

Mayor and Chief Executive Message

The 2013-14 Draft Annual Plan is a "getting real" approach to re-setting our financial compass, and signals a departure from the direction that was proposed in the 2012-22 Long Term Plan.

Council takes responsibility for a significant deficit at the end of 2011-12 and continued financial challenges through the 2012-13 year which have prompted us to examine all budgets from the baseline up.

A new financial strategy is being proposed in this plan to take the Council and community forward. Some difficult decisions have been made, and the proposals in this document reflect that. Council has adopted a set of Financial Management Principles that will improve decision-making at a governance level, and give more guidance to staff on Council expectations in relation to responsible financial management.

The Long Term Plan indicated a 6.6% overall rates increase for 2013-14. Council is proposing a 9.2% overall increase. This will affect property owners in different ways depending on where you live in the District and what services you receive. We realise that this level of rates increase is unpalatable, but if we don't act now rates increases in future years will be higher.

Council is proposing a number of changes to service levels in the Leisure and Cultural Assets and Community Services activities. Council would like feedback on the proposal to reduce opening hours in the Library, Museum and I-Site, and the impact of offering less in the Community Development, Community Services and Events activities.

A significant decision Council has made that is included in the draft is to adopt an Austerity Depreciation Funding Policy which sees us not funding depreciation on long-life assets, such as water pipes, roads and buildings, and gradually returning to fully funding it over the next four years. This approach, while reducing rates this year, is not



Maureen Pugh (left) Tanya Winter (right)

sustainable long term. It also means rates increases will be higher than what is in the Long Term Plan as we return to fully funding depreciation.

Managing our Solid Waste is a significant cost to Council. This activity is proposed to change in 2013-14. We would like your feedback on the proposed changes.

The bottom line is that there is no magic wand or silver bullet, and we are not going to pretend there is. The current situation is simply not affordable and not sustainable. We need your feedback on the draft Annual Plan to help us "get real".

Maureen Pugh
Mayor

Tanya Winter
Chief Executive

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9.2%

overall percentage increase in Council Rates Income

THE REAL BIG ISSUE

THIS IS THE WESTLAND DISTRICT COUNCIL
LOOKING YOU IN THE EYE AND SAYING...

Council understands that this increase is really high

We have been spending more than we're earning which is not sustainable

The Draft Annual Plan is the start of a change in direction. If we put this off now, the increase next year will be even bigger

We want to hear your views

Do we keep our good quality services *AND* pay for them or.....?

What is the Problem?

Just like a home trying to balance the budget there needs to be enough money coming in to cover the expenses, Council is no different. Council gets its money from a variety of sources including:

- Rates
- Investments
- Fees and Charges
- Grants and Subsidies

A negative change in one of these will put more pressure on the other income streams. If the other income streams can't increase to cover the shortfall then the council simply can't afford its budgeted expenses and needs to tighten its belt accordingly. In recent years Council has been spending more than it has been earning. At present Council can't afford to continue providing the services it has in the past without increasing income to match.

How Did this Happen?

Council has been providing services without passing on the ACTUAL cost to ratepayers but instead funding shortfalls from reserves. In some cases this has been because the real cost of activities has been underestimated - in other words things were costing more than what was put into budgets. In some cases the actual income was less than what was anticipated.

Do We Have To Act Now?

Yes, changes need to be made in the way Council provides services and how it recovers costs for these services. Some changes will be unpopular and require a change in expectation of what Council does, others will be obvious responses to enable sensible planning for the future.

Will All Rates Increase The Same?

When the 'rates increase' is talked about in this summary document, the Draft Annual Plan and in the media it is usually referring to an overall percentage. This percentage is how much extra money Council plans to collect from rates compared to the amount it collected the year before. The rates increase does not reflect how much extra each individual ratepayer will pay.

Rates are based on the services and infrastructure available to each property and the rating policy of Council. Some properties have more services available to them than others and therefore pay more. When a service is cut, reduced or increased it affects the rates percentage of properties differently based on how the cost of the service was charged against the individual properties.

So What Is Your Rates Rise?

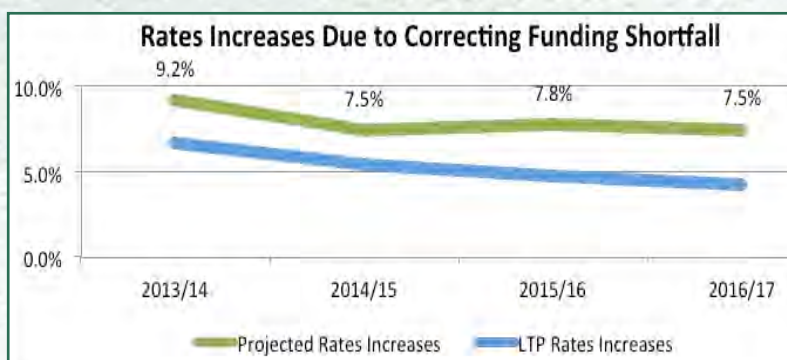
On page 72 and 73 of the 2013/14 Draft Annual Plan is a rates sample that gives examples of how a selection of different properties will be affected across the district. See page four of this summary document to see how you can access the full Draft 2013/14 Annual Plan.

What Will Happen To Rates In The Future

Rates are going to rise. How much rates will rise and over what time period is an important discussion between Council and community and must be continually monitored.

The impacts of spending, rating and debt must be discussed and understood to enable the best decisions to be made for a sustainable Westland District.

To the right is a graph that compares the rates increases in the Long Term Plan to what Council is now proposing in the Draft 2013/14 Annual Plan.



Proposed Changes In The Draft 2013/14 Annual Plan



Library

Cutting \$11,000 by reducing opening hours.

Closing an hour earlier Mon- Fri (5pm not 6pm)

Closing 3 hours earlier Sat (1pm not 4pm)

Not opening Sunday.

Hokitika Museum

Cutting \$25,000 by reducing opening hours and curatorial services.

Summer: Opening 30 mins later Mon-Sun (10am not 9:30am)

Closing 1 hour earlier Mon-Sun (4pm not 5pm)

Winter: Opening 30 mins later Mon-Fri (10am not 9:30am)

Closing 3 hours earlier Mon-Fri (2pm not 5pm)

Reducing Research Centre hours Mon-Fri 10am-12pm

Events

Cutting \$40,000 by only focussing on one event (Wildfoods Festival). The reduction would not allow for funding additional events or supporting community events.

I-Site

Rationalising opening hours (negligible financial impact).

New year round opening I-Site hours 8:30am- 5pm Mon-Fri

10am -5pm Sat-Sun

Community Development

Cutting \$87,000 by reducing activities. Council will focus on,

- Managing Council's funding schemes and contracts with community groups
- Providing funding advice
- Supporting community projects
- Providing social policy advice to Council
- Assisting communities with planning
- Managing Council's consultation processes

Reducing activities would see Council exit direct involvement and move towards performing an advisory role only.

Community Assistance

Cutting \$155,000 from the grants budget. Council will continue to provide some community assistance grants and will develop a clear rationale for each grant defining the expectations around reporting and how the grants will be spent. Grants debated for the Draft Annual Plan are:

Sport West Coast	\$ 31,000	CUT
Infrastructure Fund	\$ 20,000	CUT
Tourism West Coast	\$ 86,000	
Glacier Country Grant	\$ 65,000*	CUT
Enterprise Hokitika	\$ 39,000*	CUT
Public Transport Grant (Hokitika Taxis)	\$ 15,000	

* These grants are funded from targeted rates

Mint Creek Water Supply

Referendum on its future \$5,000.

Township Development Grants

Funding Cut- saving \$140,000. Stop funding the two Township Development Grants funded by the ratepayers of the participating townships.

Glacier Country Grants (two year cycle)

\$70,000 allocated to Fox Glacier one year and Franz Josef the next. Fox Glacier was due for funding in the 2013/14 year.

Small Township Grants (five year cycle)

\$70,000 allocated to the following towns, in the following order over a five year cycle: Kumara, Harihari, Ross, Whataroa, Haast.

Harihari was due for funding in the 2013/14 year.

Solid Waste

Service level changes and realistic revenue forecasting, extra cost this year \$ 446,000. Council is phasing out rubbish bags and removing the free trailer bin stations from Otira, Jacksons, Lake Kaniere, Bruce Bay and Neils Beach. Council will now:

- Extend kerbside collection services to Lake Kaniere
- Introduce 240L bins for recycling and use the current 120L bins for refuse to existing serviced properties and Lake Kaniere
- Stop the kerbside collection of glass from Hokitika
- Introduce trailer bins at transfer stations for sorted glass recycling. *See the Council web site for more information.*

Transport Costs Re-allocation

Transferring \$300,000 from General Rate into Uniform Annual General Charge. Cost neutral but serves to redistribute the rates increase more evenly across the district's ratepayers.

Ross Community Pool

New pool liner \$ 85,000. Funded from a loan targeted to Ross residents or from the Ross Endowment Fund.

Kokatahi & Haast Rural Fire Parties

Funding removed saving a total of \$14,680. The funding removed for Kokatahi RFP saves Kokatahi ratepayers \$6,605 and funding removed for Haast RFP saves all ratepayers \$8,075.

Fox Community Centre

\$ 200,000 from recreation contributions,
\$ 800,000 from a source to be determined.

Harihari Community Facility

Continued support of \$290,000.

Flood Damage Fund

Removal of fund for one year cutting \$100,000. If there is a flood Council will fund work by way of a 20 year loan.

Cycle Trail

Marketing \$30,000 (35% of the total cost). Remaining 65% (\$56,000) from the Major District Initiatives (MDI) funding.

Parks & Reserves

Cutting \$ 30,000. Council will stop mowing berms and reduce the service level of maintenance for Cass Square.

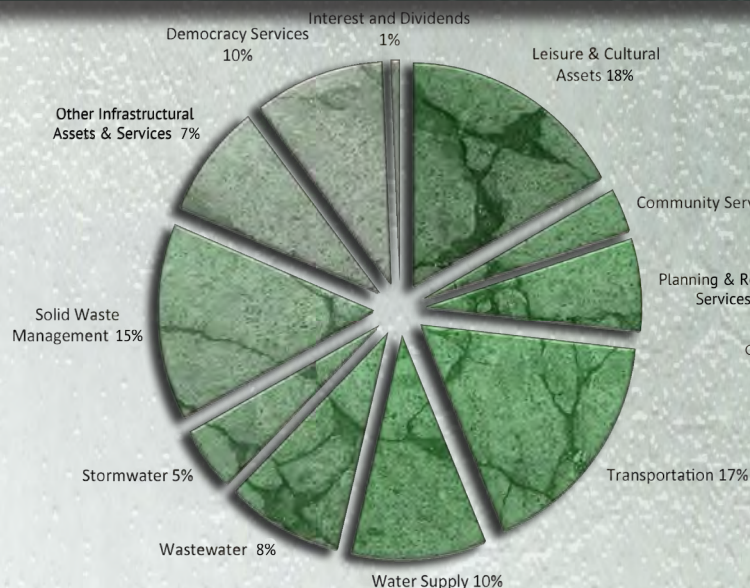
A New Financial Strategy

-moving towards a more conservative and careful Council.

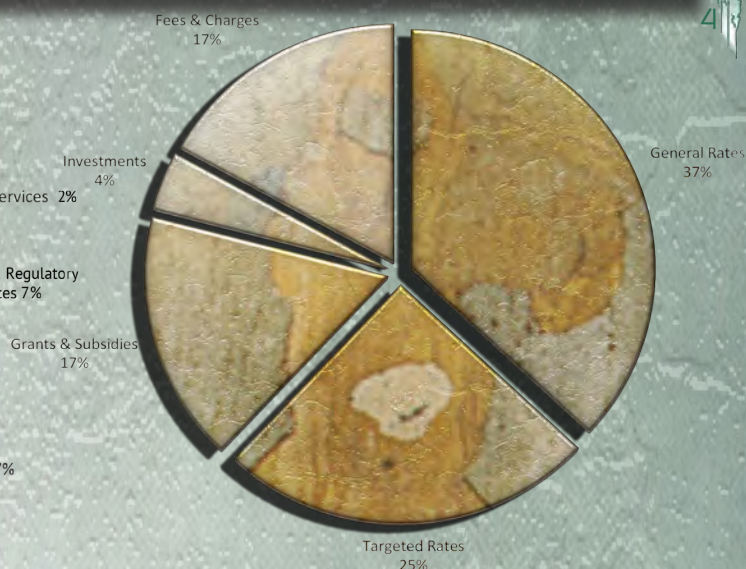
A focus on financial prudence for Council has already started and is a balance between addressing the needs of Council and community now and also ensuring there is enough money for the future. All aspects of the Council finances have been examined including Rates, Debt, Service Levels, Investments and Reserves. Read more about the new strategy in the full Draft 2013/14 Annual Plan. *See page 4 for how you can access a copy.*



Where Your Rates Are Spent



Where Council Gets Its Income



Want More Information?

Visit our "Getting Real" Web page

For a copy of the 2013/14 Draft Annual Plan, further information and submission forms visit our web site. You can use the internet free of charge at the Westland District Library, 20 Sewell Street, Hokitika.

www.westland.govt.nz/getting-real



Read the Newspaper

Council will be advertising key information about the consultation issues in the Hokitika Guardian on Mondays, Wednesdays and Fridays during the month of June.



Or let us visit you

Our consultation caravan will be travelling the district to gather, distribute and discuss information about the 2013/14 Draft Annual Plan. On board will be senior staff and elected members ready to front up and answer your questions. The caravan has all the information you need for giving us feedback and creating submissions.



Public Meetings

Wed	June 5	Otira	3:30pm
		Kumara	7pm
Mon	June 17	Franz Josef	7pm
Tues	June 18	Haast	7pm
Wed	June 19	Fox	11am
Thurs	June 20	Hokitika	7pm

Consultation Caravan

Hokitika CBD	June 6, 10, 12, 14, 21
Franz Josef	June 17
Haast	June 18
Fox	June 19

Visit our web site for more information

Read the full Draft Annual Plan

The full 2013/14 Draft Annual Plan in hard copy format is available to view at the Westland District Library, Hokitika Museum, the WDC Office and DOC Offices in Haast, Franz Josef and Fox Glacier. Hard copies will be sent to those requesting who do not have access to the internet - *please note these copies will be black and white photocopies only.*



Have Your Say

Submissions on the 2013/14 Draft Annual Plan can be made between 27 May and 27 June 2013.

You can make a submission in the following ways:

Online

We recommend you make your submissions online at:

www.westland.govt.nz/getting-real

You can use the internet free of charge at the Westland District Library, 20 Sewell Street, Hokitika.

Email

You can also send us your submission via email. Simply complete the submission form, scan it (PDF), attach it to your email and send it to: consult@westlanddc.govt.nz

By post

The submission form is available to download from our web site or at the Westland District Library, Hokitika Museum, the Westland District Council Office and DOC Offices in Haast, Franz Josef and Fox Glacier.

Post your completed submission to:

Draft Annual Plan 2013/2014
Westland District Council
Private Bag 704
Hokitika 7842

In person

You can deliver your submission form in person to the Council office, 36 Weld Street, Hokitika. A submissions box is available in the foyer.

All submissions will be acknowledged and time slots given to those who indicate they want to speak to their submission at the submission hearings.

Please note that all submissions (including personal details – name, address and phone number) will be made public.

The closing date for submissions is
4pm Thursday 27 June 2013.

Submission Hearings will be held on
Thursday 04 & Friday 05 July 2013

WESTLAND
DISTRICT COUNCIL

