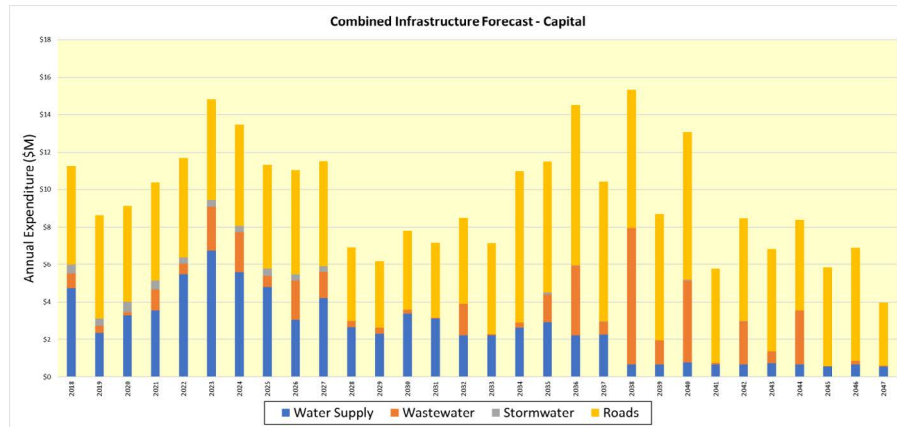


Figure 1-1 Projected Capital Expenditure – Core Infrastructure Assets

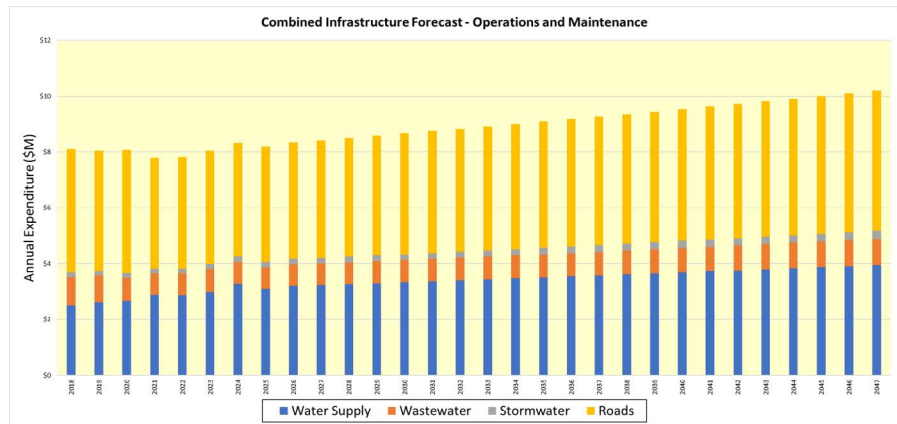


Figure 1-2 Projected Operational Expenditure – Core Infrastructure Assets

2.0 INTRODUCTION

This is Hurunui District Council's second 30-year Infrastructure Strategy. It has been prepared from Council workshops and strategic engagement, Council's 2018 suite of Asset Management Plans (AMPs) and the Long Term Plan (LTP) of which it forms part.

The issues discussed reflect the current legislative environment and the communities' priorities across the Hurunui District.

The financial forecasts are estimates and the reliability of the forecasts decreases beyond ten years and towards the 30 year planning horizon.

2.1 Strategy Layout

The Strategy document sections and corresponding LGA Act sections are tabled below:

Table 2-1: Strategy Layout

Strategy Section	LGA 2002 (Section 101B)	
1	Executive Summary	
2	Identifies the purpose of the Infrastructure Strategy and the core infrastructure included in this strategy	2(a) and 6
3	Describes the district and illustrates the linkage between strategic documents	2(a)
4	Describes the core infrastructure, its condition and performance while recording the significant assumptions, risks and mitigation	2, 3(e), 4 (c) & (d)
5	Discusses the emerging issues that will impact on the core infrastructure assets	3 (b) to 3(e)
6	Discusses Council's response to the emerging issues and the significant decisions to be made during the term of this strategy	2(b), 4(b)
7	Identifies the response options for the significant issues and documents the benefits, cost, when and funding source	2(b); 3(a) to (e) & 4(a) to (c)
8	Identifies the costs associated with the actions proposed	4(a)

2.2 Purpose

Section 101B LGA – Infrastructure Strategy states:

- (1) A local authority must, as part of its long-term plan, prepare and adopt an infrastructure strategy for a period of at least 30 consecutive financial years.

The stated purpose of the Infrastructure Strategy is to;

- a) Identify significant infrastructure issues for the local authority over the period covered by the strategy; and
- b) Identify the principal options for managing those issues and the implications of those options.

Section (6) defines infrastructure assets as including:

- a) existing or proposed assets to be used to provide services by or on behalf of the local authority in relation to the following groups of activities:
 - i. water supply;

- ii. wastewater and the treatment and disposal of sewage;
 - iii. stormwater drainage;
 - iv. flood protection and control works;
 - v. the provision of roads and footpaths; and
- b) any other assets that the local authority, in its discretion, wishes to include in the strategy.

Beyond the legislative compliance, this document provides a narrative that highlights the key issues for providing core infrastructure services within the Hurunui District over the long term and describes the strategies for supporting Council's vision.

The strategies presented in this document set the direction for more detailed asset management planning. These are intended to clearly show what approach is being taken to address the issues and why.

2.3 Hurunui District Council Core Infrastructure Assets

The core Infrastructure Assets are tabled with 2017 replacement values below:

Table 2-2: Hurunui District Council Infrastructure Assets

Asset	Description	Replacement Value	% of total
Water	Water extraction, treatment and distribution	\$97.3M	19%
Wastewater	Wastewater collection, treatment and discharge	\$28.5M	6%
Stormwater	Stormwater collection and discharge	\$7.6M	2%
Roads and Footpaths	Roads (arterial, collectors, local; curbs and gutters), bridges, footpaths	\$368.7M	73%
TOTAL		\$502.1M	100%

2.3.1 Other Activities

At this stage, the Infrastructure Strategy for Hurunui District Council is focussed on the core infrastructure of water supply, wastewater, stormwater and roads and footpaths as a priority.

Parks and Recreation assets, Community Buildings and Solid Waste will be added to the above list of core infrastructure into the future as Council's asset management processes and systems continue to advance.

The Hanmer Springs Thermal Pools is managed independently of this core infrastructure strategy.

3.0 HURUNUI DISTRICT

The Hurunui District lies just 30 minutes north of Christchurch, and extends from Leithfield Beach to the Conway River south of the Kaikoura Peninsula, including the main townships of Amberley, Cheviot, Culverden, and Hanmer Springs. The district also has a number of other villages and beach settlements (18). The district land area is 864,640 ha. As of 2016, the population of the district was estimated to be at around 12,700.

Long-term population projections (to 2046) were developed in 2013, based on consideration of historic trends, Statistics New Zealand projections (to 2031), drivers of growth and constraining factors (if applicable). The 2016 North Canterbury earthquake will have had some effect on population movement and distribution in the district, but that is not yet reflected in these projections.

Table 3-1: Long-Term Population Projections

Area Unit	2016	2026	2036	2046
Amberley	1,660	1,870	1,975	2,086
Amuri	1,780	2,040	2,253	2,459
Cheviot	380	380	380	380
Culverden	440	450	450	450
Hanmer Springs	885	985	1,059	1,107
Hurunui	2,700	2,710	2,710	2,710
Leithfield	3,020	3,390	3,575	3,745
Parnassus	950	960	955	955
Waiau	270	270	270	270
District Total	12,085	13,055	13,627	14,162
Actual District Total (2016)	12,700			

Table 3-1 shows the Census Area Units within the Hurunui District only. Table 3-2 shows the Area Units within the Waimakariri District that are supplied by the Ashley Rural Water Supply only.

Table 3-2: Long-Term Population Projections for Waimakariri DC Area

Area Unit	2016	2026	2036	2046
Sefton (WDC)	680	770	870	970
Loburn (WDC)	2,380	2,920	3,348	3,776
Ashley (WDC)	1,200	1,490	1,680	1,870
District Total	4,260	5,180	5,898	6,616

Note that the population projections above are for Census Area Units and do not necessarily relate to towns of the same name. Figure 3-1 shows the Area Units listed above. The projected rate of growth within an Area Unit can be used to approximate growth of towns within that area.



Figure 3-1 Map of Census Areas shown in Tables 3-1 & 3-2

Hurunui District has sustained modest growth comparable to the national average over the last 20 years, amounting to a population increase of 2,600 (1.2% per annum un compounded) from 1991 to 2013. Growth has occurred predominantly in the south of the district, around Amberley and Leithfield, while there has been little or no growth elsewhere, with the exception of some small growth in Hanmer Springs and the Amuri basin. Growth in the district is linked to population trends in Waimakariri District, Selwyn District and Christchurch City. Part of this growth could be attributed to migration since the 2010/2011 Canterbury earthquakes where populations have moved outwards from Christchurch City. Population projections have not yet been adjusted following the November 2016 North Canterbury earthquake, which is likely to have had an initial and ongoing impact.

The projection indicates growth of around 1,500 residents over the next 30 years, reaching a total of 14,162 by 2046. To achieve this growth, it will be necessary to maintain a relative level of net migration into the district around the Amberley / Leithfield / Hanmer area, without which the population will stabilise or even possibly decline.

There is a trade off in spending on new assets to cater for projected growth and renewal of assets that serve existing populations. Council's present focus is on existing residents and continuing to develop appropriate and affordable renewal strategies and service improvements.

3.1 Linkage with Other Documents

This 30 Year Infrastructure Strategy has linkages with Council's Vision, plans (Annual Plan, AMPs, and LTP) and policy (Asset Management Policy). Below illustrates these linkages.

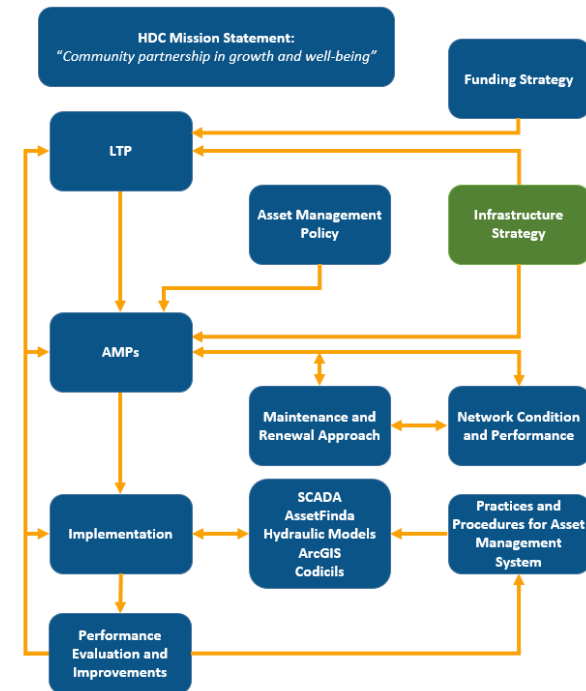


Figure 3-2 Infrastructure Strategy - Linkages with Other Documents

Asset Management Plans (AMPs)

Council has a suite of AMPs that separately cover the core activities of: Water Supply, Wastewater, Stormwater, and Roading and Footpaths in more detail. These plans are updated every three years preceding the LTP cycle. The purpose of each AMP is to ensure that the core assets are operated and maintained in a sustainable and cost effective manner, so that they provide the required level of service for the present and future customers. This includes the outlining of new capital projects in each asset portfolio programmed for the future 10 year LTP period (AMP period).

The Asset Management Plans support this purpose by:

- Demonstrating responsible management and operation of the core infrastructure assets, which represent a significant, strategic and valuable asset belonging to and operated by the Council
- Justify funding needs and requirements
- Demonstrating regulatory compliance, of note is section 94(1) of the LGA 2002 which in summary requires the LTP to be supported by:
 - Quality information and assumptions underlying forecast information
 - Framework for forecast information and performance measures that are appropriate to assess meaningful levels of service
- Demonstrating clear linkage to community agreed outcomes, with stated levels of service

The overall objectives of all of Council's AMPs are to demonstrate that Council:

- Understands how the outcomes delivered by the assets link to the wider community outcomes.
- Understands what asset capability and capacity will be required into the future, and what issues drive this capacity requirement.
- Has an appropriate knowledge of its asset valuations, locations, ages and conditions.
- Has robust and transparent processes in place for managing, operating, maintaining, renewing and extending the assets.
- Has adequately considered the classes of risk its activities face, and has systematic processes in place to mitigate, eliminate or isolate the identified risks.
- Has made adequate provision for funding asset operations, maintenance, renewals, extensions and new assets.
- The outcomes delivered by the assets are aligned to the community's needs and wishes, and to other internally and externally imposed levels of service.

The Infrastructure Strategy takes the information presented in each AMP and focusses at a higher strategic level on the most significant and key infrastructure issues for Hurunui District Council. Readers looking for further detail beyond what is presented within the Infrastructure Strategy should refer to the respective AMP documents.

Financial Strategy

Council's Financial Strategy sets out the Council's financial position, financing structures and financial mechanisms to support the planned budgets and investments within the LTP and Infrastructure Strategy.

The Local Government Act requires Council to assess their ability to provide and maintain existing levels of services and to meet any identified additional demands for services within the rates and debt limits, as set out within the Financial Strategy.

The principals adopted are:

- Focus on core infrastructure services
- Financial responsibility and affordability
- Continuous affordable improvement in service to everyone in our district
- Encourage and facilitate appropriate growth in the district

Within the context of our core principals, the following key factors shape the Financial Strategy over the period of the LTP and Infrastructure Strategy:

- Ensure that services remain affordable
- Maintain or improve current levels of service
- Key funding mechanisms are:
 - Rates, both district wide and targeted rates
 - The appropriate use of the profits derived by the Hanmer Springs Thermal Pools and Spa for the management of the Hurunui's reserves
 - Funding depreciation on Utilities (Water, Sewer and Stormwater)
 - The use of the Internal Financing structure which provides internal loans for communities requiring funding to carry out Capital Projects

3.2 Hurunui District Council

During the period, 1853 to 1876, the area north of the Hurunui River was administrated as part of the Nelson Province. After the abolition of the provinces in 1876 the Amuri and Cheviot counties were formed. In 1989, these counties were merged with the Ashley and Waipara counties to form the present district.

Today's Council is made of ten elected members representing the five district wards shown in Figure 3-2.

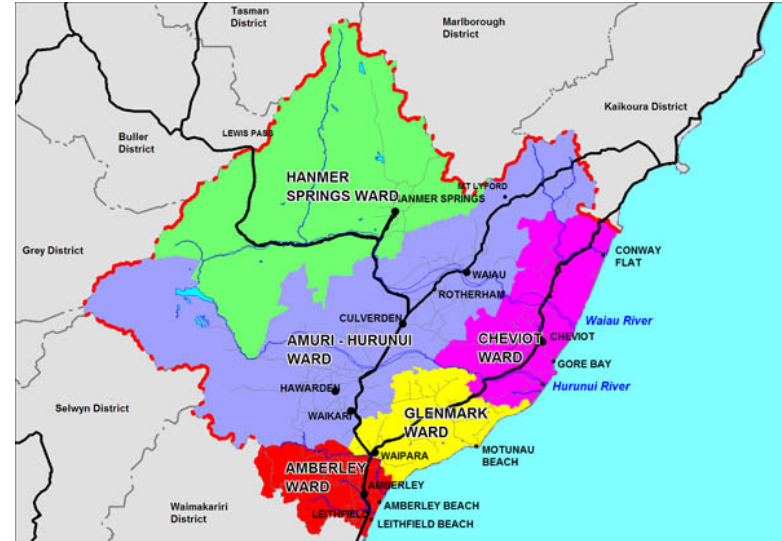


Figure 3-3: Hurunui District and Council Wards

3.2.1 Council Strategic Direction

The Hurunui District Council Strategic Direction (2017) defines the thinking that will drive Council's plans and actions at both Council and Committee level. The Strategy has been developed through discussions and workshops with the Council and is summarised below:

Our mission: To promote the well-being of Hurunui residents, businesses, visitors and environment by providing planning, infrastructure and services that are efficient, effective and appropriate to our Hurunui community.

Our vision: Hurunui is a contented and prosperous community.

Background: The Hurunui District Council with its small rating base (of around 8,229 rateable properties - 2017), has an ongoing challenge to fund and provide appropriate services and facilities that enable people in our many settlements and villages to lead good quality lives, at an affordable cost.

Whereas the Council is proud of the District's self-reliance and cohesive communities, there are obvious advantages in working with others to avoid unnecessary duplication. Where practical, it is desirable to remain alert to areas where joint/shared and complementary effort can benefit from synergies and cross-utilization of resources. The intent is to capture the best of being practical and effective by being local, and where appropriate, combine with others to gain the benefits of economy of scale and diversity.

The Council regularly advocates to government and other organisations for improvements to the Hurunui and the wider Canterbury area. The Council is party to a triennial agreement with

all of the local authorities in Canterbury. This agreement is to work collaboratively and in good faith for the good governance and success of our districts, cities and the Canterbury Region.

This agreement is a commitment to work together where doing so is cost effective, and to find solutions to common issues, and to share initiatives that will improve the region as a whole. The purpose is to drive efficiencies and better provide for the needs of our communities through providing good quality, fit-for-purpose local infrastructure, local public services and high performance of our regulatory functions. There are a number of areas where we work with our neighbouring local authorities for efficiency and effectiveness, with reasons such as:

- contributing to a shared vision for Canterbury
- developing and implementing the Canterbury Regional Economic Development Strategy
- continuing to implement the Canterbury Water Management Strategy (through the Hurunui-Waiau Water Zone Committee)
- continuing to implement the National Policy for Freshwater Management
- Continuing to meet the objectives of the Canterbury Land and Water Regional Plan
- Continue to meet the objectives of New Zealand's Waste Strategy
- integrated transport planning for Canterbury through the Regional Land Transport Plan
- developing a programme for effective and efficient delivery of services, infrastructure and regulatory functions across Canterbury
- implementing a collaborative planning and decision making process and integrated resource management planning
- planning response and resilience to civil defence and emergency management and natural hazard risk management

Opportunities: This strategy is based on five high-level and enduring opportunities.

1. Strengthen Hurunui's identity: Support communities to realise their aspirations through the delivery of infrastructure and services equitably across the Hurunui District. The Hurunui District is an amalgam of smaller historical districts with strong local identities. While recognising and supporting the local history and local identities within the district, it is also important that the Hurunui District works 'together' if it is to be successful and prosperous into the future. This is the 'one Hurunui' approach.

2. Facilitate appropriate growth: Responsibly grow the district to attract people, businesses, industry, services and tourists. Hurunui needs sustainable growth to support and maintain its current and future infrastructure and service needs. However, we are committed to growth that maintains the rural character of the larger Hurunui District and the individual flavour of our various townships.

3. Improve our communication: Increase our communication to tell our stories and inform our community; make it easy for people to find information and navigate through our systems; inform and educate our communities about the Council's function, purpose and intent; and to promote the district. We need to talk more about the Hurunui and get others talking about the Hurunui as a great place to live, to do business and to visit. We have a good story to tell, but need to take regular and sustained planned action to put this in front of local, regional and national communities.

4. Shape our finances to support Hurunui's future: Shape our overall financial strategy to support Council's long term objectives and plans in an affordable and sustainable manner. Reduce and use debt effectively. Develop an overall financial strategy which understands the contribution of the Hanmer Springs Thermal Pools and Spa (HSTPS) and how this supports the Council financially.

5. Build strong relationships: Build strong, productive relationships with Ngai Tahu and other key stakeholders. Building and maintaining good long-term relationships with our stakeholder groups fosters better understanding and facilitates engagement, consultation and change when it becomes necessary and/or inevitable. Contentious issues rarely foster good relationships, but a good relationship can allow parties to successfully work through those same issues in a positive and constructive manner.

Council's Strategy Map is provided in Figure 3-3 below:

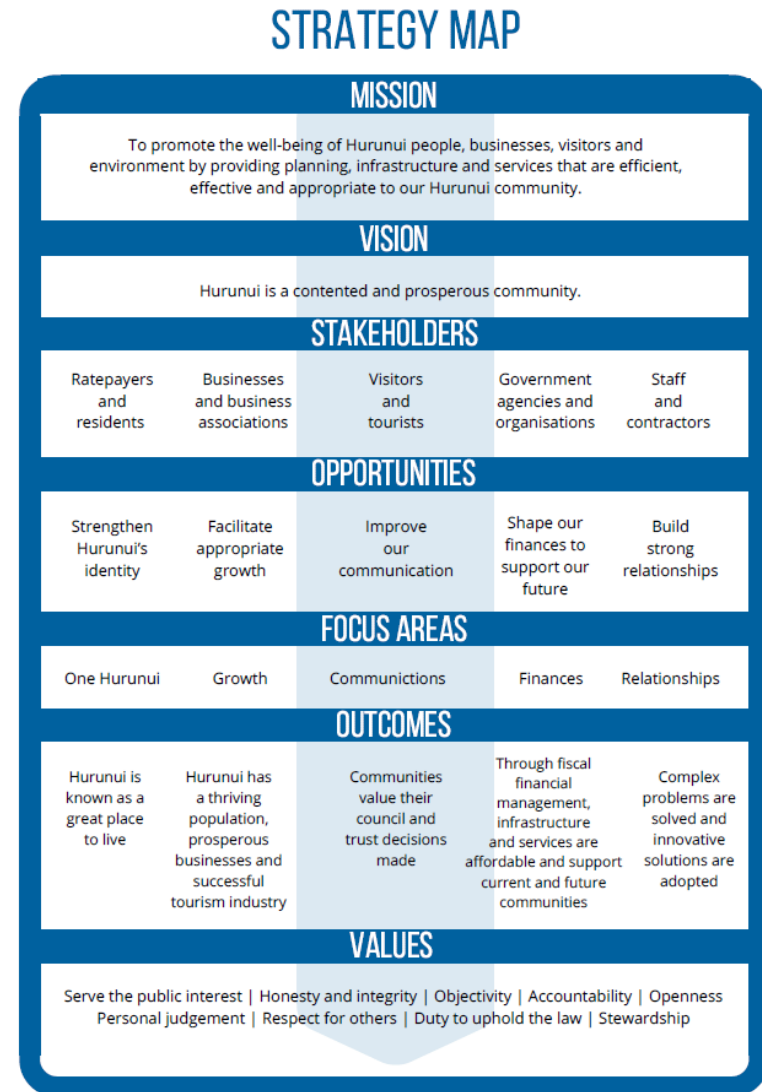


Figure 3-4: Council's Strategic Direction – Strategy Map

4.0 CORE INFRASTRUCTURE

At this stage, the Infrastructure Strategy for Hurunui District Council is focussed on the core infrastructure of water supply, wastewater, stormwater and roads and footpaths as a priority.

Parks and recreation assets, community buildings and solid waste will be added to the above list of core infrastructure into the future as Council's asset management continues to advance.

4.1 Asset Description

A summary description of the core asset activities, including condition and performance, are described in the section below. Individual water supply schemes are shown in Figure 4-1.

4.1.1 Water

Water assets consist of 2,146 km of reticulated pipes within 19 different community schemes, each with their own water source and treatment. Seven of these schemes provide water on-demand, and the other 12 provide water as a restricted supply to private on-site storage tanks.

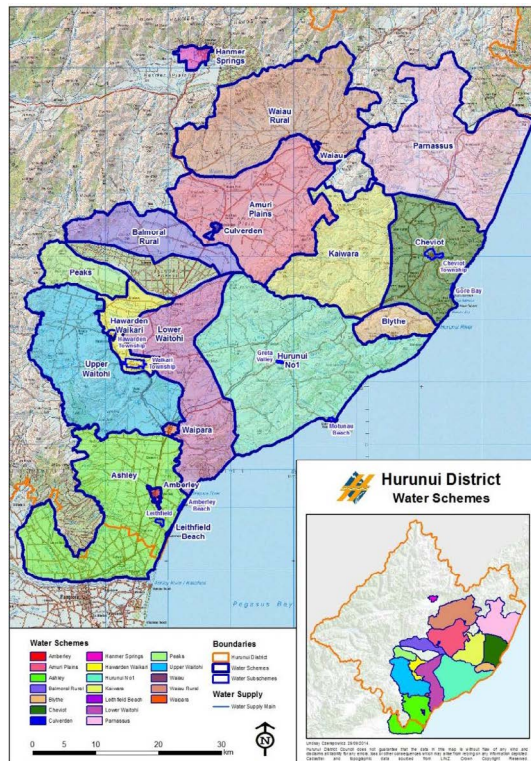


Figure 4-1: Council's Water schemes – Areas Served

Figure 4-2 shows the water reticulation age and material distribution. The pipe assets consists of mainly PE (59%), PVC (26%), and AC (13%) pipe material.

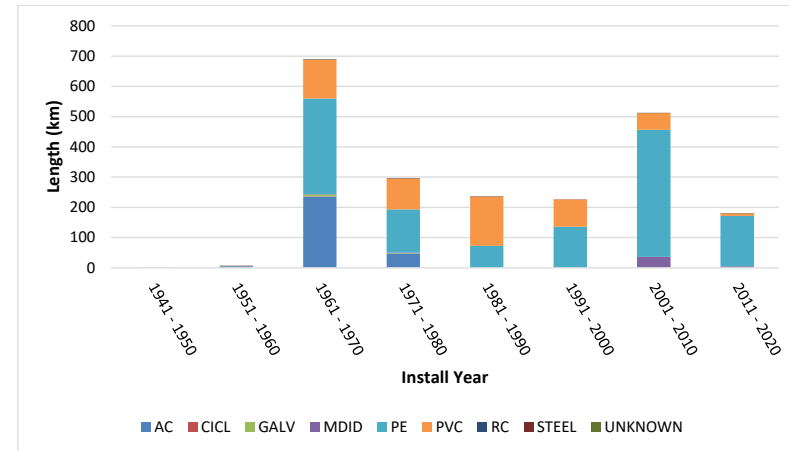


Figure 4-2: Pipe Installed by Year

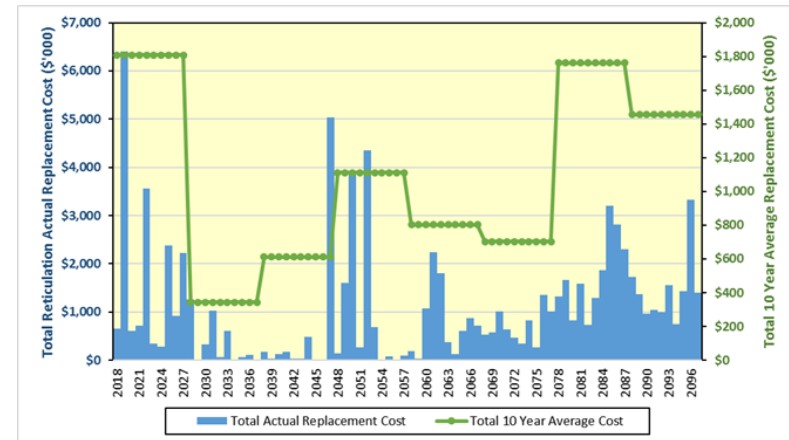


Figure 4-3: Projected WS Pipe Replacement Dates

Water supply pipe age based renewal profile

Installation records show that the greatest spurt of development took place during the period of 1961 to 1970. This resulted in a large component of the reticulation installed consisting of AC and PE pipe (HDPE), as these were the readily available pipe materials at this time.

Network Performance

The majority of the network operates effectively and efficiently, but there are sections of the network that have a lower level of performance due to variable site and soil conditions, as well as performance demands. The AC pipes are fast nearing the end of their theoretical asset life

based on a theoretical age based approach. However, it is not economic to renew these pipes based on their age alone, as these pipes are not currently experiencing significant performance failures. Council is thus moving from an age based renewal approach to a performance approach, with an increasing emphasis on performance data, criticality and performance monitoring.

A performance assessment of all critical and non-critical water pipes was undertaken, with an average indication of 1 break per kilometre for non-critical pipes and 0.05 breaks per kilometre for critical pipes. It remains uneconomic to replace an asset that has reached the end of its theoretical asset age based on this prevailing performance criteria. Thus it became imperative to determine an economical point where sufficient expenditure is undertaken to repair a pipe and from hereon would be most prudent to replace the pipe with new pipeline (renewal). The case assessment revealed that for both critical and non-critical pipes, this would be 12 breaks per kilometre. As this has a potential change for level of service in terms of 'acceptable' outages until the pipe is determined to be replaced, this was widely consulted with the affected stakeholders for agreement and this has now been adopted as HDC's replacement assessment determination for the immediate replacement of any pipes having a performance indicator (breaks per kilometre) outside this maximum limit. This new criteria, moving away from the historic theoretical age based assessment, has changed the pipeline renewal programme dramatically, as indicated in the new budget allowed for in the draft LTP 2018.

The 2016 North Canterbury earthquake did result in some increased breaks and maintenance events across all pipe types on the reticulation throughout the network in closer proximity to the epi-centre of the fault line earthquake. The earthquake's response rebuild programme has been targeted at repairs and replacements, where the resultant loss in performance and pipe damage was readily identified. The earthquake's recovery rebuild programme is still underway, seeking to provide rational evidence of performance loss to justify insured repair or replacement. There is a risk that assets have deteriorated and lost asset life due to the earthquake event, but have not yet caused prevailing identifiable performance issues yet. Current assessment of break performance data does not yet give cause to justify accelerated renewal programmes.

The pipe asset inventory data is up to date and provides a high level of confidence for fields such as length, diameter, material, age and position.

Pipe performance data is primarily from recorded maintenance events attended by Council operations and maintenance staff. Flow and pressure meters provide hydraulic performance data; and raw water and treated water attributes are recorded for each of the schemes.

The recorded maintenance event data is tracked over time to provide insight into the impacts of aging pipe infrastructure. At this stage, there is some evidence to support changing network performance over time, however pipe performance data quality and confidence is low and data collection and processing improvements are planned to increase the evidence base for improved and transparent decision making through the next AMP review.

Data Confidence

- The Council's knowledge and understanding of its below-ground water assets is generally considered excellent, with an overall level of confidence in the below-ground asset data as 'Reliable' (± 12.5%). The Council's knowledge and understanding of its above-ground water assets is generally considered less-than-appropriate, with an overall level of confidence in the above-ground asset data as 'Unreliable' (± 30%). The following table highlights the need for improvement in all areas of our above-ground water assets. The benefits of improving our understanding surrounding our above-ground water assets is multi-fold. There have been numerous asset changes within each water asset facility, resulting in a possible change to what is captured in our database. This may result in miss-matched pump stock that is either under-efficient or over-designed for our requirements. The condition of the other assets within this facility are also unsure, which makes predictive renewal or improvements difficult to project. Furthermore, it is the intent of the Assets team to undertake a criticality assessment of these facilities to better manage resilience of critical components to ensure service continuity. Another element of assessment includes for Health and Safety of the operators entering and using these facilities. All these areas of improvements

combined make this outcome an important requirement. This was programmed for two years back, but with resourcing constraints, this has been difficult to complete. However, additional resourcing has been provided for in the LTP to manage this outcome as an Improvement Plan priority.

Table 4-1: Water Asset Data Confidence

Data Description / Type	Confidence Grade	Accuracy Rating
Scope and specification of the below-ground assets	Reliable	± 15%
Scope and specification of the above-ground assets	Unreliable	± 30%
Age and remaining life of the below-ground assets	Reliable	± 10%
Age and remaining life of the above-ground assets	Unreliable	± 30%
Condition of the below-ground assets	Reliable	± 5%
Condition of the above-ground assets	Unreliable	± 30%
Performance of the below-ground assets	Reliable	± 20%
Performance of the above-ground assets	Unreliable	± 30%

Note: The confidence assessment of all data in the table above is based on pre-earthquake event. The event itself affected numerous water assets within reasonable distance proximity of the earthquake epi-centre. Council has embarked on an extensive programme using Datran/Scada, flow meters and acoustic listening walk-overs to better understand the nature and extent of potential damages to our 'damaged' below-ground asset stock. This complete assessment approach will set the tone for the validated insurance claim to our insurers for earliest settlement and full remedy. A full assessment has been completed of all above-ground asset stock negatively affected as a result of the earthquake event. This has been identified, assessed, priced and submitted to our insurers for claim settlement to fully remedy.

Council has a targeted programme in place to fully assess all above-ground water assets through 2018/19 and 2019/2020 to improve our understanding of the above-ground assets in place, their current condition and performance, and the remaining useful life left till planned renewal or replacement. The outcome result of these assessments will better determine our facility renewal programme through the next Water AMP review in 2020/2021.

Treatment Compliance

Existing schemes consist of a number of deep and untreated 'secure' bores, and surface water intakes using a mixture of filtration, MIOX and UV disinfection. 13 of the 19 community water supply schemes require treatment upgrades in order to fully comply with current Drinking-water Standards for New Zealand 2005 (Revised 2008). Findings from the Havelock North drinking water inquiry (2017) is recommending changes in responsibility and approaches for the nation's safe management of community drinking water supplies. It is expected that regulatory changes may affect the long term planning for both operational and capital requirements, subject to

central government's desire to make legislative changes. Current changes to a multi-barrier treatment approach (chlorine dosing of all distribution zones) and a programmed 3-5 log credit for protozoa removal will require extensive and more-expensive treatment plant upgrades for the district.

The full treatment of drinking water to meet DWSNZ compliance has been budgeted for as below:

District-wide full DWSNZ investigation works

- 2020/2021 - \$689,000
- 2021/2022 - \$1,381,000

Investigation into power upgrades

- 2022/2023 - \$195,000
- 2023/2024 - \$195,000
- 2024/2025 - \$195,000
- 2025/2026 - \$195,000
- 2026/2027 - \$120,000

Investigate potential land purchase requirements or easements

- 2020/2021 - \$120,000
- 2021/2022 - \$100,000

Full DWSNZ construction costs (treatment plants)

- 2022/2023 - \$3,392,000
- 2023/2024 - \$4,831,000
- 2024/2025 - \$4,100,000
- 2025/2026 - \$998,000
- 2026/2027 - \$1,268,000

4.1.2 Wastewater

There is a total length of wastewater pipe of 132 km in the district with 3,301 active connections. The wastewater pipe network consists of mainly PVC (52%), AC (32%) and Reinforced Concrete (10%). The remainder of the pipe networks (6%) are made up of ceramic, HDPE and steel pipe.

Installation records show that the greatest spurt of development, 58% to be precise, took place during the period of 1964 to 1980. This resulted in a large component of the wastewater pipe networks consisting of AC pipe, as it was the most readily available pipe material at that time. Currently there is about 43 km of AC pipe throughout the district which makes up 33% of the wastewater pipe network. Renewal of AC pipe is the influencing factor in the current pipe renewals forecast. Figure 4-3 shows installation year of the AC pipes in the district.

Data Confidence

- The Council's knowledge and understanding of its wastewater assets is generally considered reliable, with an overall level of confidence in this data as 'Reliable' ($\pm 20\%$). The following table highlights the need for improvement in the performance of our wastewater assets, to be addressed through survey and modelling of this asset stock. The benefit of better understanding the current performance of our wastewater asset stock is ensuring that predicted growth, asset life remaining and pipeline capacity all align to well-founded projected renewal works for these assets, i.e. end of useful life of this asset.

Table 4-2: Wastewater Asset Data Confidence

Data Description / Type	Confidence Grade	Accuracy Rating
Scope and specification of the assets	Reliable	$\pm 15\%$
Age and remaining life of the assets	Reliable	$\pm 15\%$
Condition of the assets	Reliable	$\pm 20\%$
Performance of the assets	Unreliable	$\pm 30\%$

Note: The confidence assessment of all data in the table above is based on pre-earthquake event. The event itself affected the wastewater assets of Hanmer Springs given its distance proximity to the earthquake epi-centre. Council has embarked on a programme using CCTV to better understand the nature and extent of potential damages to our 'damaged' below-ground asset stock. This completed assessment revealed very few affected assets in all areas except Hanmer Springs. A full review of the CCTV assessment to Hanmer Springs has been completed and the identified damaged assets will be submitted alongside our damaged water asset stock to our insurers for claim settlement to fully remedy.

Council has a targeted programme in place to fully survey, model and assess all below-ground wastewater assets through 2018/19 and 2019/2020 to improve our understanding of these assets with regard to current and future performance. The outcome result of these assessments will better determine our current and future ability to meet predicted demands. This will be picked up in the next Wastewater AMP review in 2020/2021.

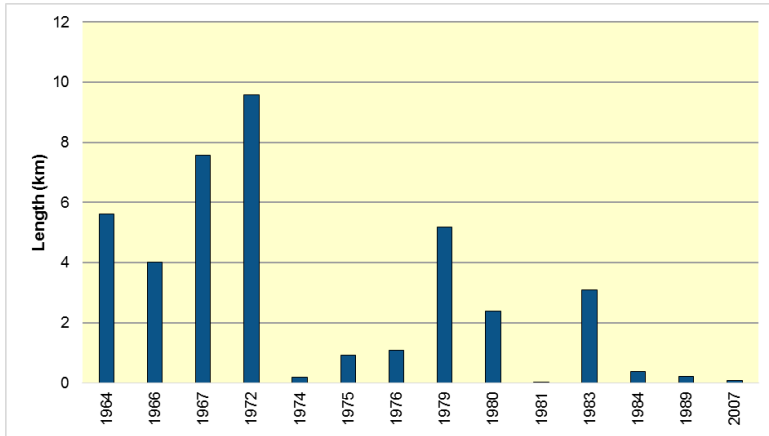


Figure 4-4: AC Pipe Installation Year

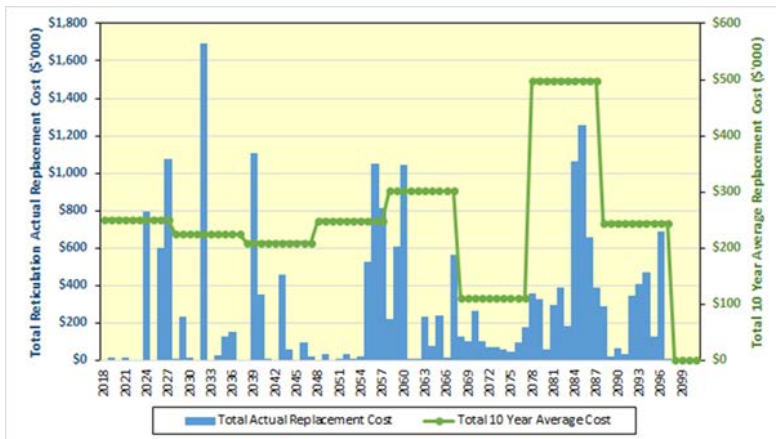


Figure 4-5: Projected WW Pipe Replacement Dates

Wastewater supply pipe age based renewal profile

Prior to 2009, AC wastewater pipes were assigned an expected life of 50 years. However, in 2009 Council adjusted the expected life of AC pipes to 60 years to account for the following:

- Operational history – no significant records of breaks in the predominantly AC pipe parts of the wastewater pipe networks
- Standard expected life for AC pipe for other Canterbury Councils is 60 years
- Soil conditions are predominantly dry, non-acidic (although Hawarden does have some noted acidic soils)

The current assigned base life of 60 years for AC pipe is somewhat conservative and will be reviewed again through the following AMP review. Pipe condition assessment of AC pipes in all wastewater schemes should be carried out over the next 2-3 years to gain a greater insight and confidence into the assigned expected life for HDC’s wastewater AC pipeline stock.

Wastewater Treatment Plants

There are seven reticulated and treatment schemes in the district. The treatment plants are pond based and have discharges to land via consented irrigation and to surface water.

Council considers that the pond treatment systems have sufficient capacity for reasonable growth and are in satisfactory condition to meet this outcome. There is an on-going desludging programme to remove/reduce sludge in the Waikari and Hawarden WWTP’s, and to further assess sludge levels within the other scheme’s treatment ponds for programmed and costed desludge programmes to retain capability and compliance.

Network Performance

Understanding hydraulic capacity is a significant information gap for Council. Currently, Council has not formally modelled any of the Wastewater Schemes, and need to do this to understand where the hydraulic constraints to meet future growth really are.

Council engineers have looked for any historical “choke points”, and the only significant feature worth mentioning is the SH1 sewer pump-station (Amberley network). This site struggled to buffer flow changes, so a large attenuating chamber was constructed a few years ago to effectively manage any unlawful surcharging into the environment.

Anecdotal evidence indicates that most overflows appear to be as a result of pipeline blockages, rather than hydraulic constraints. Better records of pipeline gradient falls would account for improved understanding of waste silting levels (blockages) and potential improvement programmes to mitigate this risk to service levels and to the environment into the future.

Improved data collection for wastewater pipelines has been identified and budgeted for. This is the prelude to the proposed wastewater modelling, as captured in the Asset management Plan for wastewater.

4.1.3 Stormwater

There are ten communities within Hurunui District that have stormwater or land drainage assets. There are four additional communities that do not have any stormwater assets, but have provision for stormwater drainage. The stormwater system consists of 23 km of swales, drains and channels; 12 km of stormwater pipes; and a number of sumps and soak-holes/soak-pits.

The Council collects targeted stormwater rates in the Amberley Ward area and the urban areas of Hanmer Springs, Hawarden, Waikari, Cheviot and Motunau Beach, which is the main focus areas of stormwater management at present. There is currently no stormwater rate system set up for other community areas where stormwater assets are currently managed by the local communities.

Network Performance

The majority of the stormwater piped network is relatively new, but there is limited data on the condition of these assets. HDC intend to engage a full-time stormwater engineer to better understand the condition of the stormwater assets, develop district-wide stormwater catchment and management plans and to better programme works (new, renewal and maintenance) to manage flood risk reduction and quality of stormwater discharges through urban areas.

Capital improvement works are planned to reduce the frequency of surface flooding experienced across the district through intensive rainfall events, which are happening more frequently than noted before.

Council considers that the majority of the network operates effectively and efficiently, but there are areas within the network that have a lower level of performance due to capacity restrictions and discharge issues. Council’s focus areas are a reduction in surface flooding, improvement of discharge quality, and continuous compliance with statutory requirements regarding discharge from the numerous public managed networks within the district.

Data Confidence

- The Council’s knowledge and understanding of its stormwater assets is generally considered reliable, with an overall level of confidence in this data as ‘Reliable’ (± 20%). The following table highlights the need for improvement in the understanding of the

performance of our stormwater assets, to be addressed through complete modelling of this asset stock. Flood modelling and asset performance modelling will provide officers with supporting data to right size infrastructure to pro-actively meet the future land use changes and climate change issues that may arise.

Table 4-3: Stormwater Asset Data Confidence

Data Description / Type	Confidence Grade	Accuracy Rating
Scope and specification of the assets	Reliable	± 20%
Age and remaining life of the assets	Reliable	± 15%
Condition of the assets	Reliable	± 15%
Performance of the assets	Unreliable	± 30%

Note: The confidence assessment of all data in the table above is based on pre-earthquake event. The event itself did not affect the stormwater assets based on initial and reviewed assessments complete to date. Council has embarked on a programme using CCTV to better understand the nature and extent of any potential damages to our below-ground asset stock. This completed assessment revealed no adverse effects assets.

Council has a targeted programme in place to fully model and assess all stormwater assets through 2018/19 and 2019/2020 to improve our understanding of these assets with regard to current and future performance. The outcome result of this modelling will better determine our current and future ability to meet predicted demands and reduce the impacts of flooding across the district, especially the urban areas. This will be picked up in the next Stormwater AMP review in 2020/2021.

4.1.4 Roads & Footpaths

The Hurunui District’s road network is a largely unsealed (58%), rural network (94%) with 286 bridges and major culverts carrying around 82 million vehicle-km per year. Replacement cost is around \$388 million. It connects to SH1, SH7 and SH7a which pass through the district, and includes Route 70, an important inland connection and alternative route to SH 1 from Kaikoura to Christchurch.

The network connects the district’s townships and rural communities, as well as serving the dairying, forestry, agricultural and tourism sectors. This local road network has been categorised based on NZTA’s One Network Road Classification (ONRC) system, which defines the levels of service expected of different roads based on their function and traffic volumes, shown in Figure 4-4 below.

Note: 7% roads within Primary Collector; 19% within Secondary Collector; 46% within Access; and 28% within Low-volume Access

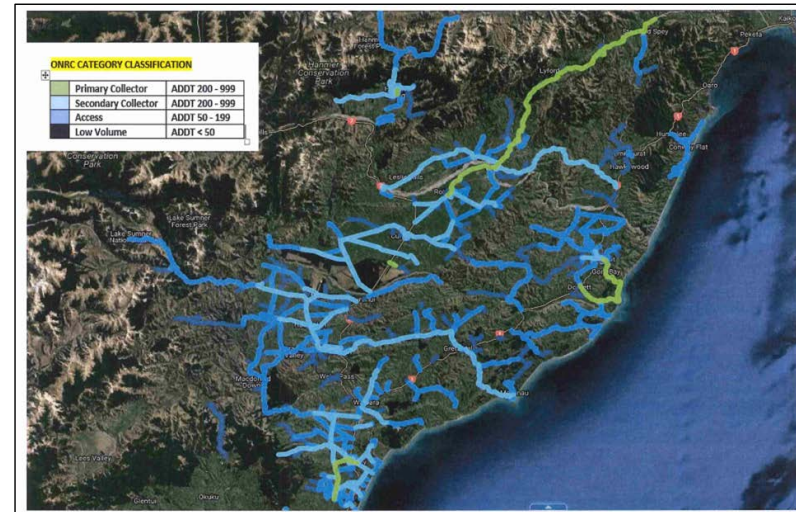


Figure 4-6: Network by ONRC Classification

Pavements and bridges (including major culverts) make up 80% of the financial value of the roading network, with drainage being 14% and the remaining asset groups (traffic signs, markings, lighting, footpaths) representing the balance.

Condition

Asset preservation and ensuring fitness for purpose of the road network is one of the key problem areas highlighted in the Roothing AMP 2018-28 – an issue that is equally, if not more important, over the long term.

Overall, the network is being maintained in good condition, and past attention to the sealed roads pavement management has seen a steady improvement in condition as shown in the pavement integrity graph Figure 4-5. The bridge stock is aging, however it is being maintained in good condition overall through regular condition and structural inspections, planned and prioritised maintenance programmes, targeted component replacements, and programmed bridge renewals where deemed necessary. Over the 30 year term period of this strategy, there is a growing need for more bridge replacements (more towards the latter end of the strategy period), based on the current age and the expected residual life profile. Timber bridges currently over 60 years old are likely to be amongst the highest potential candidates, and the numbers can be identified in Figure 4-6 below.

The Council considers it important to maintain the local road network in a good state, as there are areas where rapid degradation is occurring following increased heavy traffic use (including heavier and wider heavy vehicles) and failure to manage these concerns could have significant adverse financial and level of service consequences. To do this, HDC will more closely monitor where heavy vehicles are using the local road network, so as to proactively identify roads where significant growth is to be expected and appropriately address the issue before it escalates. Growth can occur due to activities such as land use change, dairy farm conversion, forest logging, or gravel / rock extraction and cartage.

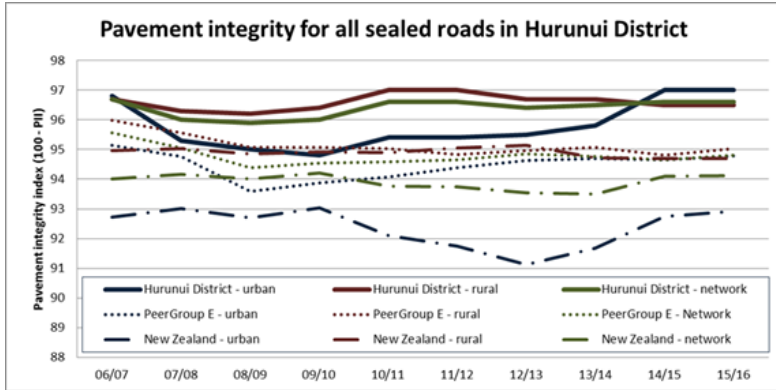


Figure 4-7: Sealed Roads Pavement Condition Trend

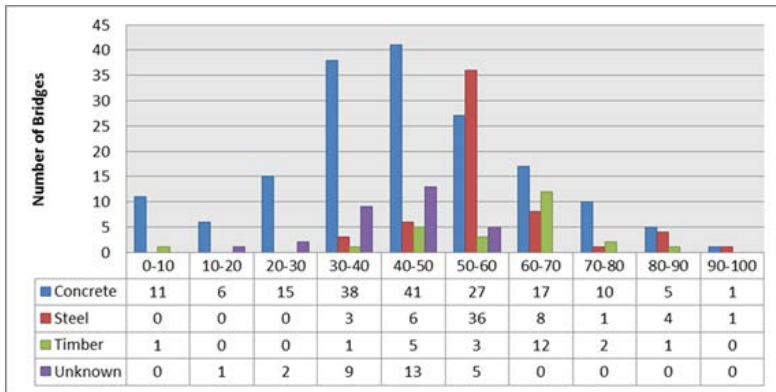


Figure 4-8: Bridges Age Profile

Performance

From a performance perspective, there are no significant issues expected over the next 30 years in terms of traffic capacity (i.e. no anticipated congestion issues), however road safety and the adequacy of pavement width for heavy vehicle use are issues that will need to be addressed, along with the upgrading of bridges which have posted restrictions for load or dimension where there is a heavy vehicle demand.

Figure 4-7 shows that safety risk has grown since 2011 following a steady reduction prior to that. Within these trends, 'loss of control' crashes are by far the most prevalent on the district's network.

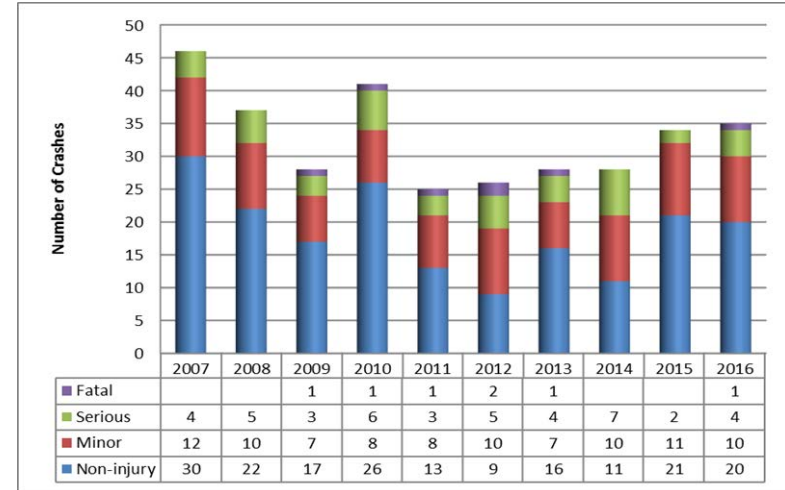


Figure 4-9: Crash Trends

There is a rising trend in the number of crashes in the district. This has been identified as a strategic issue in the Roding Asset management Plan and requested programme through the draft RLTP 2018. The reduction of crashes and subsequent reduction in associated deaths and serious injuries is a core strategic outcome defines in the Transportation Government Policy Statement.

Furthermore, ongoing growth in population, changing demographics, vehicle ownership, and development in both the primary and value-added sectors, as well as the popularity of the district as a tourist destination, all have an impact on the use of the roads and footpaths.

Data Confidence

- The Council's knowledge and understanding of its roading assets is generally considered appropriate (as per NZTA technical audit 2016), with an overall level of confidence in the asset data as 'Reliable'. The following table highlights the need for improvement in 'utilisation', in particular, where heavy vehicle traffic growth is occurring now and is likely to occur in the future. Increased traffic counts and discussions with the transportation industry about future vehicle loadings and preferred transportation routes will provide Council with opportunity proactively identify and redress roads that are currently ill-designed to meet these expectations.

Table 4-4: Roding Asset Data Confidence

Data Description / Type	Confidence Grade	Accuracy Rating
Scope and specification of the assets	Highly Reliable (A)	± 5%
Age and remaining life of the assets	Reliable (B)	± 10%
Condition of the assets	Reliable (B)	± 10%

Data Description / Type	Confidence Grade	Accuracy Rating
Performance of the assets	Reliable (B)	± 20%
Utilisation of the assets	Unreliable (C)	± 30%

Note: the above confidence grade and accuracy rating excludes the assessment underway to determine the condition of the affected bridge stock as a result of the earthquake event November 2016.

The collection of the correct data has always been important to Council and over the last ensuing six years Council officers have been progressively improving our data collection, interrogation process and understanding of what data is relevant for good decision making moving forward. The gaps to date relate to a better understanding of our above-ground assets for water, modelling to better understand our performance of both stormwater and wastewater assets, and traffic demand changes associated with our roading assets. These improvements have been well captured through the Improvement Plans in the various supporting Asset Management Plans for each core activity, with targeted time frames to redress and improve our management of these assets for current use and future generational demands to come.

4.2 Assumptions and Risk

In relation to risk, Council follows the AS/NZS ISO 31000:2009 risk management standard for its core infrastructure assets. The approach includes the identification of 'critical' assets which need to be proactively managed to minimise the risk of their failure and consequential loss of service.

The scope of the risks that need to be managed includes:

- Risk of physical failures, including fundamental failure, accidental, and malicious damage
- Operational risks, including the control of the asset, human factors, and all other activities which affect its performance, condition and/or safety
- Natural environment hazard events (storm, floods, drought, etc.)
- Factors outside of the Council's control, such as failure of externally supplied services and failure of purchased materials, etc.
- Obtaining and complying with resource management consents and conditions
- Other stakeholder risks, such as damage to reputation/image and ensuing major political repercussions
- Design, specification, construction, installation, maintenance and decommissioning risks
- Planning, procurement and programme delivery risks.

Each of the Council's individual AMPs provide more detail of the risks associated with each of the core infrastructure asset classes. For example the Roading and Footpath risk register identifies specific risks such as land use change, traffic loading, seasonal effects on the network, fluctuating oil prices, climate change, natural hazard events, geological issues, and materials supply. The risk management strategy includes ways to mitigate and manage these factors in a responsible manner.

At a district-wide and strategic level, the most significant risks and assumptions are presented in the table below.

Table 4-5: Risks and Assumptions

Description	Significant Assumptions	Uncertainty	Impact
Land Use Change (Water supply)	Changes in land use that affect the water assets will be gradual and largely foreseen at network level.	High (as source water catchments are sensitive to land use, and stock water users comprise a large portion of the water demand.)	Changes in land use can improve or degrade water source quality. Scheme demand and economies of scale can be affected by population change and change in stock water demand.

Mitigation measures – Closely monitor customer surveys on future water demand quantities and feedback. Improve knowledge on short and long term changes (forestry, dairy, etc.), and plan changes to the water supply in advance of projected growth or land use change in conjunction with stakeholder engagement.

Land Use Change (Wastewater)	Changes in land use that affect the wastewater assets will be gradual and largely foreseen at network level.	Medium	Land use change may impact existing and new disposal options for treated wastewater. Communities converting from on-site septic tanks to reticulated sewerage and centralised treatment will have a significant financial impact.
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Mitigation measures – Engage with communities that may benefit from converting on-site septic tanks to reticulated sewerage and a centralised treatment system. Monitor changes in land use at treated water disposal sites.

Land Use Change (Stormwater)	Changes in land use that affect the stormwater assets will be gradual and largely foreseen at a network level.	High (will affect specific areas that are sensitive to increased runoff or pollutants)	Changes to stormwater catchment runoff rates, attenuation and water quality will affect downstream flood risk and water quality.
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Mitigation measures – Integrated catchment management to understand flood risk and water quality sensitivity to changes in land use.



Description	Significant Assumptions	Uncertainty	Impact
Land Use Change (Roading and Footpaths)	Changes in land use that affect the network will be gradual and largely foreseen at network level, therefore, there will be no sudden changes in network demand caused by unforeseen changes in land use	High (as affects individual roads)	Changes in land use can quickly affect individual roads, road section or asset element level. Often these are unforeseen and result in rapid asset degradation because of their nature.
<p>Mitigation measures – Closely monitor heavy traffic trends associated with land use change. Engage with the productive sectors concerned (e.g. forestry, dairy, etc.) to improve knowledge on short and long term changes, plan road and bridge rehabilitation / strengthening works in advance of projected growth occurring ('just in time').</p>			
Demographic and Population Change	Population growth will lie between the 'low' and 'high' growth scenarios projected by Statistics NZ; with a significant growth in the proportion of over 65's residing in the district.	Low	<p>The effects of variation between the growth projections will not have significant implications for the activity. Land developers fund the costs of new subdivision infrastructure needed, although an area requiring potential Council involvement is new developments which are served by unsealed roads. New developments need confirmation of adequate water and wastewater supply which is dependent on further hydraulic modelling.</p> <p>Demographic changes could change customer expectations in townships (e.g. footpaths extent and quality, water taste etc.).</p>



Description	Significant Assumptions	Uncertainty	Impact
<p>Mitigation measures – Monitor population growth and demographic changes and how these impact on customer levels of service expectations. Undertake hydraulic modelling (water and wastewater) to understand when and where capacity shortfalls will occur.</p>			
Climate Change	Little change is assumed in the short term, however in the longer term rising temperatures, increased sea levels and more frequent intense weather events will occur.	Moderate	Impacts on the asset could include flood damage due to more severe rainfall events, undersized culverts causing flooding of upstream land and property, loss of access for low lying coastal roads, reduction in water supply source quality and quantity, and as a driver for land use change.
<p>Mitigation measures – Plan for the potential impacts through AMPs and programmes, keep abreast of climate change predictions and include these potential effects in project development requirements.</p>			
Major Adverse Events	Other than the current earthquake recovery programme, there is no specific provision for extraordinary events during the period of this Strategy	High	Natural disaster events have the potential to cause significant damage to core infrastructure assets, disrupting access, service, and having major impacts on the district's economy.
<p>Mitigation measures – Management of financial risk, such as through insurance, provision for borrowing and financial support through NZTA. Lifelines planning and participation in the Canterbury Lifeline Utilities group work plan to aid understanding of the risks and develop support relationships.</p>			
Asset Ownership	All assets will remain in Council ownership throughout the planning time period	Low	If there's a change of ownership of existing assets, the direct cost of managing, operating and maintaining assets would decrease.
<p>Mitigation measures – No mitigation planned given the risk rating</p>			

Description	Significant Assumptions	Uncertainty	Impact
Financial Forecasts	Existing legislation will remain in place and the structure and responsibilities of the Council will remain the same	Medium	If the reliability of the forecasts decreases beyond ten years and towards the thirty year planning horizon, costs may vary significantly from what has been assumed in this Strategy.
Mitigation measures – Continuous monitoring of change in assumptions adopted for financial forecasts and early recognition of any significant change.			
Asset Life	Approximate values, where applied to determine useful life of assets, are correct.	Medium	If the values adopted are inaccurate, this would result in a shortfall in allocation of renewal budgets.
Mitigation measures – Use age based data for long term financial planning, with improved confidence in asset life expectancy, but implement performance, criticality and condition criteria for renewal programme.			
Drinking Water Regulation Change (Water Supply)	National regulation of drinking water supplies will change based on the recommendations from the Havelock North Inquiry to central government. Increased treatment barriers and operational procedures will be required in the next 10 years.	High (central government response to inquiry recommendations is unknown.)	Significant financial impact for Council to upgrade full DWSNZ treatment barriers (primary and secondary) across the 19 district schemes.
Mitigation measures – Financial planning for enhanced treatment processes included in the AMP and LTP. Explore procurement options for economic benefit. Closely monitor regulation expectations through relationships with Drinking Water Assessors. Explore sources of funding and subsidy, and lobby central government for assistance regarding smaller rural schemes.			

Description	Significant Assumptions	Uncertainty	Impact
Aging Infrastructure Performance (Water Supply)	Old AC pipes have reached the end of their theoretical life, but pose significant renewal cost. Current performance data does not justify replacement, but ongoing deferral carries escalating cost risk.	Moderate	Age based pipe renewals risk unnecessary capital expenditure which is exacerbated by affordability concerns within the district. Ongoing deferral risks increased cost for reactive repairs, maintenance costs, and increased service outages (level of service).
Mitigation measures – Increase performance monitoring and data capture to provide a greater evidence base for renewal of infrastructure decision making.			
Change in Surface Water Quality Regulations and Guidelines (Wastewater/Stormwater)	National guidelines for freshwater quality management will not impact core stormwater and wastewater infrastructure in the short term.	High (government changes to this regulation is unknown.)	Wastewater discharge consents and stormwater catchment management will be impacted by regulation change and will require additional capital expenditure.
Mitigation measures – Closely monitor changes in regulations and impacts. Ongoing water quality monitoring and management. Collaboration with other Councils through the regional Water Managers Group, the regional Drinking Water Forum and the regional Canterbury Engineering Managers forum.			
Global Consents (Stormwater)	Hanmer Springs global consent application will be approved and land-owner approvals will be given to allow the flood mitigation construction works to proceed	Medium	Flood mitigation does not get constructed and future flooding events cause adverse damage to existing infrastructure and community wellbeing.
Mitigation measures – Proactive consultation with landowners undertaken to obtain 'buy-in' early in consent process.			

Description	Significant Assumptions	Uncertainty	Impact
Route 70 Funding Levels (Roading and Footpaths)	The transfer of Route 70 back to Council is expected from 1 July 2019, however uncertainties remain over the road's future classification and long term funding needs (maintenance and capital works).	Moderate	The AMP assumes a similar level of service and funding level as before the 2016 North Canterbury earthquake. Should this prove insufficient, the condition of the road is likely to degrade and its functionality as an alternative route to SH 1 will decline.

Mitigation measures – Closely monitor the condition and performance of this road from July 2019, and the appropriateness of its current ONRC classification (Primary Collector). If appropriate, seek to upgrade to Arterial status. Continue to liaise with NZTA in relation to a State Highway Detour Policy and Alternative Route Financial MOU.

Financial Assistance (Subsidy) Rate (FAR) (Roading and Footpaths)	It is assumed that the FAR (programme financial funding share provided from the National Land Transport Fund by NZTA) will not decline below its 2018/19 level in the foreseeable future	Moderate-High	As maintenance regimes and renewal rates are based on the most cost-effective strategies available, there is little scope for changing expenditure in these two areas should financial assistance rates further decline. The effect would therefore be to either raise rates, reduce levels of service or a combination of both.
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Mitigation measures – In the event of a decrease in the FAR, the Council will need to review its forecast programmes for affordability, both as projects and as classes of expenditure. This review may also affect other assets if the effects of the reduction in the FAR are particularly severe.

4.2.1 Other Activities

At this time the Parks and Recreation assets, Community Buildings and Solid Waste are not included in the Infrastructure Strategy, but may be included in time when Council's knowledge, plans and considerations for those activities improves.

Council's other activities (and associated assets) not covered in this Infrastructure Strategy include:

1) Community Services and Facilities:

- Community Services – library, community halls
- Property – housing, public toilets, council offices, medical centres, halls, swimming pools
- Reserves - parks, reserves and cemeteries

The 'Community Facilities' AMP covers all these facilities.

2) Environment and Safety

- Emergency Services
- Resource Management
- Compliance and regulatory functions
- Solid Waste Minimisation – refuse, recycling, transfer stations and litter bins

The Solid Waste services are managed under the 'Waste Management and Minimisation Plan' (this includes for five closed landfills for which Council holds resource consents).

3) District Promotion

- Economic development
- Tourism events
- District promotion

4) Hanmer Springs Thermal Pools and Spa

- Thermal pools, spa and cafe
- I-site

5) Governance

- Democratic services
- Advocating interests of residents

5.0 EMERGING ISSUES

The task of building, operating and maintaining these infrastructure assets in an affordable and sustainable manner is becoming increasingly difficult in view of the specific emerging issues for the Hurunui District. A workshop was held with Council staff and elected members to focus on the key issues for core infrastructure over the next 30 years and beyond. A breadth of issues were discussed and these are included in Appendix A, along with an 'importance score' for each issue.

One of the purposes of the workshop was to identify the issues of greatest significance and focus the discussion and strategic thinking on those. The six most significant issues were identified as:

- **Vulnerability to natural hazards**
- **Aging infrastructure**
- **Good data for good decision making**
- **Safe drinking water for all**
- **Changes in legislation and regulation**
- **Affordability**

5.1 Vulnerability to Natural Hazards

Natural hazards, particularly earthquakes, drought and floods are very real and front-of-mind for the Hurunui District. The 2016 North Canterbury earthquake caused significant disruption to service for communities and has raised issues such as redundancy and resilience to ensure that services can be continued in the wake of a natural hazard.

There are multiple effects of natural disasters on infrastructure assets and users. Events have an economic impact when assets are damaged, and also further social and economic impacts with disruption to users which can have more widespread economic and safety impacts.

Customers have an expectation of reasonable continuing functionality and service delivery following significant natural events (snow, wind, earthquakes etc.). Council will continue to implement resilience through infrastructural and procedural improvements.

Resilience and risk mitigation is considered during new infrastructure asset capital projects to design features and consider materials that limit loss of function during and after an event.

Council is developing their understanding of how resilient existing infrastructure assets are to natural disasters. Part of this understanding is the implementation of criticality frameworks to prioritise asset management investment decision making.

Methods for addressing resilience are discussed further in section 6.4.

5.2 Aging Infrastructure

The aging infrastructure is approaching an important period of decision-making to ensure that it continues to meet the needs of the community both now and into the future. Council needs to consider its approach to renewals planning: looking to apply a 'just in time' philosophy and justified deferred renewals, decrease the levels of service (increase tolerance to mains breaks/blockages), or apply pro-active renewals in accordance with criticality and asset performance.

In particular there is a significant "bulge" in future bridge renewals, and AC watermain renewals that will need to be considered and planned for early enough so as to reduce the financial impact that will ensue.

Part of this key issue is the theoretical useful lives of assets that get used in an aged-based approach to infrastructural renewal. Council acknowledges that the age based approach is useful for long term financial planning, but want to avoid over-investing in replacing old infrastructure that is still performing to a reasonable level of service. Aging infrastructure, levels of service and customer affordability need to be considered in concert. Council is moving towards a performance based criteria – such as that developed for water supply pipeline

renewal that considers the number of breaks over a maintenance period before determining whether pipes need replacement. With this change in approach, there is a need to put further emphasis on the collection of good data that can better inform pro-active renewal decision making.

5.3 Good data for good decision making

Council is increasingly looking for ways to use asset data to improve infrastructure decision making over the period of this strategy.

There are some limitations with how the existing data can be used, in some cases due to poor data quality and confidence (incomplete data), specifically as it relates to above-ground assets for water, performance understanding for wastewater and stormwater, and change in traffic demand to our roading infrastructure. Council acknowledges limitations with its current data and is committed to improving data collection and analysis, as well identified in the various improvement plans to each asset management plan.

Emphasis on data collection and improved asset management over the next 30 years will provide Council opportunities to increase operational efficiency and transparent prioritisation of capital works budgets. For example, renewal decisions based on age related data can be further optimised once specific performance data is available to determine which assets are in most need of replacement and why.

It is expected that the advent of new technologies over the next 30 year period will assist Council's goals to improve good data use.

There are opportunities to further digitise data collection and processing, and to share services and information with other Councils using integrated data management systems.

Council-wide improve data management practices can assist in this services becoming more consistent, efficient and effective, but will rely on having sufficient standardised processes and staff capability to realise these benefits.

5.4 Safe Drinking Water for all

Significant scheme upgrades are required to achieve Drinking Water Standards New Zealand (DWSNZ) compliance (principally protozoa compliance) within the next 10 years for the district's 19 individual schemes. This represents a significant investment and there are decisions that need to be made about how to procure the design, construction and operation of these schemes in a cost-effective manner.

Changes to the DWSNZ can be expected in response to the findings and recommendations made from the Havelock North 2017 Inquiry.

Safe drinking water is a community, issue as well as a regulatory issue. Council needs to engage with communities to discuss levels of service in relation to the affordability of providing compliant standards of drinking water and protecting public health.

Council will also have to assess the impact on the day to day operation of its drinking water supplies. These changes will put further emphasis on staff capability and training, management processes and risk management, which will have financial implications on operational expenditure.

Increased levels of compliance may be required for combating future evolution of micro-organisms, or a combination of other determinands.

5.5 Changes in legislation and regulation

The government's objective is that, by 2045, New Zealand's infrastructure should be resilient and coordinated and contribute to growth and increased quality of life for everyone. This will be achieved through better use of existing assets and better allocation of new investment, as set out in the New Zealand Infrastructure Plan (NZIP) 2015.

The NZIP provides a vision for New Zealand's Infrastructure that:

"By 2045 New Zealand's infrastructure is resilient and coordinated and contributes to a strong economy and high living standards."

Environmental Compliance and progress is reflected through national policy statements and promulgated through regional and district plans.

There is a regulatory trend towards more comprehensive monitoring and reporting of water intake flow rates, and towards more comprehensive monitoring and reporting of the receiving environment, and treatment process improvements to ensure acceptable effluent quality at discharge to the natural environment.

Changes in the DWSNZ can be expected to come about in response to the Havelock North 2017 Inquiry. Increased treatment barriers will require extensive new investment in water supply treatment plants. Regulation changes will also impact the day to day operation of water supply schemes.

New environmental legislation to reduce agricultural stock in waterways may have a substantial impact on increased drinking water takes from Council supplies on rural schemes.

Presently, compliance of the Natural Resources Regional Plan (NRRP) and the Land and Water Regional Plan (LWRP) is required. Stormwater discharges from reticulated networks need consent (supported by a Stormwater Catchment and Management Plan) and are required to be lodged.

Increased levels of compliance for discharges (treatment) may be required, especially as it relates to industrial discharges that affect the quality of water in the natural waterways.

The regulatory environment for roading is changing through NZ Transport Agency's One Road Network Classification (ONRC) policy, which may limit the Council's abilities to provide the traditional and desired levels of service on many of its lower volume (trafficked) roads.

5.6 Affordability

Underpinning all of the other emerging issues is the topic of affordability, which is well addressed in the Financial Strategy. The small population (12,700) with a rating base of around 8,229 rateable properties has an ongoing challenge to fund and provide services and facilities at an affordable cost. The large geographic area of the district means that spatially, a significant length of assets (pipes and roads) are needed to service the population, and that individual schemes are required to service the widely dispersed communities.

In providing core infrastructure services to the community, Council must balance the standard of service desired with the cost of providing that service. The levels of service represent the best level of service possible for a cost that the community can afford and is willing to pay while complying with legislative and resource consent requirements as a minimum.

The existing debt levels, financial structures, and significant investments required in the next 30 years (both operational and capital) is a key issue around affordability of necessary works.

Affordability is tied to rates, but is also impacted by the number of units sold for water and wastewater services and the ability of Council to provide an adequate service. Communities within Hurunui are exposed to the pressures of house price growth and the increased cost of living, the cost of new infrastructure, and demographic changes potentially affecting the average disposable income.

Affordability is a key issue driving Council's desire for optimised asset investment decision making, and continued efficient and effective management of existing assets.

There are numerous opportunities for Council to look at shared services with other local authorities, advocate for central government financial subsidy or assistance, and to look for flexible or innovative solutions tailored to the desired levels of service and fit-for-purpose outcomes.

6.0 THIRTY YEAR INFRASTRUCTURE STRATEGY

The infrastructure strategy is aligned to reflect the emerging issues within the district. There is a joint priority to respond to key issues, while also continuing to provide existing core services to meet customer needs at an affordable level and in an efficient and effective manner.

6.1 The Organisations' Priorities

At the infrastructure level, Council's priorities are to:

- Provide a continuous 'on-demand' supply of potable water to urban areas and a 'restricted' supply of water to rural areas to meet the consumer's needs.
- Carry out the required water treatment upgrades to meet DWSNZ compliance.
- Maintain wastewater disposal and treatment facilities to protect public health through ensuring good sanitary standards and freshwater management.
- Maintain all stormwater drainage systems in accordance with resource consent conditions, thus minimising the risk of flooding to property owners (property flooding) and households (habitable floor flooding).
- Contract out road maintenance and monitor performance accordingly in order to maintain the district's roads to a safe standard and acceptable to their fit-for-purpose use.
- Manage the impacts of any demographic and land use change.
- Reflect inter-generational benefit in the funding arrangements of large projects.
- Continuously monitor the Council's performance of the 3-Waters and Roads & Footpaths services through targeted customer satisfaction surveys.
- Continuously monitor the Council's performance for 3-Waters and Roads & Footpaths services through yearly (DIA) Mandatory Performance Measures.

The aims for the services covered in this Infrastructure Strategy are:

Water: *"To provide a sustainable supply of water that meets the need of present and future domestic and agricultural/horticultural consumers and complies with the New Zealand Drinking Water Standards."*

Wastewater: *"To provide proficient, cost effective sewage treatment and disposal schemes relevant to the needs of the community."*

Stormwater: *"To prevent or minimise adverse effects of surface stormwater flooding and meeting regulated stormwater compliance."*

Roads and Footpaths: *"To plan, provide, maintain, develop and improve the roading network so that it is suitable for the safe, effective and efficient movement of vehicles and people and contributes to the attainment of the Council's goals".*

6.2 Asset and Service Management Strategy

Council has established an asset management policy. This defines the appropriate level of asset management planning in line with the discussion contained in the International Infrastructure Management Manual (2015).

Responsibility for the asset management of the 3-Waters and Roads & Footpaths services is allocated to the Manager Infrastructure Services - Assets. This responsibility includes:

- Ensuring services are constructed, maintained and are in compliance with the consent conditions.
- Adequate budgeting and long-term financial forecasting.
- Monitoring levels of service for the services provided by the core assets.

- Identifying and managing asset and service related risk.
- Reporting on risks at a corporate level.
- The achievement of Asset Management practices which meet corporate Asset Management development standards and reporting of these in the AMPs.

In providing services to residents and visitors through the use of infrastructure assets, Council's asset management strategy is to:

- Review planned resource allocations.
- Determine the effects these will have on agreed levels of service.
- Assess how these changes in levels of service will be reflected in the end-of-period asset condition and performance.
- Adjust the work plan as necessary to achieve the best possible life cycle asset condition and performance within the available budget. This may mean leaving some assets to decline in condition to the stage that they require more expensive remedial action at a later stage.
- Assess the effects of the revised programs against the agency's performance targets.
- Report the anticipated effects on the targets to senior management and elected members.
- Manage the 3-Waters services at a 'Core' level and Roothing at an 'Intermediate' level in accordance with Council's assessment of appropriate asset management practice and asset management policy.

Further to the strategy above, Council has developed a number of criticality framework criterion as part of the risk management approach that allows investment decisions to be focussed around those assets of greatest deemed criticality. For instance, assets servicing a larger number of users or specific users of significant importance, such as healthcare providers or schools, are given a higher criticality score than those servicing a small number of users. More information surrounding the determination of criticality score for each pipeline is better explained in the Water AMP.

Traditionally, asset renewal strategies were developed using an age based approach. Council is now moving towards a performance based approach where age based renewals are deferred until performance thresholds are affected. This performance approach uses different thresholds depending on the individual criticality weighting of each asset. This allows the risks of deferred asset renewals to be better managed in a more transparent and logical manner.

6.3 Cost Effective Delivery of Services

In terms of section 10 (Purpose of Local Government) there is a clear requirement to meet the current and future needs of communities for good-quality local infrastructure, local public services, in a way that is most cost-effective for households and businesses.

(2) In this Act, good-quality, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are:

- (a) efficient; and*
- (b) effective; and*
- (c) appropriate to present and anticipated future circumstances and users*

In order to demonstrate that the delivery of services are efficient, effective and appropriate; Council has the following systems and policies in place:

Customer Service: Council has determined customer expectations through formal and informal consultation with the community over many years. Annual customer satisfaction surveys provide a benchmark assessment against which to assess performance of services. Monitoring of key performance indicators set against achieving levels of service puts Council asset management practices into context in terms of effectiveness.

Procurement Policy: Council has a current procurement policy which is aimed at ensuring contracts and purchases for materials and services are transparent, appropriate and competitive, whilst recognising approved opportunities for deviation if it realises substantial cost savings.

Asset Management Practices and Processes: Services are managed in accordance with Council's Asset Management Policy. Practices and processes are reviewed and assessed against guidance and best practice provided in the International Infrastructure Management Manual (IIMM), Edition 2015.

Asset Management Policy: The objective of this policy is to ensure that service delivery is optimised against agreed community outcomes and levels of service, manages related risks, and to optimise expenditure over the entire lifecycle of the service delivery. The policy also ensures that the management of the assets is a systematic process, and that service delivery is sustainable in the long term.

Emphasis on Good Data: Council is placing an increased emphasis on the collection and management of better asset data that can enhance and improved decision making. There are a number of identified projects within the 2018-2021 period to increase performance monitoring, train staff, and digitise existing data collection methods. An example of data collected is the recording of pipe breaks and service issues in a standard format that can be integrated into the asset management enterprise system to provide an ongoing evidence base for renewal investment decisions.

6.4 Addressing Resilience

Resiliency is the ability to recover from disaster. It requires active planning to cope with a disaster, restore functionality, and rebuild the societal and economic fabric. Communities that actively plan for resilience are less prone to disaster, recover faster, and endure less hardship than those that do not actively plan.

Planning for every disaster scenario is impossible, so the next step is to plan to contain damage and service outage. Planning involves understanding the impacts on the assets, the ensuing chaos created, the resultant pressures and the trauma, then build in asset redundancy, prepare for insurance, train and improve from lessons learnt. Bouncing back to recover the social and economic soul of the community is the next important component in planning for resilience. Our services are about our people.

Finally, a culture of improvement and learning develops resilience. This is achieved through commitment, understanding, training and application.

The Council's approach to addressing resilience is to:

- Actively participate in Civil Defence Emergency Management planning and activities, at both regional and local levels.
- Investigate and instigate options for alternative service provision and system redundancy.
- Promote design and construction standards (where cost effective) that ensure infrastructure is able to withstand natural hazards and long term changes in circumstances, such as those resulting from climate change.
- Identify critical assets and ensure mitigation methods are developed.
- Identify critical locations where assets are at greatest exposure to natural hazards.
- Obtain insurance, where this is deemed to be the most cost effective approach.
- Invest in business continuity and succession planning.
- Provide standby power generators that can be used at multiple sites throughout the district.
- Use modern materials that are less susceptible to damage from earthquake events, such as fully welded PE systems for underground pipes.

6.5 Evidence Base

Council acknowledges there are limitations with its data that could affect improved decision making. Good data has been identified as a key emerging issue, where benefits to infrastructure

decision making and improved service delivery can be achieved. Council's commitment to improving good data collection and analysis is indicated below.

Table 6-1: Data Improvements

Activity	Data to be collected	Data to be analysed	Value this data provides
Water supply	Quarterly Metering	Water demands	Universal metering provides a comprehensive data set which is currently not leveraged to understand peak and seasonal demands.
Water supply	Flow monitoring for leak detection, and model calibration	Flow and pressure	Isolate problem leakage areas for pipe assessment, with repair and renewal programmes. Increase confidence in hydraulic modelling predictions and assumptions.
Water supply	Breaks and customer complaints logged digitally against specific assets and fault types	Break and complaint data	Automation of pipe performance data allows targeted renewal and mitigates deferral of age based renewal.
Water supply	Customer survey – satisfaction and gauging future land use change	Water customer satisfaction and future demands	Ability to respond to changes in customer use and demand.
Water supply	Facility data (above-ground assets)	Asset register, condition rating, performance rating, criticality, site safety, plant efficiency	Confidence in asset database, improved expenditure prioritisation and decision making, targeted improvements for potential operational cost reductions.
Wastewater	Flow monitoring for inflow and infiltration, and model calibration	Flow and depth	Isolate problem - infiltration and inflow areas for pipe repair, renewal programmes or removed unlawful connections into wastewater systems. Increase confidence in hydraulic modelling predictions.
Wastewater	Breaks and customer complaints logged digitally against specific assets and fault types	Break and complaint data	Automation of pipe performance data allows targeted renewal.
Wastewater	Facility data	Asset register, condition rating, performance rating, criticality, site safety, plant efficiency	Confidence in asset database, improved expenditure prioritisation and decision making, targeted improvements for potential operational cost reductions.

Activity	Data to be collected	Data to be analysed	Value this data provides
Wastewater	Further water quality data relating to surface and groundwater	Potential contaminants	Understand potential environmental and health benefits of change to wastewater disposal systems.
Stormwater	Level of service	Expectation, current performance, and funding	Understand compliance and performance issues, and focus on improved stormwater management.
Stormwater	Asset condition and performance	Asset installation date, material, condition, material performance, maintenance record, historic issues	Prediction of remaining life and performance issues, and planning of renewal/upgrades.
Stormwater	Flood risk	Inputs for stormwater modelling	Understand current and future flood risk for communities and district planning. Quantity management in urban township areas.
Stormwater	Water quality and compliance	Maintenance and monitoring records	Provide evidence of management activities and outcomes, for reporting and for compliance purpose.
Roading	Targeted traffic counting and traffic data acquisition	Heavy traffic volumes, self-drive tourist vehicles	To enable traffic growth forecasts to identify roads which are being adversely affected by such traffic now, as well as where changes in traffic patterns are expected to occur into the future.
Roading	Locations and likely timing of future forestry logging operations	Logging volumes and routes to processing plants / ports	Informs expected loading implications for specific roads and routes.
Roading	Pavement data – cracking (with high speed survey)	Cracking, along with other pavement distress data	To improve pavement deterioration modelling, and to better forecast pending pavement failures when subject to increased loads.
Roading	Network audit of traffic services assets	Inventory and condition data for signs, delineation, barriers, road marking assets	To determine deficiencies, identify the need for any changes in maintenance and renewal practices and where investment in new assets should be prioritised.

Activity	Data to be collected	Data to be analysed	Value this data provides
Roading	Drainage data	Asset condition and performance	Improve quality of AMP forecasts and programme needs.
Roading	Asset data for retaining walls, cattle stops, fords, underpasses, etc.	Inventory and condition rating data	Improve quality of AMP forecasts and programme needs.

The approach to data collection and management will be discussed in the respective asset management plans and budgets included where appropriate.

6.6 Significant Decisions Required

Taking a long term view to the management of infrastructural assets, Council needs to make key decisions in a timely manner. In addressing community desires and priorities, the following key decisions have been identified (refer Table 6.2 below):

Table 6-2: Significant Decisions Required

Key Decision	Indicative Timeframe
<p>Water:</p> <p>Council's Infrastructure Committee has discussed and approved the performance threshold approach for the pipeline renewal programme. This defers renewals that has been identified on age based criteria alone and increases emphasis on appropriate break data collection and processing.</p> <p>Council is anticipating \$15M – \$20M for water supply treatment upgrades in the district to meet full drinking water standards compliance. This is a significant cost for Council and has required a long term financial strategy that was previously adopted in 2015. The procurement strategy for these upgrades will have a significant impact on cost-effective implementation and will require specialist advice, supplier support, and potential collaboration with other districts. The implementation of the upgrades is also dependent on regulation changes stemming from the Havelock North Inquiry recommendations.</p> <p>An alternative to upgrading water treatment barriers is finding improved water sources, such as deep-well aquifer sources (reduced turbidity). Investigation of further deep-well sources could provide economic benefit over upgrading treatment at existing water sources, subject to central government's decision surrounding the recommendations on secure bore status.</p> <p>Council is awaiting the recommendations of the national fluoridation working group and District Health Board to ensure that any decision requiring the fluoridation of a drinking water supply has been reached in accordance with recommended guidance material.</p>	<p>2017/2018. Adopted in principle and being implemented currently.</p> <p>Procurement strategy 2021 to 2022</p> <p>Scheme design 2020 to 2022</p> <p>Construction 2022 to 2027</p> <p>2018 to 2020</p> <p>2018 - 2019</p>
<p>Wastewater:</p> <p>There may be efficiencies in the centralisation of some wastewater treatment in the future.</p> <p>There are existing communities using on-site septic tanks that may benefit from conversion to a reticulated supply, subject to</p>	<p>2018 to 2028</p>

Key Decision	Indicative Timeframe
<p>community demand, quality condition of groundwater, water intake protection zones, and legislative changes to septic tank efficiency standards. Investigation is needed on the adequacy of these existing on-site systems in wastewater treatment and containment.</p> <p>Council's long term aim is obtaining 35-year consents, thus reducing the significant costs in obtaining the consents along with long term certainty for wastewater treatment and disposal.</p> <p>Lack of network capacity in some areas needs to be addressed. Hydraulic modelling is required for Council to fully understand the wastewater needs of the district's settlements due to future growth and/or land use changes</p>	
<p>Stormwater:</p> <p>Catchment management planning is needed to fully understand the impacts of stormwater discharges (quantity and quality) on the receiving environments and to manage stormwater infrastructure by developing operating standards and monitoring programmes.</p> <p>Understanding and resolution of network capacity inadequacies. Lack of network capacity in some areas needs to be addressed. Hydraulic modelling is required for Council to fully understand the stormwater needs of the district's settlements due to future growth and land use changes</p>	<p>2018 to 2021</p>
<p>Roads and Footpaths:</p> <p>The major factors influencing the management of the assets which require significant future decisions include changing population (e.g. increased or declining growth projections) and demographics (e.g. level of service), changes in the way roads are used (e.g. HPMV or 50MAX), changes in the level of service demanded by road users (safety, driverless vehicles, etc.), and change in the strategic management of the assets (alignment to the objectives of the ONRC).</p> <p>The district population has grown slowly, but steadily, over the last 10 years. There has been some recent movement towards small "lifestyle" holdings in the rural areas, but this is not yet having an appreciable effect on the district's road network.</p> <p>Increasing diversification of the district's rural land base has meant increasing use of the road network by heavy vehicles, with deterioration implications for sealed and unsealed pavements and bridges. Funds will need to be allocated to enable these assets to be maintained in a fit for purpose state to enable them to meet their objectives, and where appropriate, improvements made to reduce crash risk and improve road user safety.</p> <p>Route 70 is expected to be handed back to the Council in mid-2019, following completion of earthquake damage repair work being carried out by NCTIR on behalf of NZTA on SH1 (south). Decisions will need to be made on the long-term management</p>	<p>2018 to 2028</p>

Key Decision	Indicative Timeframe
<p>arrangements, SH1 route resilience, engineering standards and financial maintenance allocations for appropriate level of service of this route.</p> <p>There are also pressures on footpath renewals, but there is greater flexibility in managing this need and the expenditures are much less. However, as costs are met (and limited) on a township by township basis, some costs may require reassessment in the levels of service or funding mechanisms. A footpath condition assessment has been carried out (2016) and is being used to establish an accurate and robust maintenance programme for this asset, to meet the level of service required of this asset by the ratepayers and help determine the most appropriate capital works programme. Alongside this programmed works, trip hazards have been identified requiring urgent redress to ensure public safety at all times.</p>	

7.0 SIGNIFICANT INFRASTRUCTURE ISSUES

The Local Government Act 2002 Section 101B – Infrastructure Strategy states:

(2) The purpose of the infrastructure strategy is to—

“(a) identify significant infrastructure issues for the local authority over the period covered by the strategy; and

“(b) identify the principal options for managing those issues and the implications of those options.

In developing this Infrastructure Strategy, Council identified the anticipated significant infrastructure issues over the following 30 years and considered each significant action and the benefits of that action, including the risk mitigation benefit. The significant infrastructure issues faced by Council with the benefits and costs are tabled as below.

7.1 Water

Council’s goal for the water activity is:

“To provide a sustainable supply of water that meets the need of present and future domestic and agricultural/horticultural consumers and complies with the New Zealand Drinking Water Standards.”

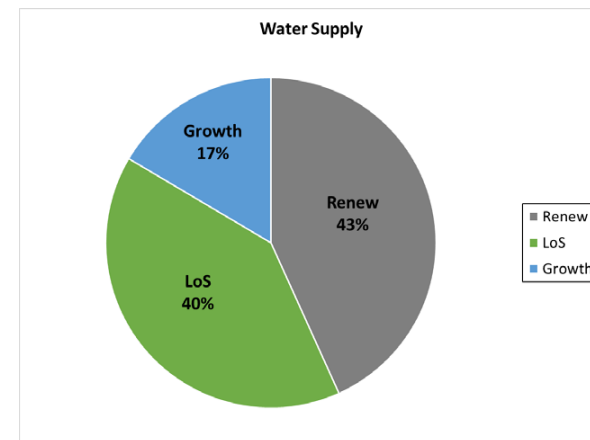


Figure 7-1 Water Supply 30 year capital expenditure percentage splits

The water supply network contributes to the Council’s economic, environmental, social and cultural goals, as determined in the DIA Mandatory Performance Measures and HDC’s performance measures, by providing the people of the Hurunui District with:

- The supply of safe drinking water
- Sustainable management of water systems so that water is not wasted or unnecessarily lost
- Quick responses to water supply call outs
- No good reason for water supply related complaints
- Sufficient quantities and quality of water for all connected customers

Publicly reported levels of service and performance measures relating to these objectives are described in Table 7-1.

Table 7-1: Key Levels of Service

Outcome Area	What we want to do	What we are going to measure	What we are aiming for	How we will measure this
Safety	Supply safe drinking water	Bacterial and protozoal compliance	No failed water tests	National Water Information New Zealand (WINZ) database. Currently unable to monitor protozoa compliance to 13 schemes *Note 1
Maintenance	Maintain water systems so water is not wasted or lost	Water loss from metered town supplies and restricted rural supplies	To lose no more than 20% volume of water	Council's water meters. Currently unable to measure water loss from restricted supplies *Note 2
Response Time	To respond quickly to water supply call outs	The median time of response categories	To respond within 4 hours and fix within 16 hours for the most urgent	Customer Service Request system
Customer satisfaction	Reduce the number of water related complaints	Clarity Taste Odour Pressure / flow Continuity	No complaints	Customer Service Request system
Demand Management	Have enough water to supply our consumers	The average consumption of drinking water per day per customer on township supplies	To supply up to 285 litres of water per person per day	Council's water meters

*Note 1: 13 of our drinking-water schemes are at-risk extraction supplies that have been targeted for full treatment retrofitting to meet full DWSNZ compliance starting 2022 through to 2027 in the LTP period. Thus, until the treatment plants have been installed and are fully operating, we cannot measure protozoa compliance. Current treatment is targeted to DWSNZ bacteriological compliance which is measured and monitored, as agreed in our Water Safety Plans for that scheme.

*Note 2: i. The customer purchases their required water units per day which is supplied by Council through a restrictor geared at providing this quantity over a 24 hour period. This is the daily maximum demand. However, the actual usage of water remains unknown as these connections are not metered, and the demand is subject to the supply tank's full status to retain a 50mm gap between the inlet and the top surface of the maximum storage water. Thus it is impossible to account for the difference between the maximum daily demand and actual usage in context of possible water loss leakages. The cost to apply meters to all our restricted supply connections and the inherent operations and maintenance is not warranted when compared to the cost of the water loss predicted. Thus, officers will continue to be vigilant for visible leakages and any monitored pumping volumes that exceed the known maximum daily demand.

Through the targeted workshops, Council identified a list of significant issues for water supply provision, the highest priority issues are presented below with options to address each:

- **Cost of meeting future DWSNZ compliance**
- **Understanding future demand**
- **Pipe asset performance measurement and monitoring**
- **Poor information surrounding facility assets**
- **Reliability of water supply (including storage issues)**

The priority issues are expanded in the tables below. The highlighted option(s) show the preferred option approach for addressing the identified issue.

Issue – Cost of meeting future DWSNZ compliance	
Main Options	Implication of Options
Option 1: Deferred compliance	A reputation and regulatory risk of not meeting DWNSZ compliance.
Option 2: Deep well sources	Investigation and drilling of new deep well sources that require lower levels of ongoing treatment. Risk of drilling and investigation without finding suitable water yields.
Option 3: New treatment systems	New treatment systems could be introduced with packaged design and installation solutions across the district. This could include container filtration plants or point of entry treatment systems. Consider working together with other NZ Councils facing similar issues to improve procurement economics. The cost associated with this option can be mitigated through investigating different procurement options.
Option 4: Increase water security	Reduce potential treatment upgrade costs by using existing water sources more selectively. This requires further modelling and investigation for understanding source water.
Time period	2018 - 2022
Cost	\$ 2 M, (design, management and procurement costs only)
What is the benefit	LoS improvement by meeting legislative compliance and providing the consumers safe and secure drinking water
Assumptions/Comments	Container ultrafiltration plants will be suitable for multiple sites across the district and Council can benefit from teaming up with other NZ Councils with similar treatment issues. Also assume that treatment suppliers have design and installation capabilities.

Issue – Understanding future demand	
Main Options	Implication of Options



Option 1: Survey to ask customers	Customers can be contacted to ask about current and future use expectations. The survey could be extended to include questions regarding changes in land use and possible growth.
Option 2: Hydraulic modelling	Updated hydraulic models can be calibrated to provide greater confidence in supply and demand modelling.
Option 3: Assess climate change impacts	Separate Canterbury-wide study to identify long term effects of climate change in the district on water supplies.
Time period	Option 1: 2018, Option 2 2018 - 2021
Cost	Option 1: \$25 k Option 2: \$250 k
What is the benefit	Growth/LoS
Assumptions/Comments	That expected district growth will remain steady at current growth levels and that the most significant benefit will be better understanding existing use.

Issue – Pipe asset performance measurement and monitoring			
Main Options		Implication of Options	
Option 1: More inspections		Increase operational sampling with pipe inspection and sampling programme.	
Option 2: Standard approach for data capture and processing		Train operational staff to collect data in a standard way and ensure they understand how the data they collect is used for improved decision making processes.	
Option 3: Digitise current system		Supersede hand written data field sheets and transcription with electronic data input devices.	
Option 4: Flow monitoring programme		Install temporary and permanent flow monitoring devices at strategic locations to understand peak flows and to target water loss.	
Option 5: Improved communication systems and remote monitoring		Upgrade instrumentation at supply sites and pump stations to allow real time remote monitoring.	
Time period		Option 2: 2018, Option 3: 2018 – 2019, Option 4: 2018 - 2028	
Cost		Option 2: \$0 k	Option 3: \$120 k Option 4: \$340 k



What is the benefit	LoS/Renewal
Assumptions/Comments	That Council will be able to readily use the field gathered data in their asset management enterprise system to inform performance based decision making. Assume that Council is able to ascertain the most significant locations for flow monitoring benefit.

Issue – Poor information surrounding facility assets		
Main Options		Implication of Options
Option 1: Inspect and assess facilities		Council staff to inspect facilities to verify asset information, performance and condition. At the time of inspection, this can include condition ratings, pump efficiency data and safety audits. Capture data in a way that is easily transferred onto existing Council systems.
Option 2: Apply criticality framework		Apply criticality scoring framework to facilities in the same way that has already been done for pipe assets. This allows priority to be assigned for assessment and expenditure. This option is identified as a project in the AMP.
Option 3: Create standard operating plans		The standard operating plans increase efficiency for maintenance staff who operate across multiple facility sites. This presents critical information for facilities in a standard manner.
Time period		2018 – 2021
Cost		Option 1: \$200 k Additional cost for safe audits and resulting improvement works: \$600 k
What is the benefit		LoS/Renewal programmes more aligned to condition and performance of asset within the facility
Assumptions/Comments		The facility inspections can be carried out with a combination of existing and new staff/external resources. Comprehensive asset data collection on each site will support the criticality assessment, standard operating plans, and other asset management decision making.

Issue – Reliability of water supply (including storage issues)	
Main Options	Implication of Options
Option 1: Assess condition and capacity of existing supplies	Capacity and condition data can be collected during the facility assessments highlighted under: Issue – Poor information surrounding facility assets. Modelling and future demand can be used to determine capacity. These projects have already been identified under: Issue – Understanding future demand.
Option 2: Reconnect old unused water intakes	In unique cases it is possible that an unused Council water intake could be used for short term increase in water supply. These are unlikely to provide any strategic solution for the district given that they do not address the overarching treatment issue and would be a risk under the Water Safety Plan requiring management processes to be in place.
Option 3: Increase storage	Additional storage could be added to mitigate supply reliability issues. This requires further modelling and investigation.
Time period	2018 - 2021
Cost	Already included in other options
What is the benefit	Growth/LoS
Assumptions/Comments	That water supply reliability is addressed individually for each scheme given the decentralised nature of the district's water supplies. It is assumed that further investigation is necessary and that the relevant scheme information can be gathered during facility assessments and hydraulic modelling.

7.2 Wastewater

Council's goal for the wastewater activity is:

"To provide proficient, cost effective sewage treatment and disposal schemes relevant to the needs of the community."

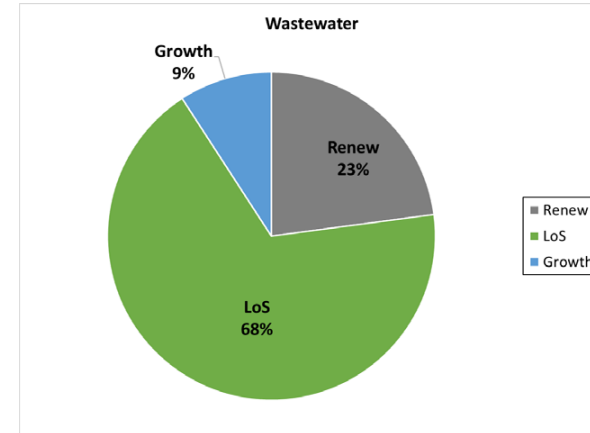


Figure 7-2 Wastewater 30 year capital expenditure percentage splits

The wastewater network contributes to the Council's economic, environmental, social and cultural goals by providing the people of the Hurunui District with:

- Sewerage systems operating as they responsibly should
- Compliance will all sewerage discharge consent conditions
- Quick responses to wastewater related call outs
- Satisfied connected wastewater customers

Publicly reported levels of service and performance measures relating to these objectives are described in Table 7-2.



Table 7-2: Key Levels of Service

Outcome Area	What we want to do	What we are going to measure	What we are aiming for	How we will measure this
System and adequacy	Sewerage systems to operate as they should	The number of 'dry weather' sewage overflows per 1,000 connections to Council's sewerage systems	No sewerage overflows	Customer Service Request system and ECan's rainfall data
Discharge compliance	Comply with all sewerage discharge consents issued by Environment Canterbury (ECan)	The number of: 1. abatement notices 2. infringement notices 3. enforcement notices 4. convictions	Zero	ECan's consent monitoring reports Number of prosecutions against the Council
Response Time	To respond quickly to wastewater call outs	The median time of response categories	To respond within 2 hours and fix within 12 hours	Customer Service Request system
Customer satisfaction	Have satisfied customers	Odour System faults Blockages	No complaints	Customer Service Request system



Through workshops, Council identified a list of significant issues for wastewater provision, the highest priority issues are presented below with options to address each:

- **Future LWRP requirements**
- **Hydraulic modelling capability**
- **Poor information surrounding facility assets**
- **Inflow and infiltration**

The priority issues are expanded in the tables below. The highlighted option(s) show the preferred approach for addressing the identified issue.

Issue – Future Canterbury Land & Water Regional Plan (CLWRP) requirements (including septic tanks, groundwater quality, protection zones)	
Main Options	Implication of Options
Option 1: Do nothing	Risk of unintended impacts on groundwater quality from poorly performing septic tanks and on surface water from existing consented discharges. No improvement in surface water quality at existing discharges.
Option 2: Investigate options to reticulate new urban areas currently using septic tanks	Long term groundwater protection by converting on-site septic tanks systems to reticulated wastewater systems. Further investigation is required to determine current impacts and potential benefits to groundwater. Reticulation options and budgets to be determined in future.
Option 3: Alternate land disposal sites for existing surface water discharges	Improved surface water quality through use of alternative land based disposal sites for existing treatment plants. Future costs of investigation, planning and consenting, land purchase and construction works.
Time period	2028 - 2038
Cost	Option 2: \$300 k Option 3: \$350 k
What is the benefit	LoS
Assumptions/Comments	That investigations into impacts and benefits can be implemented between years 10 – 15. That there are sufficient benefits to warrant the investigation and eventual changing of wastewater disposal systems.

Issue – Modelling capability	
Main Options	Implication of Options
Option 1: Continue without hydraulic modelling	Low confidence in ability to accommodate new connections and effectively match capability of infrastructure with customer demand.
Option 2: Hydraulic modelling	Create hydraulic models for the reticulated wastewater systems to provide greater confidence in supply and demand modelling. Consider sharing resources as part of a North Canterbury modelling hub.
Time period	2018 - 2021
Cost	\$250 k
What is the benefit	Growth/LoS
Assumptions/Comments	That the insight provided by the data collection and modelling will provide benefit to wastewater decision making processes.

Issue – Poor information surrounding facility assets	
Main Options	Implication of Options
Option 1: Inspect and assess facilities	Council staff to inspect facilities and to verify asset information. At the time of inspection this can include condition ratings, plant efficiency data and safety audits.
Option 2: Apply criticality framework	Apply criticality scoring framework to facilities in the same way that has already been done for pipe assets. This allows priority to be assigned for assessment and expenditure. This option is identified as a project in the asset management plan.
Option 3: Create standard operating plans	The standard operating plans increase efficiency for maintenance staff who operate across multiple facility sites. This presents critical information for facilities in a standard manner.
Time period	2018 – 2021
Cost	Included in other options (to be done at the same time as water supply assets)
What is the benefit	LoS/Renewal

Assumptions/Comments	The facility inspections can be carried out with a combination of existing and new staff/external resources. Comprehensive asset data collection on each site will support the criticality assessment, standard operating plans, and other asset and financial management decision making.
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Issue – Inflow and infiltration	
Main Options	Implication of Options
Option 1: Rely on existing data	Low confidence in ability to prioritise maintenance and renewal decisions to reduce inflow and infiltration, and ensuing impact on treatment ponds and resource consent compliance.
Option 2: Inspection programme	CCTV condition survey, surcharge monitoring, rainfall event inspections, smoke detection programmes.
Option 3: Flow monitoring programme	Install temporary and permanent flow monitoring devices at strategic locations to understand peak wet weather flows and isolate problematic inflow and infiltration.
Time period	Option 2: 2018-2021, Option 3: 2020 – 2028
Cost	Option 2: \$100 k Option 3: \$120 k
What is the benefit	LoS/Renewal
Assumptions/Comments	That infiltration problems stem from Council owned infrastructure and not on the side of private laterals. That inflow problems stem from Public owned infrastructure through unlawful connections and Council owned infrastructure through surface flow into poorly sealed manholes. That Council will be able to readily use the field gathered data in their asset management enterprise system to identify problematic inflow and infiltration. Assume that Council is able to ascertain the most significant locations for flow monitoring benefit.

7.3 Stormwater

Council's goal for the stormwater activity is:

"To prevent or minimise adverse effects of surface stormwater flooding and meeting regulated stormwater compliance."

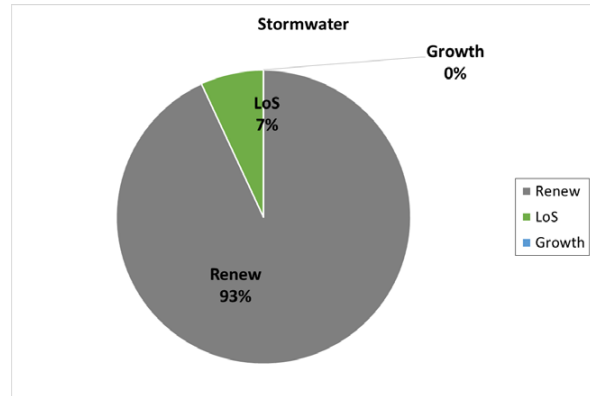


Figure 7-3 Stormwater 30 year capital expenditure percentage splits

Some key issues faced by the Stormwater services are:

- Existing repeated flooding issues in some low-lying areas are costly and difficult to mitigate
- Full integrated understanding of catchments is yet to be developed
- Full understanding of all urban catchments is yet to be developed
- Stormwater management strategies, plans and guidelines to be developed
- Drainage improvement works to be completed to comply with conditions of Global Discharge Consent and meet performance measures (level of services)
- Compliance with Regional Council requirements (CLWRP) will require consent applications to be lodged before July 2018
- Development a Council strategy for treatment of discharge water quality needs to be done

Key levels of service and performance measures relating to these objectives are described in Table 7-3.

Table 7-3: Key Levels of Service

Outcome Area	What we want to do	What we are going to measure	What we are aiming for	How we will measure this
System and adequacy	Eliminate any flooding events to habitable floor areas	The number of flooding events that enters a habitable floor area	No flooding issues to habitable floors	Customer Service Request system
System adequacy	Eliminate any flooding events to habitable floor areas	Affected habitable floors through each flood event, per 1000 properties paying targeted rates for stormwater service	Zero	Customer Service Request system
Consent compliance	Comply with all stormwater consents issued by Environment Canterbury (ECan)	The number of: <ul style="list-style-type: none"> • abatement notices • infringement notices • enforcement notices • convictions 	Zero Zero Zero Zero	ECan's consent monitoring reports Number of prosecutions against the Council
Response Time	To respond quickly to stormwater flooding call outs	Median response time for service provider to attend a flood event complaint from a customer	To respond within 2 hours	Customer Service Request system
Customer satisfaction	Stormwater systems to operate as they should	Total number of complaints received for poor performance of all stormwater provider maintained systems per 1000 properties	Zero	Customer Service Request system

Significant infrastructure issues are tabulated below. The highlighted option(s) are the preferred approach for addressing the identified issue.

Issue – Stormwater catchment plans and consent compliance to LWRP	
Main Options	Implication of Options
Option 1 – Individual discharge consent and management plan	Prepare stormwater management plan for each catchment and township, and associated discharge consent for each catchment plan. Council may be required to administer and enforce the consent conditions on behalf of ECan
Option 2 – District-wide global discharge consent and management plan	Prepare stormwater management plan for each catchment and township, and a single combined global discharge consent for the district. Council may be required to administer and enforce the consent conditions on behalf of ECan.
Option 3 – Defer/progress applications as funding permits	Programme catchment management plans and associated discharge consent applications over next 20-30 years. This may require approval from ECan due to potential non-compliance with the LWRP requirements.
Time period	2018 - 2019
Cost	\$150 K
What is the benefit	Compliance with regional council statutory requirements; improved stormwater management through preparation of a catchment management plan; integration of management plans.
Assumptions/Comments	Compliance requirements are understood and achievable through best practice.

Issue –Leithfield outfall condition and performance upgrade	
Main Options	Implication of Options
Option 1 - Fully repair and maintain	Carrying out structural repair, investigating and developing cleaning or flushing mechanism to prevent ongoing blockage, and carrying out regular maintenance activities.
Option 2 – Minimum maintenance	Reactive maintenance - minimum maintenance activities without structural and further investigation.
Time period	2018 - 2026
Cost	\$185 K

What is the benefit	Improved performance of upstream drainage networks, reduce flooding risk to community through high rainfall event, leading to greater compliance with LoS requirements; reduced reactive maintenance and repairs.
Assumptions/Comments	Existing drainage route to be maintained; further investigation required.

Issue – Hanmer Springs township capacity and overflow issues	
Main Options	Implication of Options
Option 1 – Fully implementation of capital works identified in AMP	Improving level of services by implementing all associated capital works identified in AMP.
Option 2 – Partially implementation of capital works	Reducing capital spending by prioritising and implementation of selected capital projects only (Flax Stream, Jacks Pass Road (upstream of Flax Stream), Scarborough Tce and SH7A road culvert).
Option 3 – Do nothing/defer works	Carry out reactive maintenance on an as-occurring basis; programme works to be carried out in conjunction with local development projects or planned renewals.
Time period	2018 - 2028
Cost	\$715 K
What is the benefit	Improvement in meeting levels of service for residents and visitors; more active management of overflows reduces risk of uncontrolled flooding to people and property.
Assumptions/Comments	Other capital works not to be affected, and capital works scheduled in current financial year (2017/2018) to be completed, such as drainage improvement in Jacks Pass Road and Scarborough Tce. – Sub-catchment 3.

7.4 Roads and Footpaths

Council's goal for the roads and footpaths activity is:

'To plan, provide, maintain, develop and improve the roading network so that it is suitable for the safe, effective and efficient movement of vehicles and people and contributes to the attainment of the Council's goals.'

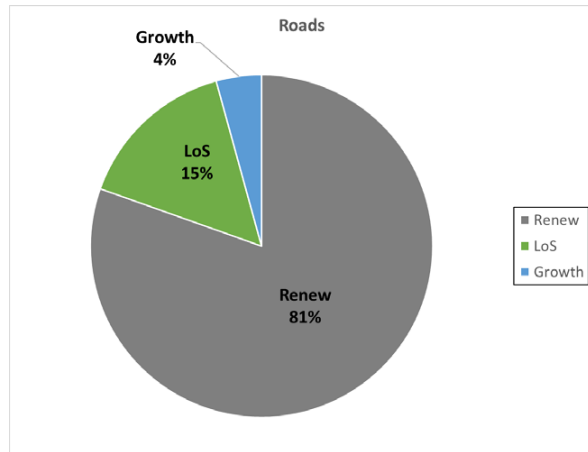


Figure 7-4 Roads and Footpaths 30 year capital expenditure percentage splits

The road network and transport system contribute to the Council's economic, environmental, social and cultural goals by providing the people of the Hurunui District with:

- A transport network which supports the safe and efficient movement of people and goods and public transport;
- Essential infrastructure, in the form of roads, footpaths and kerb and channel, which meets the needs of the community;
- A safe road environment;
- Sustainable land use, through appropriate new roads being included in resource consents where applicable; and
- Visually attractive townships and surroundings.

Publicly reported levels of service and performance measures relating to these objectives are described in Table 7-4.

Table 7-4: Key Levels of Service

Outcome Area	What we want to do	What we are going to measure	What we are aiming for	How we will measure this
Road Safety	Have roads which are safe to drive on	The change in the total number of fatalities and serious injury crashes compared with last year	No fatalities and serious injury crashes	NZTA's Crash Accident Statistics data with NZ Police investigation reports
Sealed road network	Have sealed roads in good condition	The smoothness rating of our local roads	100% smooth travel rating	NZTA's 'Smooth Travel Exposure' data
		The % of all sealed roads that are resealed	To reseat more than 5% of our local roads every year, subject to site assessment	Actual % of resealing work
Unsealed road network	Maintain our unsealed roads to be in good condition	# customer complaints about potholes	No large potholes	Contractor audit results
		# customer complaints about corrugations	No large corrugations	
Condition of footpaths	Have footpaths in good condition	The number of tripping hazards that are greater than 20 mm high	No tripping hazards	Data collected from inspections and audits
Response to customer requests	To respond to customer requests about road issues	The average time to respond to customer requests about potholes / corrugations	To respond to customers within one week	Customer Service Request system
		The average time to respond to customer requests about metalling unsealed roads		
		The average time to respond to customer requests about flooding on roads		

Significant infrastructure issues are tabulated below. The highlighted option(s) are the preferred approach for addressing the identified issue.

Road pavements, bridges and delineation are becoming less and less “fit for purpose”, with degradation, damage and obsolescence becoming evident across the local road network. The local road network needs to continue to be well maintained in order to avoid it becoming less efficient, less effective, less resilient, less safe, and less able to deal with increasing traffic demands – in particular, those serving the rural economy.

Issue - Asset Preservation and Fitness for Purpose – Sealed Road Pavements	
Main Options	Implication of Options
Option 1: Do Minimum	Immediate reduction in planned maintenance (e.g. stabilisation) – contrary to current optimised strategy, expect reduced condition. Carry out some minor safety improvement projects only – but does not achieve other outcomes (e.g. resilience, risk, life-cycle cost improvements).
Option 2: Current	Current approved programmes – Insufficient to meet current short-term optimisation strategy. Maintains current rate of implementation of minor safety improvement projects.
Option 3: Current Plus	Blend of historic costs (last 2 years) and approved current maintenance and renewal programmes. Maintains current minimum level of service provision, addresses observed faults and failures. Optimised strategy using dTIMS results for future reduced maintenance expenditure. Years 11-30 renewals as per the valuation based forecast. Additional improvements programme targeting safety, resilience, accessibility and efficiency outcomes (ONRC).
Option 4: Enhanced	Additional pavement strengthening and widening works. Improves current level of service. Further improvements in road condition, proactive approach to strengthening and widening all at-risk sealed roads.
Time period	2018 - 2048
Cost	\$130M (2018)
What is the benefit	Service continuity – Maintenance and Renewal Improve safety level of service Manage impacts of growth

Assumptions/Comments	While the network is in reasonable condition, there are growing risks that rapid degradation could occur, especially with changing rural land-use. This is of particular concern where pavements are not strong enough for heavy loadings such as HPMV and/or 50 MAX. Furthermore, around 46% of the sealed roads network (<6m width) is considered too narrow for the large trucks using them now and as expected in the future. If we ignore these problems, it will lead to more rapid pavement degradation and an escalation of pavement defects, increasing reactive maintenance costs and bringing forward more costly rehabilitation interventions. If left unattended, growing trends of edge break damage, rough ride, and concerns of escalating safety risk as traffic volumes and vehicle size grow, particularly when mixed with tourism / visitor traffic.
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Issue - Asset Preservation and Fitness for Purpose – Unsealed Road Pavements	
Main Options	Implication of Options
Option 1 – Do Minimum	Reduce maintenance programme, such as grading frequencies and/or metalling quantities. Carry out some minor safety improvement projects – does not achieve other outcomes (e.g. resilience, risk, life-cycle cost improvements).
Option 2 - Current	As per 2017/18 approved programme.
Option 3 - Enhanced	Increase metalling budget to allow for steady programme of pavement strength renewals to deal with increased vehicle loadings and resultant pavement failure issues. Years 11-30 renewals as per the valuation based forecast. Additional improvements programme targeting safety, resilience, accessibility and efficiency outcomes (ONRC).
Time period	2018 – 2048
Cost	\$45M (2018)
What is the benefit	Service continuity – Maintenance and Renewal Improve safety level of service Manage impacts of growth



Assumptions/Comments	<p>Around 5% of unsealed pavements (approx. 40 kms) are not considered strong enough for the heavy vehicular traffic using them (HPMV, dairy tanker and logging routes), both now and in the future as land use changes. There are also problems accessing appropriate metalling materials for most cost-effective resilient treatment.</p> <p>If we ignore these problems, it will lead to more rapid pavement degradation, creating a rough ride for users and the need to maintain the surface more frequently. There is also a concern about an escalating safety risk as traffic volumes and vehicle size grow, particularly when mixed with tourism / visitor traffic.</p>
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Issue - Asset Preservation and Fitness for Purpose – Bridges	
Main Options	Implication of Options
Option 1: Do Minimum	Reduced budget – defer bridge capital replacements unless high risk of asset failure exists, with resultant increase in maintenance demand.
Option 2: Current	10 year maintenance and renewals programme as recommended by HDC’s Bridge Consultant (Opus), and for Years 11-30 renewals as per the valuation based forecast. Maintains bridge stock in a fit for purpose state.
Option 3 - Enhanced	Additional works and enhanced pro-active, lowered-risk capital replacements to further reduce asset deterioration risk.
Time period	2018 - 2048
Cost	\$33M (2018)
What is the benefit	Service continuity – Maintenance and Renewal Improve safety level of service Manage impacts of growth
Assumptions/Comments	<p>Bridges, in particular timber bridges, are being exposed to increasing loads and vehicle sizes (width and length), resulting in bridge damage and hastened degradation of this asset stock.</p> <p>If we ignore these problems, increasingly, as traffic continues to change, many bridges and/or approaches may become dysfunctional. There is also a potential risk of catastrophic bridge failure due to illegal over-load or over dimension road use.</p>



Issue - Asset Preservation and Fitness for Purpose – Traffic Services	
Main Options	Implication of Options
Option 1: Do Minimum	Reduce maintenance standards for non-regulatory and discretionary asset provision – further deterioration in fitness for purpose and safety outcomes, with increased crash risks.
Option 2: Current	Current approved allocation – insufficient to maintain current LoS provision. No additional improvements.
Option 3: Enhanced	Maintenance plus additional assets, rectification/replacement of poor existing assets – addresses problems with poor standards, inconsistencies, obsolescence, and clearance of known backlog for asset replacement. Years 11-30 renewals as per the valuation based forecast. Improvements in additional signs, railings and delineation in response to safety audits.
Time period	2018 - 2048
Cost	\$24M (2018)
What is the benefit	Service continuity – Maintenance and Renewal Improve safety level of service
Assumptions/Comments	<p>Poor standards, inconsistencies, and obsolescence. Signs are not well maintained and it is believed that there are gaps and deficiencies across the network. Safety risk associated with poor delineation is not well understood and a network safety audit is warranted.</p> <p>If we ignore these problems, there is a higher safety risk and a poor level of service for driver information. Most crashes are associated with loss of control and it could be that poor delineation or guard-railing is a contributory factor.</p>

Issue – Road Safety	
Main Options	Implication of Options
Option 1: Current	Current level of promotional activity - Driver Awareness and Education. Current level of maintenance of railway level crossing warning devices.

Option 2: Enhanced	Current level of promotional activity - Driver Awareness and Education. Railway crossings safety improvements. Increased emphasis on road safety audits and safety management practices. Increased emphasis on public promoted education programmes.
	Time period
Time period	2018 - 2048
Cost	\$1.8M (2018) (Promotion) \$1M (2018) safety audits, etc. \$0.4M (2018) railway crossings
What is the benefit	Improve safety level of service
Assumptions/Comments	<p>Traffic growth, in particular tourism and heavy vehicles, combined with many poor current rural roads standards and often poor driver behaviour, is a real threat to the future safety of our local roads.</p> <p>In addition to the asset related improvements described above, other programmes such as road user awareness campaigns, safety audits and inspections, and improvements to other infrastructure such as railway crossings can improve safety outcomes.</p> <p>If we ignore this problem, there will be an increasing potential for more crashes to occur on the network, with resultant more serious injuries and deaths, and the Hurunui District would not be able to achieve national, regional and local road safety targets.</p>

Issue – Route 70	
Main Options	Implication of Options
Option 1 – Reduce standards	Reduce maintenance standards, with the potential for the road to be closed more frequently due to weather, storm or earthquake events.
Option 2 – Current	No changes to the road’s classification, its engineering standards, or maintenance and renewal programmes compared to pre-2016 earthquake levels.
Option 3 – Improve standards	Recognition of the strategic importance of the route in terms of its ONRC classification, strengthening maintenance and renewal programmes to better protect and improve the standard of the road – in particular where there are significant risks in terms of resilience, accessibility and safety.

Time period	2019 – 2020 (confirmation of status) 2021 – 2048 (route improvement)
Cost	Costs for Option 2 are included in the programmes above. Costs to improve standards as per Option 3 have not yet been identified or justified. Agreement required with NZTA
What is the benefit	Improve level of service (resilience, accessibility, safety)
Assumptions/Comments	<p>The strategic importance of this road link is not appropriately recognised in the road’s current standards and level of resilience.</p> <p>A key question is whether it should be more formally recognised as the alternative route to SH1 by NZTA and a defined purpose statement declared to ensure an improved maintenance, operation and renewal funded programme is put in place.</p> <p>A section of the road through particularly difficult terrain and with poor alignment had been designated as a Special Purpose Road, which means a higher level of financial assistance from NZTA (100%). This is to change 2021-2024, reducing it to current FAR for HDC (51%), thus requiring 49% local share investment.</p> <p>If we ignore this problem, Route 70 may have a reduced ability to function as an effective alternative to SH1 following any major event on the east coast north of Christchurch, with resultant transportation inefficiencies between Picton and Christchurch.</p>



7.5 Summary of Significant Infrastructure Issues

Significant infrastructure issues for the 3-Waters and Roads & Footpaths are presented in the Table 7-5.

Table 7-5: Significant Issues

Asset	Significant Infrastructure Issues
Water Supply	<ul style="list-style-type: none"> • Cost of meeting future Drinking Water Standards New Zealand compliance • Understanding future demand • Pipe asset performance measurement and monitoring • Poor information surrounding facility assets • Reliability of water supply (including storage issues)
Wastewater	<ul style="list-style-type: none"> • Future LWRP requirements • Hydraulic modelling capability • Poor information surrounding facility assets • Inflow and infiltration
Stormwater	<ul style="list-style-type: none"> • Stormwater management plans and consent compliance to LWRP • Appropriate funding arrangements • Asset condition and assessment • Technical resources (Stormwater Engineer required) • Localised hydraulic, flooding, and maintenance issues
Roads & Footpaths	<ul style="list-style-type: none"> • Sealed pavements: seal width, heavy vehicle use • Unsealed pavements: heavy vehicle use • Bridges: ageing stock, traffic loadings • Traffic services: inadequate signs, markings, delineation • Road safety: increasing crash trends, road environment • Route 70: as alternative to SH1, poor alignment and high risks in hilly areas
General: District-Wide	<ul style="list-style-type: none"> • Vulnerability to natural hazards • Aging infrastructure • Good data • Safe drinking water for all • Changes in legislation and regulation • Affordability

These significant issues form the strategic direction for Council's capital expenditure. Detailed breakdowns of each core service capital expenditure is presented in the relevant AMPs for that core service. The summaries of core asset project costs over the next 30 years are presented in Section 8.0. below.



8.0 FINANCIAL ESTIMATES

The Local Government Act 2002 Section 101B – Infrastructure Strategy states:

(4) The infrastructure strategy must outline the most likely scenario for the management of the local authority's infrastructure assets over the period of the strategy and, in that context, must—

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

“(i) in each of the first 10 years covered by the strategy; and

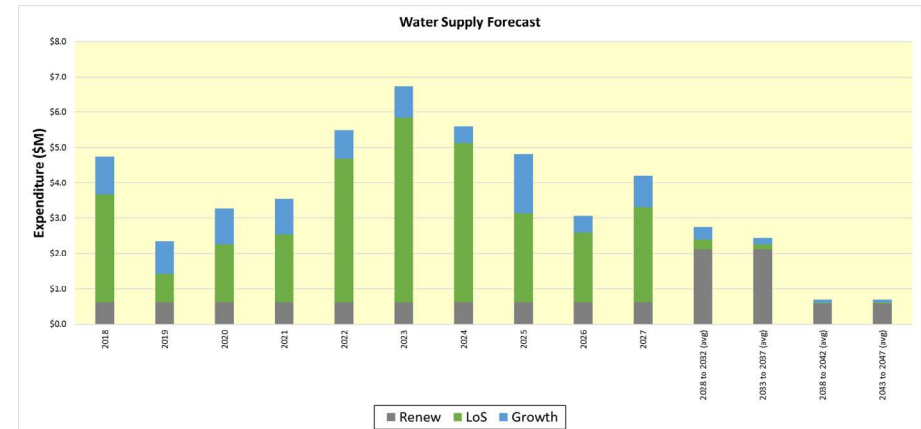
“(ii) in each subsequent period of 5 years covered by the strategy

The graphs in the following sections provide estimated financial forecasts for delivering core infrastructure services and assets related to improving/maintaining a level of service, provision for asset renewal, and allowing for growth.

8.1 Water Supply

The projected capital expenditure associated with the water supply infrastructure assets are graphically represented in Figure 8-1:

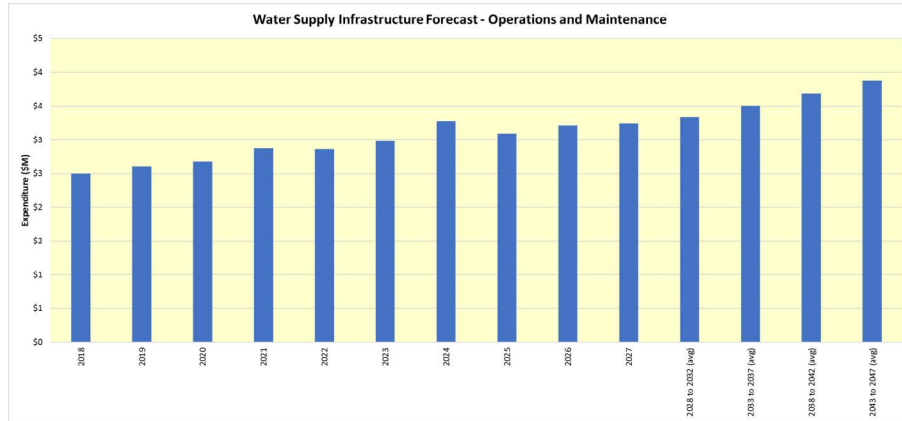
Figure 8-1: Projected Capital Expenditure - Water



The level of service focus for the first ten years is related to water treatment compliance upgrades and the renewal focus for the 11- 20 year period relates to renewal of AC water mains.

The 30 year projected operational and maintenance expenditure associated with the water supply infrastructure assets is graphically represented in Figure 8-2.

Figure 8-2: Projected Operational and Maintenance Expenditure – Water

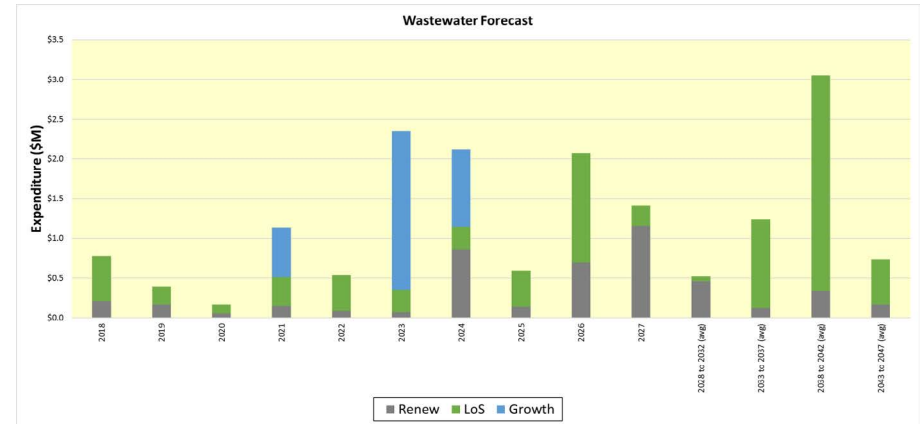


8.2 Wastewater

The projected capital expenditure associated with the wastewater infrastructure assets are graphically represented in Figure 8-3:

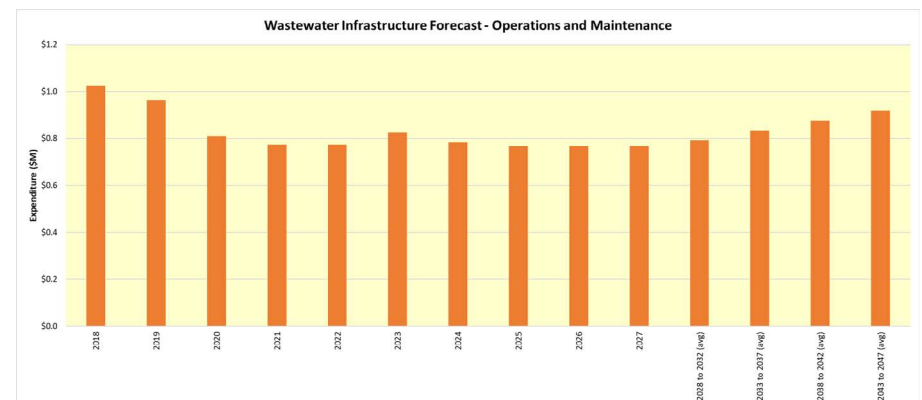
Note: growth project 2023 relates to the proposed work to extend Amberley Beach WWTP disposal to land, including new consent application for this facility.

Figure 8-3: Projected Capital Expenditure – Wastewater



The 30 year projected operational and maintenance expenditure associated with the wastewater infrastructure assets is graphically represented in Figure 8-4.

Figure 8-4: Projected Operational and Maintenance Expenditure – Wastewater



8.3 Stormwater

The projected capital expenditure associated with the stormwater infrastructure assets are graphically represented in Figure 8-5:

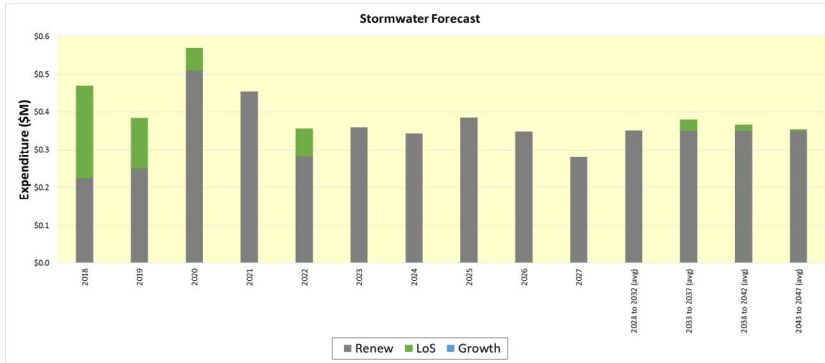
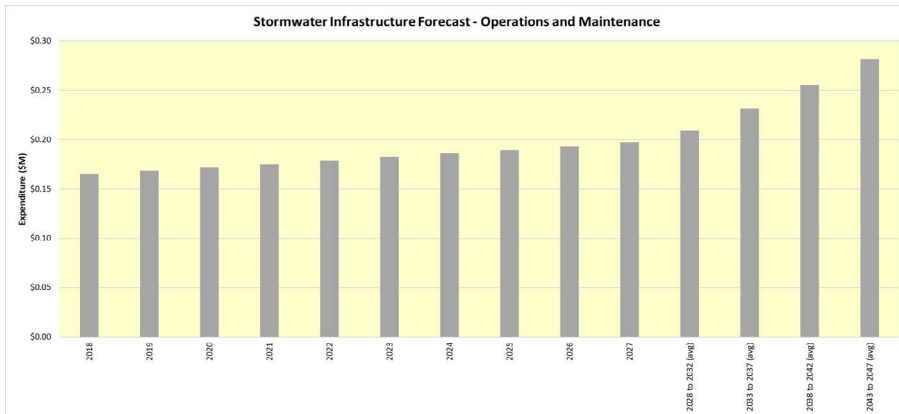


Figure 8-5: Projected Capital Expenditure – Stormwater

The 30 year projected operational and maintenance expenditure associated with the wastewater infrastructure assets is graphically represented in Figure 8-6. Note: the assessment of capital works beyond 2027 will require the engagement of a stormwater engineer to better assess and determine the requirements of this district throughout the 30 year period.

Figure 8-6: Projected Operational and Maintenance Expenditure – Stormwater



Note: increased operational and maintenance costs are associated with requirements from the CWLRP after 2025, when local authorities will be charged to manage resource consenting and better assess the quality and quantity of discharges to natural waterways for targeted improvement towards target levels set in the CWLRP.

8.4 Roads and Footpaths

The most expenditure is on asset renewals, with an average annual spend of \$4.14m. Level of service improvements focus largely on providing a safer and more resilient road environment. Some provision is included for growth response, particularly in relation to improvements catering for increased volumes of traffic on the rural network.

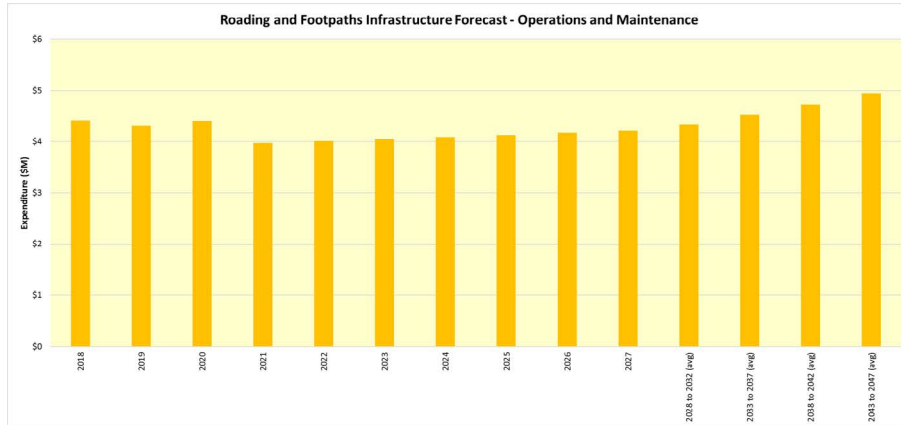
The projected capital expenditure associated with the roading and footpath infrastructure assets are graphically represented in Figure 8-7:

Figure 8-7: Projected Capital Expenditure – Roading and Footpaths



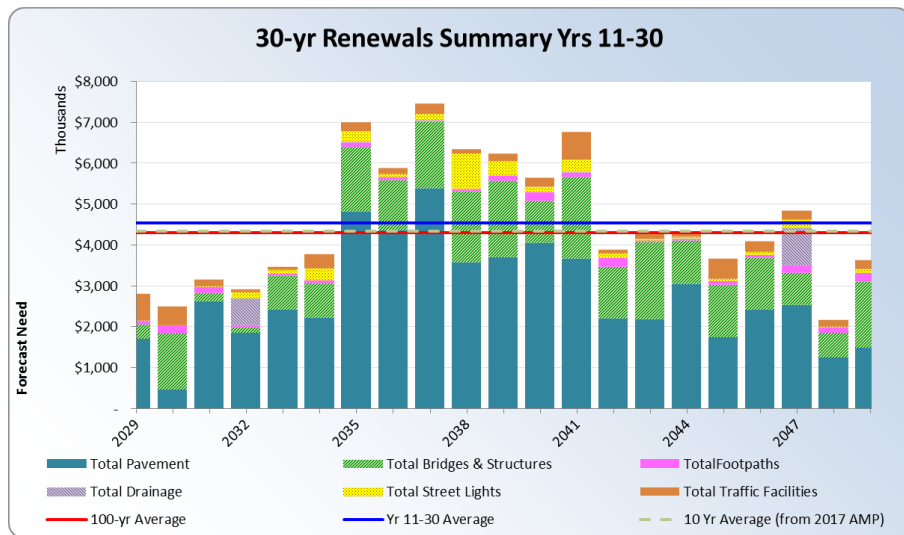
The 30 year projected operational and maintenance expenditure associated with the roading and footpath infrastructure assets is graphically represented in Figure 8-8. The lowered costs associated with 2028 through to 2032 are the efficiency savings as a result of addressing the issues through 2018-2027. However, the increased costs from 2033 onwards are as a result of pavement renewal works, as these structures reach the end of their theoretical useful life.

Figure 8-8: Projected Operational and Maintenance Expenditure – Roading and Footpaths



Longer term renewals forecasts have been derived from the 2016 asset valuation, with the timing of asset renewals based on their remaining life and replacement cost assumed in the valuation, as shown in Figure 8-9: Projected 11-30-Year Roading Renewals Capital Expenditure. The projected average expenditure is \$4.58M with a more significant emphasis on bridges than in the first 10 years.

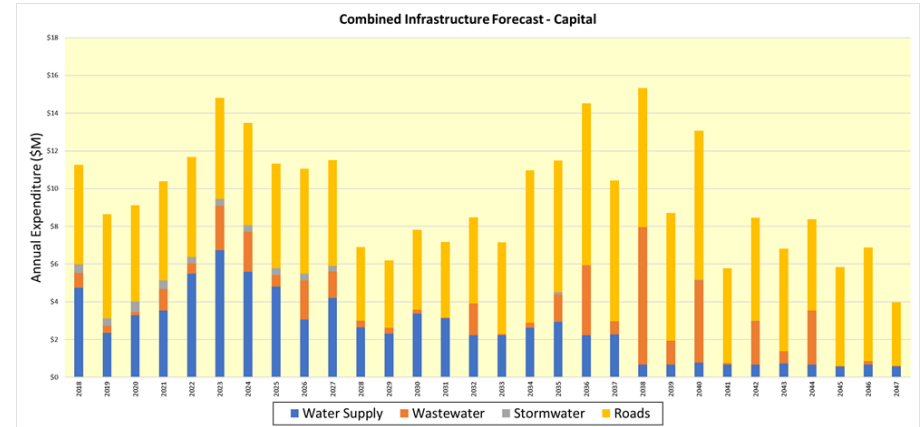
Figure 8-9: Projected 11-30-Year Roading Renewals Capital Expenditure



8.5 Total Expenditure

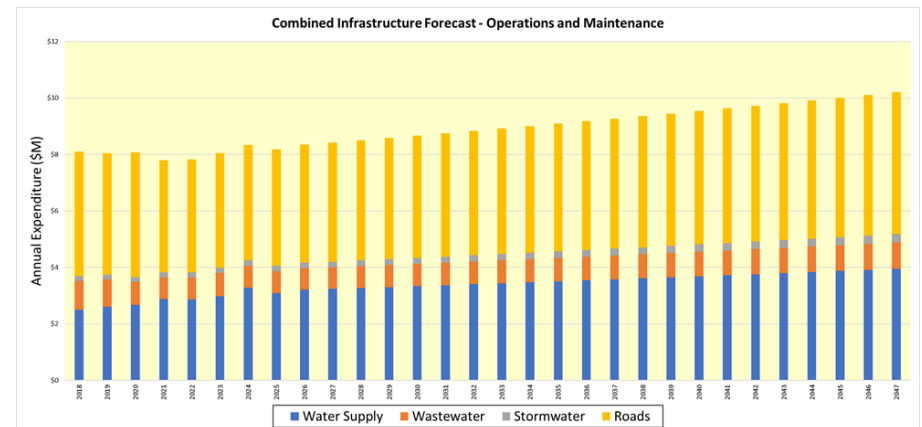
The projected capital expenditure associated with the significant infrastructure assets are graphically represented below:

Figure 8-10: Projected Capital Expenditure- Infrastructure Assets



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

Figure 8-11: Projected Operational Expenditure –Infrastructure Assets



These expenditures come from Council's planned capital investments, predicted operations and maintenance cost and renewals forecasting. These expenditures take into account all 'significant' and 'non-significant' capital and operational expenditure due to level of service, growth, operation and maintenance or renewal requirements.

8.6 Financial Impacts of the Infrastructure Strategy

8.6.1 Core Principles

In reviewing the Long Term Plan and Infrastructure Strategy, Council has revised their core principles and these have been used as the basis in developing the district's Financial Strategy.

These principles are:

- Focus on core services
- Financial responsibility and affordability
- Continuous improvement in service for everyone in our district
- Facilitate appropriate growth in the district

Within the context of Council's four core principals, Council has identified the following key factors that shape HDC's Financial Strategy:

- a) We want to ensure that our services remain affordable
- b) We want to maintain or improve our current levels of service

Our key funding mechanisms are:

- Rates, both District Wide and Targeted rates
- The appropriate use of the profits derived by the Hanmer Springs Thermal Pools and Spa
- Funding Depreciation on Utilities (Water, Sewer and Stormwater)
- The use of the Internal Financing structure which provides internal loans for communities requiring funding to carry out Capital Projects.

8.6.2 Rates, increases and limits

Council has set a policy in the 2018 LTP of total rate increases (after allowing for an assumed amount of growth) will not exceed (limit): 8.5% for 2018/2019; 6.5% for 2019/2020; and 5% for the remainder of the LTP period.

The revised core infrastructure strategy programme is not negatively impacted by these proposed rate increase limits and will be sustainable subject to the information and data known to date surrounding our current asset condition, performance and capability. Given that our improvement programmes for all core infrastructure encapsulates continued developed knowledge surrounding all Council-owned assets, this may change subject to new knowledge and subsequent asset improvement demand. These changes will be dealt to through Annual Plan variations in discussion and agreement with senior management and HDC governance.

8.6.3 External debt and limits

The Local Government Act also requires us to set a limit on our external debt levels. These debt levels are set out in our External Liability Management Policy, which forms part of our Treasury Risk Management Policy. The limits are based on ratios centred on the level of income and are still lower than what is considered standard for the local government sector.

The Policy allows for four key ratios that the Council needs to meet:

- Total Debt is no more than 100% of Total Income (excluding Development Contributions and Vested Assets Income)
- Total debt is no more than 10% of Total equity
- Total External Interest Cost is no more than 6.25% of Total Income (excluding Development Contributions and Vested Assets Income)
- Total External Interest Cost is no more than 12.5% of Total Rates

8.6.4 Key Financial Forecasts Assumptions

- In relation to the standard (FRS29), the financial information for this period is considered to be a "forecast". The actual results achieved for this period are likely to

vary from the information presented and may vary materially depending upon the circumstances that arise during the period

- Existing assets will remain in Council ownership throughout the planning period and Council will continue to provide services to approximately the same standards as at present
- The present management approach will improve schemes from the current levels of service over the next 10 years, notably for water (DWSNZ) and wastewater (disposal to land)
- Renewal costs are based on the referenced asset management plans
- Capital works are funded by loans per the Council's Internal Financing Policy
- Growth is assumed to follow the predicted levels
- No significant disposal is forecast over the 10-year period
- Asset values and lives have been taken from the Annual Report 2016/2017
- Useful lives have been ascribed to the assets and provide information to support replacement plans
- The costs of insurance and risk mitigation are included in the forecasts, however the potential costs that could arise through exposure to risk are not
- Asset information will continue to be acquired to obtain a full understanding of the community reticulation networks condition over all the schemes, as identified through the various Improvement Plans in each AMP
- The external regulatory environment could change significantly over the next three years, dependent upon the outcomes of the Havelock North inquiry and possible subsequent legislative changes for improved management of drinking water across the country
- Asset improvements aimed at producing, more stable and compliant potable water schemes will be delivered to meet national standards subject to criticality, performance and affordability
- The population model is based on a number of assumptions including economic growth and levels of migration and therefore subject to some uncertainty
- Council's planning and budgets are all predicated on the basis that Council will achieve compliance with DWSNZ
- Resource consents held by the Council will not be changed significantly
- The Council will obtain the necessary resource consents for planned projects
- Existing legislation will remain in place and that the structure and responsibilities of the Council will remain the same over the period
- Climate change is happening but that there will be no significant impact on the Council's activities within the period. HDC is waiting upon the outcome of the Regional studies in this regard before making any 'reasonable' impact statements.
- That the damage caused by the Kaikoura 2016 earthquake has been addressed under the earthquake recovery programme and that there is, as yet, unmeasured material reduction of the effective remaining useful life of assets in the district

8.6.5 Funding Mechanisms

At the end of June 2017 Council had borrowed \$24 million. Council's policy means that the maximum HDC can borrow is no more than the income HDC earns. The projected total for the district in 2017-18 (this year) is \$42 million, which means the most Council can borrow is \$42 million. Given the amount that Council needs to spend through the ensuing 10 year LTP period, Council had no option but to look at alternative ways to pay for the projects addressing the key issues identified in Infrastructure Strategy. Note level of debt forecasting in Financial Strategy Costs have been driven up through increased central government regulatory standards. To fund these infrastructure and regulatory upgrades, and manage the associated debt in a sustainable manner, Council made some fundamental changes to the way we historically did this, notably:

Council has progressively introduced rating for depreciation to accumulate funds to assist paying for the infrastructure upgrades. This change was introduced to reduce the need to increase our debt by totally relying on borrowing to fund the upgrades. Council cannot continue to borrow the full amounts as the cost of the capital projects

will push our debt levels beyond our debt ceiling, and exceed our ability to repay the debt.

Council continues to use a district-wide rating system to fund our water and sewer services instead of the historic localised targeted rating. It should be noted that this only applies to those on Council run schemes.

These changes were a significant departure from the way in which we had been managing debt and funding infrastructure. These changes have resulted in sustainable policies to take Council into the foreseeable future. Although the changes have increased rates from our historically low levels, the Council is still confident that the Hurunui District remains an affordable place to live.

Water and sanitary services assessment review summary

The following pages show the summary of the review of sanitary services, conducted by Opus International Consultants Ltd.

Background

Opus International Consultants Ltd (Opus) was requested to review and report on the Council's Water and Sanitary Assessment for Water, Wastewater and Stormwater. This assessment was carried out in conjunction with the updating of the Water, Wastewater and Stormwater Asset Management Plans.

The assessment of Public Toilets and Cemeteries were carried out separately by Council and included in this memo for completeness of the Water and Sanitary Assessment Review.

Legislative Background

Section 124 of the Local Government Act: "water services means water supply and wastewater services"

Section 125 of the Local Government Act: Requirement to assess water and other sanitary services

(1) A territorial authority must, from time to time, assess the provision within its district of—

- (a) water services; and
- (b) other sanitary services.

Section 126: Purpose of assessments - The purpose of an assessment under section 125 is to assess, from a public health perspective, the adequacy of water and other sanitary services available to communities within a territorial authority's district, in light of:

- a) The health risks to communities arising from any absence of, or deficiency in, water or other sanitary services; and
- b) The quality of services currently available to communities within the district; and
- c) The current and estimated future demands for such services; and
- d) The extent to which drinking water provided by water supply services meets applicable regulatory standards; and
- e) The actual or potential consequences of stormwater and sewage discharges within the district.

History

2004 review

An extensive assessment of the Water and Sanitary Services was carried out in 2004. The assessments looked at both public (urban and rural) and private issues and indicated in general that:

- Sewerage: No need for major new initiatives or fundamental changes to current practices.
- Stormwater: Planning for growth related stormwater is advanced for Hanmer Springs and underway for Amberley. Issues for Hawarden and Cheviot are yet to be addressed.
- Water: Only Waipara and Amberley were identified as having any quantity (of supply) issues and 94% of the population were located within public supply areas.
- Water quality across the district was extremely variable, often poor and prone to weather and river conditions.
- The water supply areas assessed as most in need of attention were Cheviot, Waipara, Greta Valley (Hurunui #1 RWS) and Motunau Beach (Hurunui #1 RWS).
- Council may need to increase its level of involvement in promoting safe water supply on private supplies, but will seek direction from CDHB in this regard.

June 2010 review

The Water and Sanitary Assessment was updated in June 2010 for water supply and wastewater networks that had undergone change i.e. growth, change of use, new or not covered by the original assessment or become subject to new legislation or notably different consent conditions.

The review indicated that:

- Some communities have sought and/or secured improvements in the quality and quantity of their water.
- Hanmer and Amberley wastewater facilities have undergone significant upgrading for discharge quality and consent compliance.
- Council remains committed to managing and maintaining public water and wastewater services.
- Future growth and renewal considerations will continue to be identified and presented in each Long Term Plan process.

September 2014 review

The Water and Sanitary Assessment was updated in September 2014 for water supply and wastewater networks that had undergone change i.e. growth, change in use, new or not covered by the assessment review June 2010 or has become subject to new legislation or notably different consent conditions.

The review indicated that:

- Some communities have sought secondary indicator improvements in their drinking water supply.
- 10 MIOX plants operating across the at-risk water supply schemes for bacteriological compliance treatment at source.
- Waiau Township's Ultrafiltration plant fully operational and signed off by CDHB as drinking-water standard compliant.
- Council instigated a financial strategy to meet full drinking water standard compliance by end June 2027 for all schemes.
- Increased growth continues to occur in the southern end of the district, possibly as a result of the Christchurch Earthquake event 2010 and 2011.
- 4 water schemes had approved WSPs in place (Minor schemes).
- The Ashley water supply also provides water to the consumers in the Waimakariri District. This sanitary assessment did not consider the area outside the Hurunui District.
- Waipara, Culverden, Waiau, Gore Bay, Rotherham and Parnassus do not have community wastewater systems. Existing wastewater treatment is mostly septic tanks and not presently considered an issue.
- Classic farm intensification and dairy conversions on the Amuri Plains and Waiau River area.
- Re-application for renewed resource consents relating to on-going discharge from WWTPs into natural streams has required council to revisit this practice and review alternatives before new resource consents will be issued by Ecan.
- The 2014 review outcome for the Water Service was a decreased risk for consumers on Council's water schemes, with increased level of water bacteria treatment at source and increased focus on quality water safety plans highlighting how council will manage these identified risks going forward.
- Additional community Wastewater Schemes will be reviewed by Council on an as required basis.

- Improved stormwater management plans were being created to better assess, understand and manage the issues in the stormwater targeted rate areas for both officers and community alike.

March 2018 Review

Background

The 2018 Water and Sanitary Assessment Review considered water, wastewater and stormwater.

The review consisted of:

- Workshop with Council's 3Waters utility staff, elected members and community stakeholders in October 2017 to consider significant changes that had occurred since the September 2014 review.
- Workshop with Council's 3Waters utility staff, elected members and community stakeholders in October 2017 to better understand the issues/concerns of the community and how best the future programmed works from July 2018 may address these issues/concerns, with identified benefits to be achieved and risks to be reduced (a business case approach for future investment levels).
- Workshop with Council's 3Waters Asset staff in November 2017 to look at best-solution options to resolve the issues/concerns identified, alongside costs and preferred option to be presented to Council for endorsement and adoption in the LTP 2018.
- Review other types of water supply and wastewater systems as shown in the 2014 review assessment (other than operated by Council) by the Council's Inspectorial Staff.
- Council's views on growth projections for the district as they relate back to current and future demand.

Outcomes of Workshop - Changes that had occurred since the September 2014 review

1. Water:

- Ten MIOX plants operating to improved bacteriological compliance for source drinking water. Service Delivery team monitoring residual FACs in supply scheme for minimum 0.2 ppm before confidently lifting the 7 PBWNs in place.
- Waiau Township Ultra filtration plant fully operational to meet full DWSNZ compliance.
- Council has instigated a financial strategy to meet full DWSNZ compliance (outlined in Appendix 2) in the period 2022/23 to 2026/27.
- Growth since 2014 has occurred in the southern parts of the district - south of the Waipara River. This area is supplied by the Ashley water supply, hence covered by the Asset Management Plan (AMP) and the individual water supply Water Safety Plan (WSP).
- Council has approved the chlorination of all water distribution zones as a secondary barrier approach to ensuring safe water supply to our customers. This process was completed end February 2018 and FACs are continually monitored for earliest prudent lifting of the current 7 PBWNs in place.
- Council has moved away from an age-based renewal programme to a criticality-performance based renewal programme. A calculated 12 breaks per kilometre will drive future renewal works and operations will manage the increased maintenance requirements that may result from this new kpi. This has been elected member and community stakeholder agreed as council's new LoS for managing the affordability of renewals, as well as improved data collection to support this outcome.

- All pipelines performing between 8 and 12 breaks per kilometre will be assessed using pipe condition assessments to validate the indicative time of failure (i.e. 12 or greater breaks per kilometre) for more accurate renewal cost forecasting.
- All water schemes have CDHB approved WSPs that are actively being implemented.
- Earthquake damage was incurred to the surrounding water supply schemes in close proximity to the epi-centre of the Hurunui-Kaikoura earthquake event of Nov 2016. These systems have been monitored using our Scada system for increased water usage (losses) to streamline a water meter installation programme to better ascertain the exact locations of these leaks as a result of pipeline movement post-earthquake event. The results of these meters will determine a walkover with acoustic listening devices to determine the extent of the leaks for repair or pipeline replacement under insurance claim (DPMC and LAPP). Other above-ground assets assessed as earthquake damaged have been submitted to our insurers for payment approval to HDC. These works will be undertaken through 2018-2019.
- The new intake developed at Leithfield Beach (37 l/s) now provides water to the northern end of the Ashley Rural water scheme, as well as supplementing the Amberley drinking water supply to dilute and improved the secondary quality issues raised by the residents through the 2014 review process.
- Water meter have been installed to Leithfield Beach on-demand supply scheme to better understand the leaks associated with this scheme and to better manage demand aligned to targeted 285 litres per person per day target under the DIA MPMs in place.
- New bore drilled at Amuri intake (30m deep) to supplement the water supply through the summer months to ensure continuity of water supply to this scheme.
- Hanmer Springs has a new intake supply from the Dillons River to manage water quality (turbidity) to the treatment plant when the Rogerson is in high flow conditions.
- A full assessment of our at-risk river supply schemes has been undertaken to better understand the extent of the protozoa risk. This included for a desktop catchment assessment, as well as a two-weekly actual matras sample. No protozoa detected on matras, and catchment assessments approved by CDHB for future treatment designs levels.
- Higher level of drinking water sampling to ensure water remains safe to drink at all times.
- The Ashley water supply also provides water to the consumers in the Waimakariri District. This sanitary assessment does not consider the area outside the Hurunui District.

2. Wastewater:

- Investigation are underway for disposal to land option for Hanmer's WWTP. Land purchase has held up progress to this project, but council target's a final solution to be in place no later than end June 2019.
- Investigations and negotiations are underway for improved buffering of the wastewater discharge from the Waikari WWTP during the wetter months when there is limited land for disposal due to ground saturation. These works are programmed for solution no later than end April 2019.
- Earthquake damage was incurred to the oxidation ponds walls at Hanmer Springs, in the nature of separation wall collapse. This circumvents the treatment process and is under review with the insurers for remedy no later than end December 2018.
- Earthquake damage was incurred to the sewer pipelines in Hanmer Springs. Increased discharges into the oxidation ponds were noted after the first rainfall event post-earthquake, which has tagged more CCTV footage to assess the extent of pipe damage that requires replacement or relining. This is with the insurers presently awaiting decision of pay-out extent to determine council's approach to remedy.

- The WWTP oxidation ponds to Waikari and Hawarden have been desludged using AMD methodology. This has had varied levels of success and a final round of application is proposed for 2018-2019 to complete this process.
- The wind event of October 2015 resulted in wave action damage to the Cheviot WWTP oxidation pond waveband. This has subsequently been fixed using a more-resilient approach.
- The wind event of October 2015 resulted in wave action damage to the Waikari WWTP oxidation pond waveband and lining. This has been fixed using more-resilient PE liner approach, including raising the SE side wall to the pond.
- The wind event of October 2015 resulted in falling trees across the disposal field for wastewater from the Amberley WWTP oxidation ponds. This caused damage to the k-lines and sprayer heads. The abutting land owner (owner of these trees on Council property, as per land purchase agreement) has been reluctant to remove these fallen trees and this has caused a reduced disposal field which could complicate our resource consent conditions. Council is in negotiation with the abutting land owner to resolve this issue as soon as possible.
- Waipara, Culverden, Waiau, Gore Bay, Rotherham and Parnassus do not have community wastewater systems. Existing wastewater treatment is mostly septic tanks and not presently considered an issue (groundwater quality conditions). Details of investigations to date are:
 - Gore Bay and Culverden - Brief investigations for a community scheme and subsequently community indicated they did not want to proceed.
 - Waipara: Developer lead proposal even though there was no obvious problem with contamination of ground water from septic tanks. The community indicated they did not want to proceed, as most people had septic tanks that worked perfectly well and the few new houses had expensive new Oasis systems that the owners saw no need to replace. The proposed land development has not proceeded to date.
 - Collective Wastewater schemes investigated for Culverden, Waiau and Rotherham and no action was proposed for these townships at that time.

3. Stormwater

- Targeted outcome is the elimination of any flooded habitable floor in a stormwater targeted rate area, accepting that property land may experience a level of flooding that will naturally drain away inside 48 hours.
- Amberley Area floods in 2008: Details of flooding issues and resolution is provided in the Stormwater AMP and Amberley stormwater management plan.
- Stormwater management plans (operations and maintenance) and stormwater (monitoring and sampling) plans have been developed and adopted by council for Amberley, Hanmer, Cheviot, Hawarden, Waikari and Motunau Beach

4. Population Served

The population served by Council owned and operated water, wastewater and stormwater schemes are presented in Table 1.

Table: Population Served by Council Owned and Operated Water Supplies, and Wastewater and Stormwater Schemes

Service	Population Served (2014) - Council Schemes	% Served for all of the District
Water ¹	11,461	90%
Wastewater	7,262	57%
Stormwater (Township)	7,135	56%

Note 1: This figure only includes residents within the Hurunui District. Approximately 2,500 to 3,000 residents of the Ashley Rural Water Supply are Waimakariri District Council residents.

5. Issues

- Recommendations to Central Government from the Havelock North Inquiry 2 that may impact upon Hurunui's current strategy in meeting full Drinking Water Standards compliance.
- Discharge of treated effluent from Council treatment plants to waterways – high degree of compliance with water quality data supplied monthly to Environment Canterbury.
- Understanding future demands for our district for reliability and resilience of our infrastructure schemes.
- Improved knowledge surrounding asset conditions for improved accuracy of predicting renewal dates for long-term financial forecasting.
- Stormwater compliance with regards the CLWRP in terms of managing quality and quantity of stormwater discharges in urban areas by 2025
- Climate change effects relating to higher intensity rainfall events with possible under-sized infrastructure to accommodate these new demands.
- Enhance waterways for Mahinga Kai (cultural/spiritual values)
- Lack of policy for the management of stormwater networks – the need to develop a stormwater bylaw and policy document.
- District-wide catchment management planning, integrated across the district.
- Improved data collection targeting pipe breakages for accurate renewal decision making.
- Improved knowledge of facility assets as it relates to capability, capacity, condition rating, criticality, performance, resilience, etc.
- Consumed asset life of pipelines affected through the Earthquake event, but not exhibiting leaks or faults yet.
- Change in land use or farming intensification
- Increased demand for stock water supply in rural areas through the drier summer months.
- Investigating opportunities for shared services, asset management tools and strategic partnerships with like-minded Councils/organisations.

Review other types of water services

The water services (other than operated by Council) as presented in Appendix 1 were reviewed by Council's Inspectorial Staff to ascertain if:

- Significant changes had occurred since 2014.
- Additional community water services are now in operation.

Council's Inspectorial Staff comments were that legislative requirements govern the provision of water and wastewater disposal and provide an additional level of security:

- The Building Act 2004 provides the requirement for potable water and sanitary systems.
- Health Act (Drinking Water) Amendment Act 2007 Section 69V – duty to take all practical care and compliance with Drinking Water Standards NZ 2008.
- Environment Canterbury has rules for effluent treatment and disposal.
- Environment Canterbury has rules for the management of all stormwater flows (quantity and quality).
- Health Act 1956: Requirement for WSP for communities supplying drinking water services.

Council's Inspectorial Staff views on individual private supplies (water)

Council's response to private schemes in the district is that as Council becomes aware of them they will advise the local Drinking Water Assessor (CDHB) so that the supply can be registered under the appropriate level of management under the Drinking Water Standards.

Cemeteries and Public Toilets

Cemeteries

Most of the 11 public cemeteries have plenty of capacity to meet current demand. Balcairn is the most full having 15% capacity left and about 10% of plots have been filled in the last 10 years. This cemetery also has an issue of high water table which has risen in the last 5 years. This has affected grave digging during the winter months.

Public Toilets

There are 14 public toilets located within the district. These range in age from 4 to 35 years. Other than existing facilities being older the review shows that the risks to these sites (which were not significant) have not changed over the past 14 years.

Review Outcomes

This review's outcome for the Water Service was a decreased risk for consumers on Council's water schemes due to:

- Increased level of water treatment ensuring bacteriological MAV compliance for all water schemes, both at intake and throughout the distribution zones.
- All water schemes have approved WSPs as endorsed and monitored by CDHB's drinking water assessors.
- High level of drinking water sampling to ensure drinking water is safe to drink.

The review's outcome for the Wastewater Service was the need for additional community Wastewater Schemes will be reviewed by Council on an as required basis. Council will continue to look for alternative disposal fields for all WWTPs across the district, especially as the resource consent comes due for renewal.

This review's outcome for the Stormwater Service was any additional Stormwater Services would be ascertained during the consideration and implementation of the SMP's.

The review outcome for the Cemeteries and Public Toilets indicates there is minimal change in the risks associated with these services.

Appendix 1: The 2014 Summary of Assessment for Water Services Communities and other Serviced Facilities

A summary of 2014 Assessment of Water and Wastewater services for communities and other serviced facilities are presented below.

	Community	Water	Wastewater
Community			
1	Boyle Outdoor Education Centre	Draws water from a small mountain stream	Sewage is collected in septic tanks on each title and discharges to soak pits
2	Boyle Village	Individual rainwater collection	Sewage is collected and disposed on each site (soak-pits).
3	Boyle Engineers Camp	Private community supply - 8m deep bore adjacent to the Boyle River	Sewage is collected in septic tanks on each title and discharges to soak pits
4	Mt Lyford Village and Mt Lyford Lodge	Private community supply - The intake is the upper headwater of the Wandle River.	All private dwelling with the village and small-holdings have modern septic tank or package plant treatment devices and designed effluent disposal beds or fields
5	Mt Lyford Ski Area	Water supply is tankered up (approx. 1000l/day) by the operators each day to service the ablution block.	The ablution block is serviced by a modern design 42,000 litre septic tank system and discharge is to a sand effluent bed.
6	Webbs Road Water Scheme (Private)	14 lots serviced. Water is for potable and stock use only.	Not shown
Accommodation And Hospitality Facilities			
1	Staging Post Camp	Drawn from Chilly Stream, originating in the Hawkswood Range	Not shown
2	Gore Bay and Buxton camping areas	Council supplied	Septic tank and beach gravel soakage pits
3	Braemar Lodge	Draw water from dammed springs and use filters with UV lamps.	Not shown
4	Hanmer River Camp	Draw water from dammed springs and use filters with UV lamps.	Not shown
5	Hanmer Springs Forest Trust Camp	Draws water from Switchback stream	Approved connection to Council's waterborne wastewater system
6	The Alpine Adventure tourist park (Jacks Pass Road)	Uses both public supply and private supply. The private supply draws from the upper Chatterton River	Not shown

	Community	Water	Wastewater
7	The Balmoral Camping area, owned and run by Hurunui District Council	Provides water from a shallow bore direct to camp taps. There is no treatment or storage of water on site	Sewage is collected via the main ablution block into a septic tank and from these, into the gravels through a soakage drain
8	Waipara - two accommodation facilities exist	The private supplies have a good track history for water quality, but the bore is only 20m deep	Not shown
9	Boys Brigade camp is located on the adjacent (south) side of the Waipara River (Sure & Steadfast Trust).	Water is drawn from a 5m deep bore adjacent to the lower terrace by the river	Sewage is handled by septic tank and soak-pit (5 separate devices, one per building)
Schools			
1	There are 18 schools within the area	All of these schools are supplied water from council owned and managed supplies.	Urban areas – connected to Council system where provided, rural areas – septic tanks
Sports and recreational			
1	Amuri Golf Club	Water is drawn from a shallow bore, fed from the Waiau River	Not shown
2	The Amuri ski field	Draws water from springs on the mountain	Not shown
Private Water Supplies			
	There are over 400 (estimated) separate properties. Council has records of water sources for newer dwellings (post 1992, when the Building Act effectively came into force)	The majority of water abstracted for private consumption is from hillside springs and open water-ways. Some are gravity fed, but most are pumped or pump-boosted from smaller water courses. Few draw from the larger rivers. Few residents in these communities of interest rely totally on rainwater, although a large number utilise collected rainfall from dwellings, sheds and covered areas with tank storage as part of their water supply (supplemented from other sources). It must be assumed from lack of complaints or documentation, that these private supplies meet the quantity needs of consumers	Not shown

Appendix 2: Financial Strategy for Hurunui District Council to meet full DWSNZ Compliance

The Council is strongly committed to providing safe, secure and affordable drinking water throughout all her thirteen district-wide water schemes. In 2012, with a goal to taking all practical steps to meet DWSNZ, it was calculated that to meet full drinking water standards for all our water provision schemes, the district would have to invest over \$14,000,000 in capital improvements works alone. This, given our small rating base, reasonable deprivation index and a central government drive to reduce overall debt and keep rate increases to a minimum, was just too unaffordable.

Thus a two-stage strategy was adopted, so that Council remained committed to meeting DWSNZ compliance, but make some immediate improvements to the drinking water quality in the interim. Firstly, were the installation of nine new MIOX plants and the re-location of the existing MIOX plant in such a manner as to ensure bacteriological MAV compliance for all water schemes at all times, thus lifting the seven currently in-place Permanent Boil Water Notices across the district. In the 2015/2025 Long Term Plan, the Council resolved to fund all water supplies (with the exception of the Balmoral Water Supply) centrally, with on-demand consumer throughout the district paying the same connection rate and water meter rate and the gradual harmonisation of the restricted water rates by 2025. This will allow the cost of the compliance of drinking water standards to be shared by all consumers. This centralised structure was endorsed with the 2018/2028 Long Term Plan with the Council setting a capital expenditure budget of \$21,309,818 (after allowing for inflation adjustments) from 2019 through to 2027.

Waste Management and Minimisation Plan - summary

Introduction

The Council's Waste Management and Minimisation Plan describes objectives, policies and targets to enable residents, businesses and ratepayers to have access to an efficient, reliable, safe and cost effective waste and recycling services. We are committed to working to reduce the levels of waste disposed of to landfill, whilst continually reviewing our waste and recycling services and facilities to ensure effectiveness, efficiencies and affordability.

The Waste Management and Minimisation Plan outlines the objectives we will focus on over a period of years. Sometimes changes will be necessary (including potential contractor changes), but we will ensure any such changes are consistent with the Plan's objectives.

The current Waste Management and Minimisation Plan was updated in 2014. The Waste Minimisation Act (2008) requires all Councils to:

- Have due regard for the waste hierarchy – reduce, re-use, recycle, recover, treatment and disposal.
- Consider the findings and recommendations of their most recent waste assessment.
- Undertake public consultation.

The Plan is being reviewed again by the Council. Once the draft changes have been confirmed, members of the public will be invited to make submissions. This is an important service and one which does have an impact on the environment. Therefore public consultation is a critical component to ensuring our waste plan serves our community well.

Vision

To ensure ratepayers, residents, businesses and visitors to the district are provided with or have access to highly efficient, effective, reliable and safe waste management and minimisation services, which protect the environment from harm and are delivered in a cost effective and affordable manner.

How We Fund Waste and Recycling Activities

Our waste management and recycling services is paid for through a variety of rates and charges:

- Targeted rates.
- Uniform Annual Charge.
- User charges – transfer station gate fees and sales of rubbish and recycling bags.
- Waste levy reimbursement.

How We Deliver our Service

We deliver and manage our waste management and waste minimisation services through council staff and contractors. Currently Container Waste Ltd, EcoSort and Waste Control New Zealand Ltd are contracted to provide the majority of our waste and/or recycling services. There are a number of other companies engaged on a 'when required' basis.

Council staff provide the overall management of the service and work in the Hanmer Springs and Amberley transfer stations. The other transfer stations in the district are operated by contractors.

Volumes of Waste and Diverted Materials

The volumes recycled and sent to landfill are recorded on a monthly basis by origin, material type and end destination from the following activities:

- Roadside collections of domestic waste and recycling
- Commercial waste
- Transfer station waste and recycling
- Litter bin waste
- Recycling bin material
- Waste and recycling from Council facilities such as cemeteries, public toilets and campgrounds

The tonnage of waste that has been received in the 2013 – 2017 period are summarised in the following tables.

Table 1: Tonnages recycled in Hurunui

	13/14	14/15	15/16	16/17
Scrap Metal	63.85	89.376	123.04	138.13
Dry Recyclables	209.50	199.49	265.29	296.29
Glass Bottles	506.5	536.26	646.84	600.66
Kerbside Recycling	365.24	353.81	367.10	309.91
Green Waste	71.143	58.10	47.87	62.381
E-waste	17.456	0.83	3.116	0.883
Engine Oil	4.4175	2.6125	2.5175	2.85
Paint	2.361	0.984	0.551	0.95
Agrecovery	2.5	4.063	2.814	2.188

Table 2: Car batteries and Gas bottles recycled in Hurunui

	13/14	14/15	15/16	16/17
Gas Bottles	98	49	50	165
Car Batteries	88	203	169	368

Table 3: Tonnage of waste to Landfill from Hurunui

	13/14	14/15	15/16	16/17
Waste to Landfill	2169.6	2832.9	3042.1	3556.7

Objectives and Goals

Our objectives and goals for waste management and waste minimisation in the Hurunui are to:

- To continually strive to maximise diversion of waste from landfill.
- To provide cost effective and highly efficient waste management and waste minimisation services.
- To reduce the risk to human health and mitigate environmental damage.
- To accumulate improved information to ensure well-informed policies and decisions.
- To work in partnership with others to provide a choice of efficient and cost effective waste management and recycling services.
- To increase the economic benefits created through the efficient use of materials to reduce the financial impact of waste and recycling to Hurunui ratepayers.
- To continually review and assess the performance and effectiveness of our waste management and recycling services.
- To regularly engage with the community to raise awareness of recycling and waste minimisation.

Key Issues and Challenges

We face a number of waste management and minimisation issues and challenges which can impact on decision making and good options for our community. These include factors such as Hurunui's low rating base over a large geographical area, illegal dumping, market uncertainty for recyclable materials and the impact of waste related legislation and policy.

To the reader:

Independent auditor's report on Hurunui District Council's 2018-28 Long-Term Plan

I am the Auditor-General's appointed auditor for Hurunui District Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's long-term plan (the plan). Section 259C of the Act requires a report on disclosures made under certain regulations. We have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 28 June 2018.

Opinion

In my opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and co-ordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 123 to 126 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

Emphasis of matter – Uncertainty about the effect of the Hurunui/Kaikoura earthquake on proposed rates

Without modifying our opinion, we draw attention to the disclosure on page 84 of the Long Term Plan about earthquake recovery. This outlines some uncertainty over the full extent of damage that has been done to Council owned bridge and water supply assets, as a result of the Hurunui/Kaikoura earthquake, and the forecast costs to repair that infrastructure. Some of these costs will be met by Council debt, which will be repaid through a separate earthquake rate. Should the actual cost of repairs be greater than the financial forecasts, the Council will incur additional debt. It will then need to reassess the proposed period to repay debt and amount of the rate required to repay the debt.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

I am responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.

Independence

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

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

Other than our work in carrying out all legally required external audits, we have also provided an assurance report on certain matters in respect of the Council's Debenture Trust Deed, we have no relationship with or interests in the Council or its subsidiary.



Bede Kearney, Audit New Zealand
On behalf of the Auditor-General, Christchurch, New Zealand

