



Westland: The Next Generation

Long Term Plan 2018—2028
Consultation Document

What's inside:

- Topics the Council needs
YOUR feedback on
- Council's vision for the next 10 years
- How the proposed changes
will affect your rates

**Have your say-
submissions close
Friday 15th June at
5pm**

longtermplan@westlanddc.govt.nz

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What's this all about?

Every three years New Zealand Councils are required to prepare a Long Term Plan for their District to consider what services they will provide and how they will sustainably fund them over the next 10 years. This document is mandated under the Local Government Act 2002.

This shorter consultation document can be read alongside our draft Long Term Plan for 2018-2028, or as a standalone document. It recaps some of the main points in our Long Term Plan regarding assets, services and finances in a condensed format.

This document also outlines key discussion points that are significant because they either:

- involve **large capital projects** or **strategic assets**; or
- are likely to be of **popular interest**.

This document is not a summary of decisions; it's a summary of proposed options to the community. Several key issues and choices are outlined in that pages that follow for you to consider.

Council's responsibility is to balance multiple considerations in coming up with options. Some of the balancing factors include:

Planning for an ageing population

Planning for future resilience

Minimising environmental impact

Maintaining infrastructure to a quality standard

Minimising the financial impact on ratepayers

Westland District Council's new vision

We work with the people of Westland to grow and protect our communities, our economy and our unique natural environment.

Will this affect my life?

Yes, it will! If you or your family live or work in Westland District, the issues discussed in this document will impact you and your future generations in some way. This is why this document is called "Westland: The Next Generation". The aspiration is for you to think about what you want for the future of Westland, not only for you but also for the children of Westland and future generations.

The Long Term Plan is one of the most exciting opportunities to participate in local government decision-making because you get to shape the future by considering a range of topics all at once, not just a singular issue. You get to see how the ideas proposed impact on rates and Council's financial position over the next ten years and decide if you think the benefit of those projects outweighs the financial cost.

Now it's up to you! You be the judge.

Do you think the balance is right?

Key proposals for you to consider



ARAHURA PA WATER SUPPLY* (page 32)



TRANSFER OF ACTIVITIES
TO DESTINATION WESTLAND CCO (page 35)



LIVE-STREAMING COUNCIL MEETINGS (page 40)



RESERVE FUNDS FOR
WESTLAND HIGH SCHOOL (page 41)

*The costs attached to the Arahura Pa water supply project are estimates at this stage and will be finalised once more detailed scoping has been conducted. Council will consult with you in the event that there are significant differences between these estimates and final costs.

Challenges Westland is facing

The low rating base

Funding and delivering activities is a challenge within Westland as it is one of the most sparsely populated parts of New Zealand 8,507 in 2013, yet covers an area of 11,880 square kilometres.

The environment

The Westland landscape and environment is unique to New Zealand. It's one of the main reasons why our residents want to live here and tourists visit. It is also a vital resource for our key industries such as farming and mining. Many of our residents have strong environmental values and these values need to be recognised in decision-making.

Building resilient communities

Given our location, perched in between the Southern Alps and the wild sea, as a community we have to be aware and prepared for natural disasters. As a Council, we must consider how the risks of natural disasters impacts our decision making for infrastructure and core service projects. We must also consider what is required to make our communities more resilient and self-sufficient and have measures in place to ensure a rapid response in a natural disaster event.



What your early feedback revealed

In December 2017 and January 2018, Council had a brief online survey open for people to share their thoughts regarding this Long Term Plan.

The main themes that emerged were:

- A large interest in **protecting the environment** and minimising Westland's environmental footprint, reducing waste/pollution, and **maintaining our clean, green image**
- **Concerns about climate change** and how that will affect our mostly coastal region
- Improving the ability of Council's infrastructure to **cope with tourist growth** including water, wastewater, roads, public toilets and solid waste
- Better **accountability** for Council decision-making and better customer service
- Improving quality of life for residents through **affordable rates**, affordable pensioner housing, and offering amenities and events for both residents and families
- Leveraging funding from government and external parties for future developments
- Better cell, internet services and **communications resilience for remote areas**
- No support for **charging for car parking** in Hokitika town centre

Council is already working on a number of improvements in line with the feedback you've provided.

- Council is currently involved in many projects to reduce waste and pollution and encourage sustainability including being an active and founding member of the Hokitika Green Team which aims to inspire eco-smart actions in the community. Our Solid Waste department also partners with EnviroSchools to deliver waste minimisation education to local schools and community groups. Our new wastewater treatment plants will help protect the environment from discharges to land.
- Climate change risks are not something that Council can fully predict or fund for, however, this risk is one of the driving motivations for Council including funds for a West Coast Emergency Operations Centre in year two of this plan. Council is also working closely with the West Coast Regional Council on climate change issues.
- Funding for water, wastewater and roads have increased for this Long Term Plan compared to the Long Term Plan for 2015-2025.
- This will enable Council to catch up on needed renewals, once it has updated its asset condition information. In addition, new water and wastewater treatment plants have been budgeted to increase our compliance with the Drinking Water Standards, cater for growing tourist volumes and decrease negative environmental impact.
- This Long Term Plan outlines what decisions Council is making and why so that we can be held accountable. Council's new vision statement promotes a focus on working for the people of Westland to provide better service.
- Rate increases are very low throughout this plan because of the mandate given to Council by the community. However, marginal rates increases are necessary to continue to provide amenities, events and infrastructure. Council is continuing to explore ways to offer amenities and events more cost-effectively and the proposal to transfer the management of certain activities to a Council Controlled Organisation is part of this.
- In December 2017, Council successfully achieved \$3.25 million dollars of central government funding for Tourism Infrastructure Funding for Westland infrastructure projects. This reduces the financial burden to ratepayers. \$ 2 million of this income has been included in the financial budgets, with the remaining portion spent prior to the start of the LTP
- Council will continue to lobby central government and external agencies for support for communications resilience. In addition, budgets have been included for extra VHF radios for some of our isolated communities.
- Council took your feedback on board regarding the lack of support for paid car parking in Hokitika town area and this issue has not been progressed further.

What services does Council currently provide?

Leisure services and facilities

Three cemeteries, **\$148,000** Township Development Funding allocated annually, 46 elderly housing units, children's play-grounds in four townships, public toilets in seven locations, swimming pools in Hokitika and Ross, a 136 kilometre cycle trail and 30,000 library items spread between Hokitika and 10 community outreach libraries.

Infrastructure

318 kilometres of rural sealed road, nine public water supplies, a water reticulation network of **176** kilometres, four reticulated wastewater systems, six stormwater pump stations, eight transfer stations and two operating landfills.

Plus much more....

Building control and planning services, liquor and environmental health monitoring, animal control services, i-SITE information centre, the **iconic Hokitika Wildfoods Festival**, Hokitika Museum, Civil Defence, citizenship ceremonies

Changes to levels of service

Council is not planning to decrease existing levels of service; however, a number of minor improvements to existing services are incorporated in this Long Term Plan: including upgrades to drinking water, wastewater and stormwater systems. A number of increased levels of services for leisure activities are also proposed including funding for the Hokitika waterfront development to create a space for residents and tourists to enjoy with additional toilets and car parking.

The other significant change to levels of service is Council's budgeted \$4.88 million dollars towards an updated Museum complex. This amount is a projection of Council's needed contribution to leverage other funding sources needed for a Museum/Pounamu Development complex (which is expected to cost approximately \$20 million in total). This is Council's maximum contribution to this project regardless of the total cost. The project cost is based on an average of equivalent of South Island projects such as the South Canterbury Museum redevelopment in Timaru and the Otago Settlers Museum redevelopment in Dunedin. If this additional funding is not able to be realised, a revised, scaled-back concept is likely to proceed in years 4-10 of this Long Term Plan using the funds which have been provisionally allocated for this.

More detailed estimates will follow from the concept plan which is due to be released as a discussion document by Gurden Consulting Ltd in May 2018. Community consultation will take place at a later date once more detailed options and costings are available.

Managing our infrastructure

Areas of the District have been built over decades, and today there is both underground and aboveground infrastructure which is well past its expected life. As ageing occurs, we are already seeing an increase in reactive maintenance.

A key challenge for the District is the balance between reactive maintenance, programmed or preventative maintenance, and the inevitable rehabilitation or outright replacement of assets. Some assets are physically and economically past the point of repair.

Council's Infrastructure Strategy is to maintain levels of service for most assets and ensure their long-term sustainability while keeping rates at an affordable level. However, this plan recognises that some levels of service need increasing in line with legislative requirements and growing demand.

There are risks of high running maintenance costs and loss of service through failure of aged assets. One significant aim of the proposed asset renewal programme is mitigating these risks by a continual replacement of assets that have reached an age at which ongoing reliable performance is lost.

According to the data currently available, the following table outlines the age of some of our assets.

Asset	% Currently Exceeding Useful Life	% Exceeding Useful Life Between Years 1-10	% Exceeding Useful Life Between Years 11-20	% Exceeding Useful Life Between Years 21-30
Stormwater	0.37% \$74,729	3% \$520,219	4% \$796,746	3% \$683,904
Water	2% \$1,534,105	13% \$8,750,610	18% \$11,825,229	8% \$5,044,390
Sewerage	15% \$3,937,941	30% \$7,702,250	18% \$4,696,472	3% \$646,605
Bridges	0.31% \$283,888	2.65% \$2,428,560	9.62% \$8,827,858	12.34% \$11,324,427

To see a full copy of Westland District Council's Infrastructure Strategy go to www.westlanddc.govt.nz

Looking at the above table, current data reveals that around 40% of all 3 waters assets are likely to need to be replaced over the next 30 years. These figures require significant refining through robust asset inspection and a thorough review of unit base life values across the 3 waters.

Whilst the figures for bridges may show significant outlay forecast into the future it is not our intention to simply replace these structures based on age alone. In fact it is likely that many of these structures will have lives extended well beyond their initial base lives. Regular engineering and condition monitoring is carried out on Bridge Infrastructure. Unless the traffic volumes or loading for a particular structure increase significantly it is more likely that base lives for individual bridge infrastructure will continue to be extended with more major component replacements carried out rather than full structure replacements.

Maintaining these ageing assets becomes more difficult as their age increases. The District is now at a time when keeping the respective levels of maintenance cost versus renewal cost is at its hardest to balance. This is why this Long Term Plan, in contrast to previous plans, has factored in growth and capacity building of the 3 waters assets within the first five years to upgrade the supplies for the long term. This includes replacement of some assets, which have run over their expected lifespan already. Full replacement, although costly, significantly reduces maintenance costs in the future.

Asset	Renewals Spend in Years 1 – 10	Renewals Spend in Years 11 – 20	Renewals Spend in Years 21-30
Stormwater	\$2.069 million	\$700,000	\$600,000
Water	\$6.420 million	\$15.507 million	\$6.892 million
Sewerage	\$1.336 million	\$9.172 million	\$4.075 million
Bridges	\$1.333 million	\$1.333 million	\$2.666 million

Whilst our intention is to decrease the backlog of ageing assets, we believe that our first priority is constructing new assets that will support the growing tourist population and increase our environmental, public safety and legal compliance. We are also constrained in our ability to deliver the full list of capital projects outlined in the Plan as well as the backlog of replacements due to personnel resourcing. The 3 waters assets' capital works programme over the next 10 years brings us up to our compliance requirements and improves future capacity for tourist numbers.

Once this programme of works has been completed, Council will then be in a position to invest heavily in the ageing assets and bring them up-to-date. The risk of not completing asset renewals when they fall due is the potential for increased maintenance costs, asset failures and service interruption. We will monitor asset performance closely to mitigate this risk and actively maintain the asset to prevent breakdowns.

Council is committed to improving the quality of its asset data and over the next 30 years eliminating the backlog in its renewals programme. Provision has been included in the infrastructure budgets over the next 10 years to conduct a physical stocktake of assets to review their condition. Initially the first stocktake and condition assessments will be carried out over the first 3 years. This work will then be further reviewed and remodelled over the subsequent 7 years as we become better able to test the original assumptions made in the first 3 years. We will consult with the community as part of the next LTP when we have more reliable asset information.

The first ten years of Council's infrastructure strategy is based on carrying out upgrades and enhancements previously identified with a view that the focus over the next two decades will primarily be renewals / replacement (with the exception of Franz Josef whose tourist growth will require additional resources). Due to other long-term plans for the Franz Josef community still taking shape, for example, the work of the Franz Josef Governance Group, which is still in its early stages, a long-term asset plan for Franz Josef is not yet developed. Consultation with the community has been conducted by the West Coast Regional Council and more consultation is likely to happen at a future date.



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An age-based analysis of our 3 waters' assets reveals that we have \$22.5 million of asset renewals required by the end of year 10. The proposed renewals for the 3 waters' assets to be carried out by Council are \$9.8 million, which means that at the end of year 10, Council is forecast to have \$12.7 million worth of deferred renewals. Forecast renewals for the 3 waters relate to critical assets Council has assessed must be replaced. Critical assets are pumping stations, treatment plants, valves, storage tanks and other componentry inclusive of continuous lengths of underground piping components for supply of sewer, water main and storm water services to residential dwellings. An asset assessment programme and renewals planning has been allowed for which will define physical works and expenditure into a manageable profile. The financial forecasts do not include any renewals for any other 3 waters' assets. This means there is a gap between Council's forecast spend of \$9.8 million and what its aged based information says it should spend on renewals for 3 waters' assets.

One of the assumptions underpinning the 2018-2028 Long Term Plan's financial forecasts is that asset renewals will be at a reasonably consistent level, between \$3.3m and \$4.5m per year. However, in the first five years of the LTP, the Council will also undertake significant new capital works. This means that not only is the total capital programme significantly larger in those years, but it shows the organisation has the capacity to manage this level of work. Over the 10 years of the Long Term Plan, Council's level of funding is ahead of the planned renewals because the forecast renewals are below the level of depreciation that is funded from rates. This means it will have the financial capacity to fund additional work as the current forecasts show its cash investments increasing to \$22.3m by year 10. Council therefore is building up the financial capacity to react if significant break-ages occur.

Council will re-forecast renewals for 3 waters assets when it has better information on asset condition, and reduce the forecast backlog over years 4 to 10 years of this current plan. Better information for some areas may be able to be obtained sooner, however some areas e.g. stormwater infiltration/inflow can take years to fully map out the effects. While the LTP forecasts primarily reflect an age-based analysis, and are not based on detailed condition assessment, Council's overall approach is to clear the renewals arrears over the 30 years of the Infrastructure Strategy.

Once Council has better information on its 3 waters assets, it will use its cash investments to fund the revised capital programme.

In the **short to medium term**, there are increased risks of asset failures leading to service interruptions. Council will **minimise the impact of these risks** by:

- **Monitoring asset performance** and taking appropriate action when and where issues are identified
 - Undertaking a programme of inspections to build up knowledge of the condition of asset and supplement this information by analysing the performance and failure of assets
 - As it increases its **knowledge of asset condition**, developing a risk-based programme of renewals which brings forward asset renewals with the highest risk and greatest significance if they fail
 - Continuing to **rate to cover the depreciation costs** on these assets so that a sustainable financial base exists for the long-term renewal of assets
 - Build capacity within the organisation to deliver **asset planning** and carry out the increased levels of renewals required to maintain the assets.
-

Water

Council currently provides water schemes for nine Westland communities: Kumara, Arahura, Hokitika, Ross, Hari Hari, Whataroa, Franz Josef, Fox Glacier and Haast. Council's principal objective for the drinking water supply is:

To provide **safe and secure drinking water** across the nine community water supplies currently owned and managed by Council to comply with the **Drinking Water Standards of New Zealand (DWSNZ)**.

Funding is allocated for potential significant upgrades in the water network. Upgrades have been prioritised based on the criticality of the infrastructure and assets in poor condition, typically due to age.

Council has not invested heavily in the past on water supply upgrades. As the years progress, the risk of failure in some parts of the pipe network increases proportionately.

Some communities have substantial population variances due to tourism demands and Council will continue to seek support from Government where these costs exceed what is affordable to local ratepayers. We have not included any of this external funding in our forecasts, if funding is received, this will reduce the loan funding that is forecast to be drawn down to the fund capital expenditure. This external support will be sought for both continuation of supply and compliance with the Drinking Water Standards of New Zealand (DWSNZ).

Reservoir upgrades and expansion to meet demand have also been factored in for some schemes to ensure compliance and water availability over all seasons. Further investigation is required in this area to understand water demand and water consumption during the seasonal changes in population.

This will increase the resilience of Council-owned water supplies so that they can more adequately meet the demands of natural hazard events and dry seasons. These measures should ensure that Council water supplies are better prepared to comply with new central government drinking water standards (which are yet to be fully finalised).

Council intends to upgrade critical components of all existing eight water treatment plants parts at a cost of **\$2.05 million**, **constructing new (or completely upgrading)** three water treatment plants at a cost of **\$1.26 million** and complete a programme of mains **renewal works** of **\$2.44 million**.

Upgrading all critical water supply infrastructure also minimises public health risks from contamination due to low water supply and increases the level of service to meet the growing community expectation.

Details of the main water projects

What are we doing?	What is the benefit?	How much will it cost?	When are we doing it?
Constructing new Water Treatment Plants	Providing clean, potable water for consumers on supplies	\$1.26M	2018-2019
DWSNZ Compliance Standards upgrades (includes telemetry, disinfection and SCADA)	Providing clean, potable water for consumers on supplies	\$0.91M	2018-2024
Replacing Water Treatment Plant/network parts (includes filters/membranes, treatment components, water meters and building repairs and associated WTP improvements)	Ensure continuity of service in a reliable manner	\$2.05M	2018-2024
Mains Renewals	Ensure continuity of service in a reliable manner	\$2.44M	2018-2028
Replacing reservoirs and tanks (for Haast, Hokitika & Kumara)	Preventing water leaks and risk of contamination	\$1.66M	2019-2021 & 2023-2026
Asset resilience works (includes seismic valves, generators and raw water sources)	Ensure continuity of service in the event of a power outage	\$0.38M	2018-2020

At the time of writing, the full impact of what the 52 recommendations (released by the Ministry of Health in early 2018 in the aftermath of the Havelock North Water Inquiry) will mean for local authorities has not yet been realised. This is still going through consultation at central government level. The main expectations that have been communicated to date have been incorporated into this strategy as the basis for 3 waters improvements. Given our large geographic area and extremely small rating base, it is likely that Council will require support from central government in terms of funding sources. Council has budgeted for all known projects based on worst-case scenario, however, the intention is to offset these costs with external funding. One likely outcome of the Havelock North review is that all public water schemes will have to be chlorinated. Currently six out of our nine schemes are chlorinated. By the end of end of this Long Term Plan all water schemes will be chlorinated as per table below:

Water supply	Current chlorination status	Chlorination status as at 30 June 2028
Kumara	Chlorinated – (Temp install waiting on new plant)	Chlorinated
Arahura	Chlorinated – (Temp install waiting on new plant)	Chlorinated
Hokitika	Chlorinated	Chlorinated
Ross	Chlorinated	Chlorinated
Hari Hari	Not Chlorinated – UVT only (Chlorine unit planned)	Chlorinated
Whataroa	Not Chlorinated – UVT only (new plant install)	Chlorinated
Franz Josef	Chlorinated	Chlorinated
Fox Glacier	Chlorinated	Chlorinated
Haast	Not Chlorinated – UVT only (Chlorine unit planned)	Chlorinated

Wastewater

Council currently manages reticulated wastewater schemes in four Westland communities: Hokitika, Franz Josef, Fox Glacier and Haast. Council's principal goals for wastewater are:

To ensure the **health of the Community** where urban housing exists, thereby **eliminating the need** for individuals to provide their **own wastewater system** (which carries much higher health risks)

To provide a **cost effective trade waste disposal** system for commercial and some industrial users

To provide **acceptable collection, treatment and disposal** systems for the use of communities

To meet **requirements set** by the West Coast Regional Council regarding **resource consents and environmental compliance**

Council intends to upgrade three out of four wastewater treatment plants over this Long Term Plan: these being Hokitika, Franz Josef and Fox Glacier. Haast is the only wastewater scheme to not be upgraded during the life of this plan because population projections are not expected to place excess pressure on this scheme. The population of Haast is relatively static and the Haast wastewater treatment plant is the newest out of our four schemes and the most modern, featuring aeration in addition to the oxidation pond.

The wastewater treatment plant upgrades will result in a 68% increase in wastewater rates in 2018/19. How this will affect rates for the average domestic sewerage connection in these areas can be shown below:

Rate type and location	How it is charged	Current rates	Rates – Year 1
Sewerage Rate - All locations	Fixed \$	267.30	448.17

Wastewater pump stations will also be upgraded and measures taken to reduce Stormwater infiltration including increasing monitoring. The benefits of these planned works are to comply with the West Coast Regional Council resource consent requirements, reduce public health risks and achieve better environmental outcomes, by minimising the effects of untreated wastewater on the natural landscape.

Details of the main wastewater projects

What are we doing?	What is the benefit	How much will it cost?	When are we doing it?
Mains Renewals	Ensure continuity of service in a reliable manner	\$1.39M	2018-2028 (and beyond)
Pumps renewals	Provide appropriate level of service to minimise the risk of overflows	\$0.15M	2018/19
Constructing or upgrading Wastewater Treatment Plants	Improve WWTP to meet compliance conditions	\$5.68M	2018-2022
Replacing wastewater treatment plant parts	Maintain operational efficiency	\$0.02M	2020/21
Catchment investigations	Improve and build resilience in water source catchments	\$0.05M	2018/19
District Plan development/ growth contribution	Contribute towards Infrastructure upgrades to support new subdivisions to support economy	\$0.11M	2018-2028



Stormwater

Council currently manages a reticulated stormwater scheme in the Hokitika community. Council's principal goal for stormwater is:

To minimise the risk of stormwater flooding and retain an adequate level of service where urban housing exists

Following a significant storm event in 2015, Council engaged a consultant to carry out a stormwater assessment and recommend options to alleviate flooding issues. The outcomes and recommendations from this assessment have been included in this Long Term Plan, with a number of stormwater pump stations and pipes upgrades already carried out and others identified as future projects. The implementation of these projects will increase the level of service for the stormwater network and reduce the occurrence of flooding in the Hokitika urban area. Additional funding has been included in the stormwater budgets to purchase mobile generators as a backup power supply to provide continuity of service even during power outages.

What are we doing?	What is the benefit	How much will it cost?	When are we doing it?
Mains Renewals	Ensure continuity of service in a reliable manner	\$0.39M	2018-2028
Pump station renewals and upgrades	Provide appropriate level of service to minimise the risk of flooding	\$2.6M	2018-2022
Purchasing mobile generators	Ensure continuity of service in a reliable manner	\$0.03M	2018-2019
Replacing open channel drains with pipe networks	Provide appropriate level of service to minimise the risk of flooding	\$0.25M	2020-2023
Extensions and realignments	Diverting water flow to alleviate overland ponding and/or increasing reach of stormwater channels for new roads and developments.	\$0.6M	2018-2020
Reticulation and flapgate improvements	Assist with alleviating backflow and flooding	\$0.03M	2019-2022

Transportation

Council currently manages a local roading network across the whole of Westland. Council's principal goals for transportation are:

To increase both the **resilience and capacity** of the roading network

To enable the roading network to adapt to **changing function and** use over time

To ensure **safety and accessibility** for residents and visitors alike

Council submits projects and budgets to New Zealand Transport Agency every three years for inclusion in the National Land Transport Programme (NLTP). Currently, the activity management plan is developed as a joint venture with Buller and Grey District Councils.

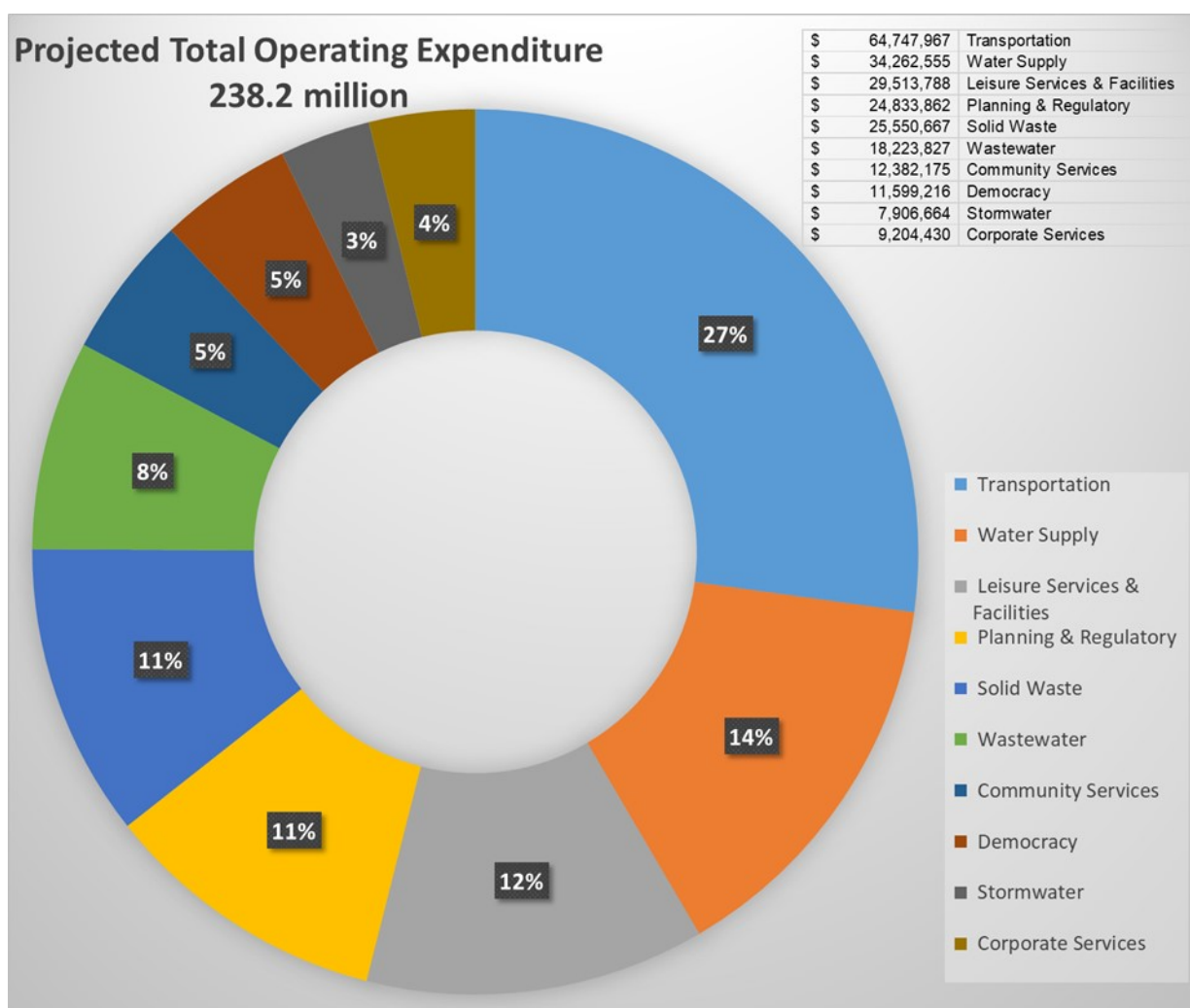
The following table outlines the projects and budgets for the next 10 year cycle.

What are we doing?	What is the benefit?	How much will it cost?	When are we doing it?
Unsealed road remetalling	Provides a safe and maintainable running surface for road users	\$2.87M	2018-2028
Road resealing	Preserves the lifespan of the road pavement and reduces ongoing maintenance costs	\$9.98M	2018-2028
Traffic services including line marking and new signage	Improves customer satisfaction and safety by providing clear directions	\$1.39M	2018-2028
Structural components work (bridges)	Keeps bridges in safe, usable condition	\$2.66M	2018-2028
Sealed pavement rehabilitation including shape correction work	Reconditions aging and failing road pavements thus improving safety and smooth travel exposure	\$8.80M	2018-2028
Drainage – new curbing channels and culverts	Provides channels for water runoff thus minimising road flooding and associated safety issues	\$1.86M	2018-2028

Financial matters

Did you know?

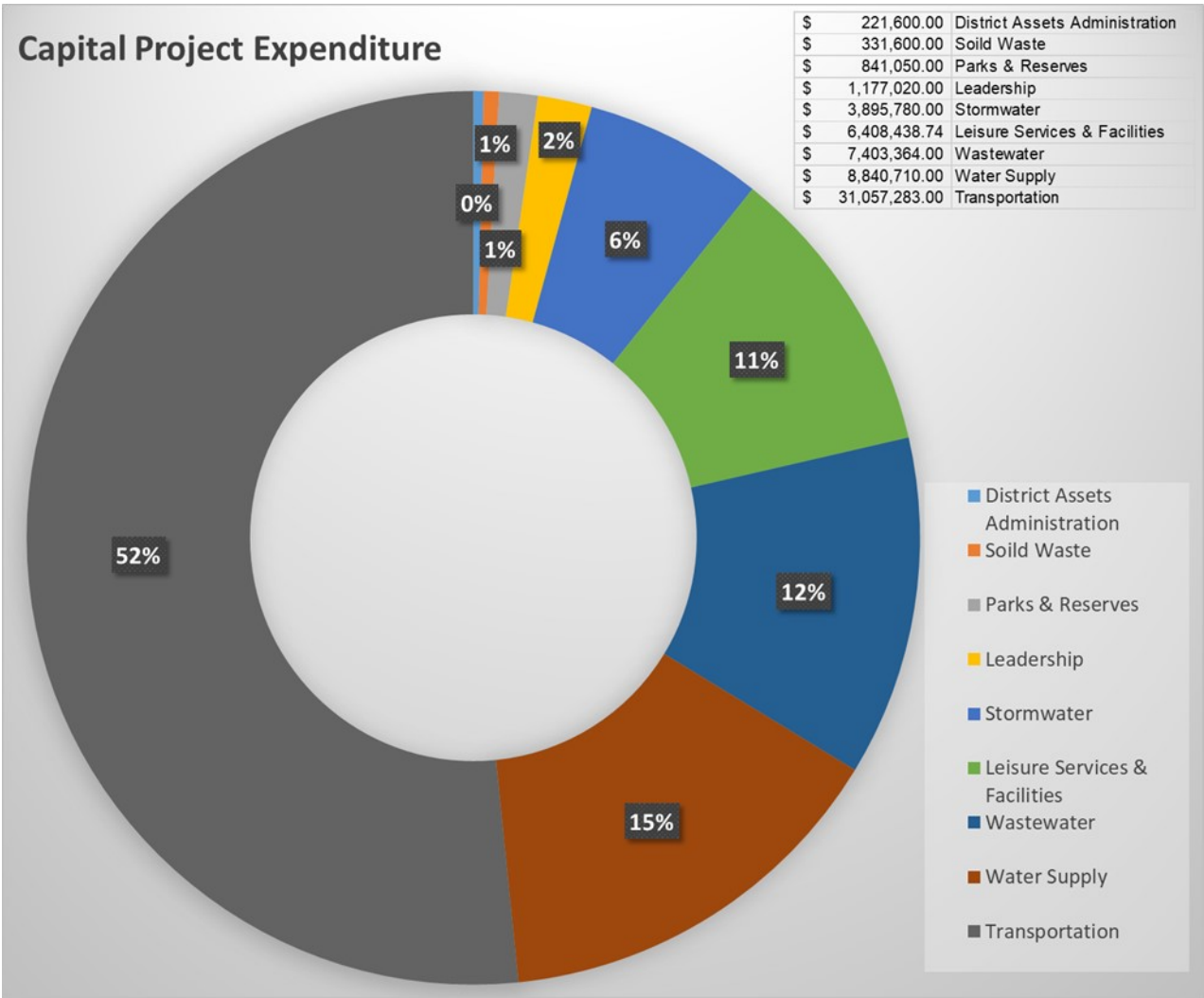
Council's largest annual operating expense is on roading.
Over the next 10 years, the Council has budgeted to spend **\$64.7 million** on this activity alone. Drinking water supplies represent the second biggest operating expense over this period; forecast cost is **\$34.3 million**.



Capital expenditure

Council's four largest areas of capital expenditure over the next 10 years are: transportation, drinking water, wastewater and leisure services and facilities which together comprise **90% of all capital expenditure**.

The leisure services and facilities portfolio comprises Hokitika Museum, Parks and Reserves, Cemeteries and Swimming Pools. Included in the capital expenditure for these areas are: Capital projects for Hokitika Museum, the Hokitika Waterfront Development and Cass Square.



What about inflation?

Just like households experience price increases for food, clothes and other goods and services, through inflation known as the Consumer Price Index (CPI), Local Government also faces inflationary factors. Council is faced with price increases for things like steel, bitumen, petrol and other materials required to carry out projects. These things have their own inflation index which is known as the Local Government Cost Index (LGCI). Things Councils spend money on generally rise in cost faster than common household services.

Over the next 10 years, the LGCI is projected to increase by an average of 2.34% per year. Council's proposed average rate increase of 1.83% is significantly below the rate of Local Government inflation. All costs listed in this document include LGCI including capital expenditure forecasts.

Funding sources

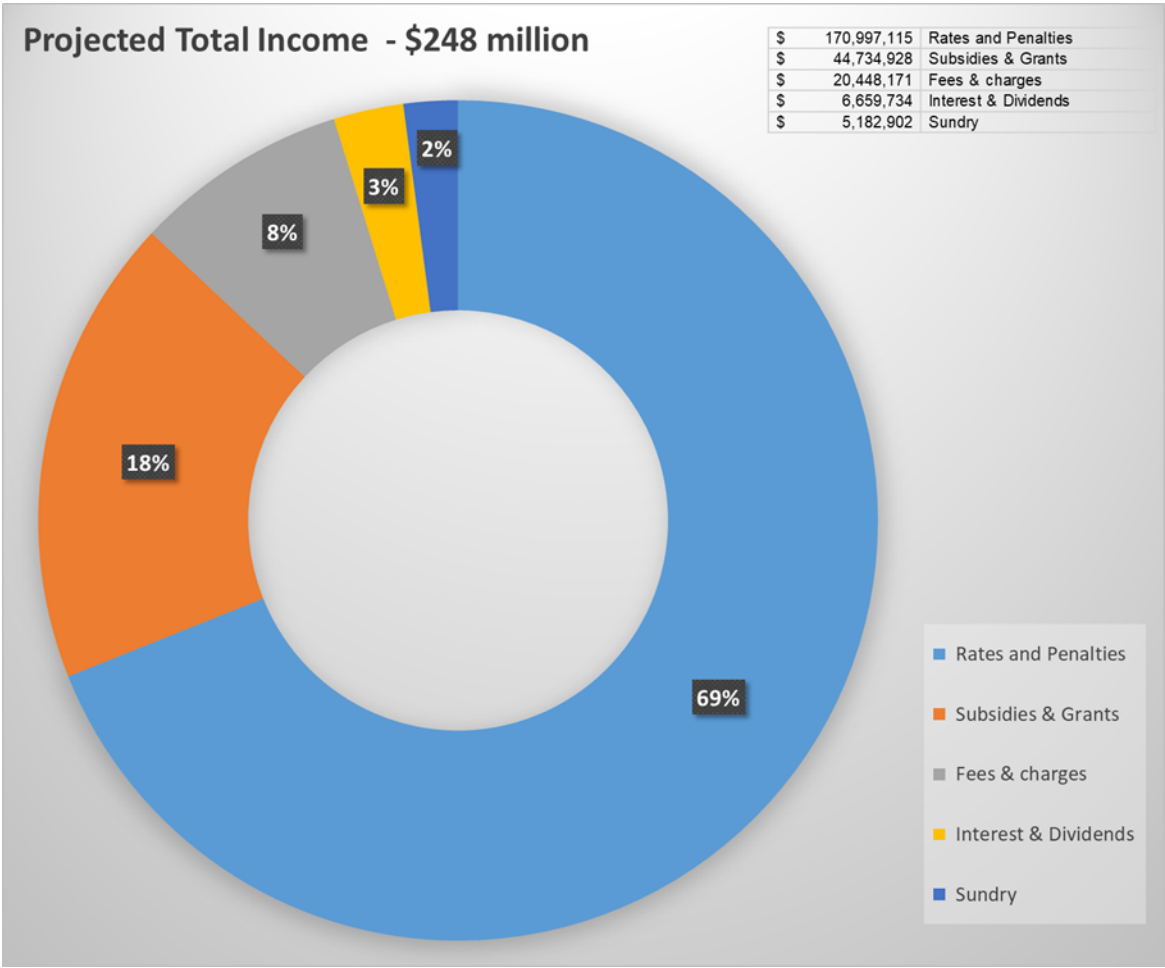
Council's Revenue and Financing Policy outlines Council's appropriate use of funding sources.

Sources of fund- ing	What this funding is used for
Rates	<p>Rates income is used to fund:</p> <ul style="list-style-type: none"> Small-value capital expenditure (where grants, subsidies and external funding is not available) Debt repayment for large capital expenditure Depreciation reserves to maintain assets
Investments	<p>When investments reach maturity they are:</p> <ul style="list-style-type: none"> Reinvested in new higher return term deposits.
Subsidies, grants and external funding	<p>Subsidies, grants and external funding is our first preference funding option for full or partial funding of:</p> <ul style="list-style-type: none"> Capital projects
Fees and charges	<p>Fees and charges are used to:</p> <ul style="list-style-type: none"> Recover the operating expenses for activities with a discreet user group
Restricted reserves	<p>Restricted reserves are built up through multiple sources (including sale of assets e.g. land, subdivision contributions and donations e.g. bequests) and are used for:</p> <ul style="list-style-type: none"> Specific projects
Depreciation	<p>Depreciation is calculated annually on all property, plant and equipment based on the estimated residual value of over the useful lifespan. Depreciation reserves are built up through rates to ensure that assets can be maintained.</p>
Debt / borrowing	<p>For larger capital projects that provide a long-term benefit to the community, Council may determine that borrowing the funds is an appropriate method of allocating the costs of a project over time to users.</p> <p>Borrowing, both the capital (principal) and interest components, is generally repaid by future rates. Council may resolve to capitalise interest repayments on some debt, where it considers it most likely (prudent) that another funding source (e.g. property sales or grants) will be able to repay the accumulating debt.</p> <p>Where it is not practical to obtain third party revenue and where reserve funds haven't previously been set aside, Council prefers borrowing as a funding source. Borrowing spreads the cost of the project over a longer period, smoothing changes in rates and contributing to intergenerational equity.</p>

Subsidies and grants are our preferred funding method over rates where possible. Over this 10 year period, 19% of Council's income will come from subsidies and grants; the biggest of these being New Zealand Transport Agency's roading subsidies and successful funding applications for Tourism Infrastructure.

In December 2017, Council was successfully awarded \$3.25 million of central government funding for four high priority infrastructure projects across the district. Out of a pool of just under \$15 million, Westland as a region gained 22% of the total. This financial support enables Council to upgrade existing infrastructure (or provide new infrastructure) to alleviate the pressure created by increased tourism growth. This funding will be drawn down during the life of this Long Term Plan.

In addition, Council collects revenue from users of very specific services. Fees and charges are applied when a private benefit can be identified and when it is an efficient way to recover costs from a well-defined user group. Fees and charges are designed to be set at a level to regather the costs associated with the activity rather than make a profit. Over the next 10 years, 8% of funds will come from fees and charges.

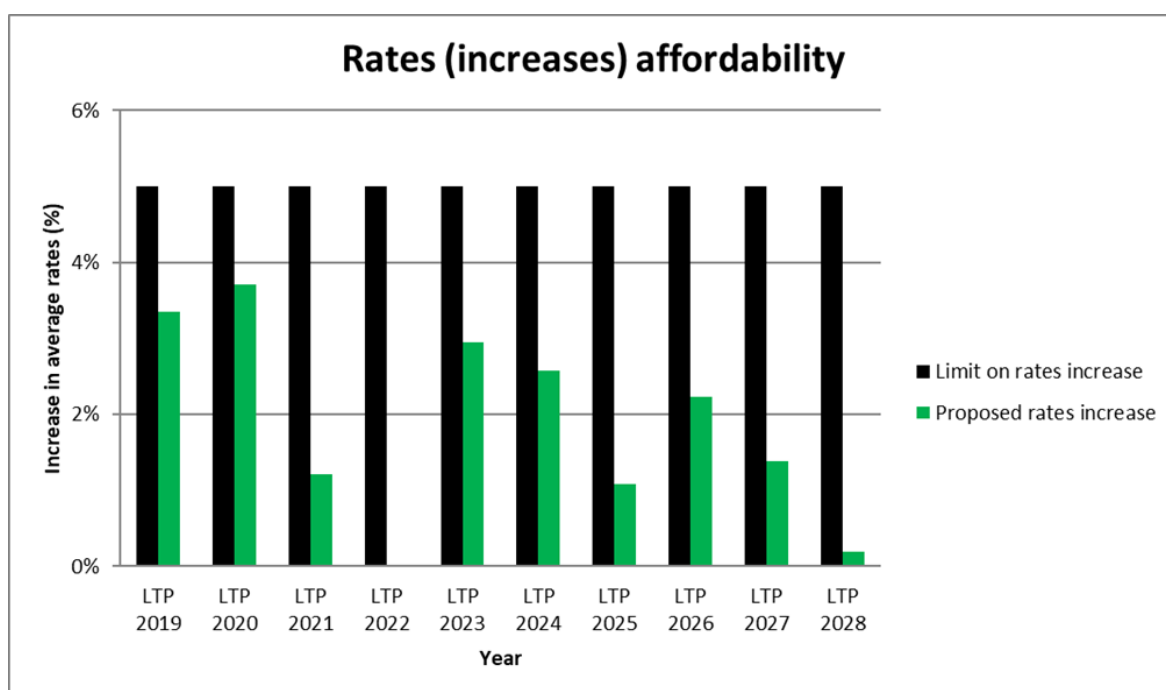


*Graph above excludes borrowing for new capital projects which totals 15.4 million over next 10 years

Proposed rates for the next 10 years

The **average total rate increase** over the next 10 years is **1.83%**

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
3.34%	3.70%	1.22%	-0.37%	2.95%	2.58%	1.09%	2.23%	1.39%	0.20%



With an annual average total increase of 1.83% over the next ten years (including commercial water rates), Council believes that a good balance has been struck between progress and affordability. Council has stayed within its rates limits throughout the 10 year period. Council's rates limit is set at 5%, over the next 10 years rates increases are lower than the LCGI average inflation rate of 2.34% per year due to the following factors:

- The rates funding for the Hokitika Museum, Hokitika i-SITE, West Coast Wilderness Trail and Hokitika Wildfoods Festival have been reduced by 20% and fixed at this rate over the 10 years. This is to encourage the CCO to make these activities more self-funding with lower rates impact;
- The Tourism West Coast fee is no longer funded by rates;
- In year 3 the targeted water rate from Westland Milk Products reduces as the repayment of the loan is nearly completed and this is fully repaid by year 4 of the plan;
- Loan funding requirements for new capital expenditure lessen from year 6 onwards, therefore with continuing repayment of debt this contributes to lower finance charges in years 8, 9, 10;
- The rate movements also fluctuate every three years due to election fees and LTP audit fees and related expenses.

Sector	Community	Capital Value 2017	Actual Rates 2017/2018 \$	Draft LTP Rates 2018/2019 \$	Value Change \$	Percentage Change %
Commercial	Fox Glacier	690,000	4,978	4,994	16	0.32%
Commercial	Franz Josef	1,060,000	12,491	15,465	2,974	23.81%
Commercial	Haast	1,290,000	6,636	5,633	-1,002	-15.10%
Commercial	Hari Hari	235,000	3,162	2,791	-371	-11.74%
Commercial	Hokitika	480,000	4,348	4,668	320	7.36%
Commercial	Kumara	165,000	2,809	2,422	-387	-13.77%
Commercial	Ross	129,000	1,872	1,909	38	2.01%
Commercial	Whataroa	250,000	2,525	2,102	-423	-16.74%
Residential	Fox Glacier	140,000	1,576	1,781	205	13.02%
Residential	Franz Josef	375,000	2,316	2,522	207	8.92%
Residential	Haast	230,000	1,820	2,046	226	12.41%
Residential	Hari Hari	114,000	1,272	1,311	39	3.07%
Residential	Hokitika	345,000	2,712	2,935	223	8.23%
Residential	Kumara	132,000	1,571	1,618	47	3.01%
Residential	Ross	170,000	2,085	2,145	60	2.89%
Residential	Whataroa	125,000	1,424	1,483	59	4.17%
Rural	Fox Glacier	130,000	1,131	1,212	82	7.22%
Rural	Franz Josef	89,000	1,098	1,115	17	1.54%
Rural	Haast	50,000	868	890	22	2.57%
Rural	Hari Hari	2,100,000	4,373	4,250	-123	-2.82%
Rural	Hokitika	475,000	1,921	1,915	-6	-0.30%
Rural	Kumara	12,000	813	829	17	2.05%
Rural	Ross	255,000	1,540	1,546	6	0.42%
Rural	Whataroa	1,170,000	2,587	2,525	-62	-2.38%

Rural Residential	Fox Glacier	86,000	1,030	1,116	86	8.37%
Rural Residential	Franz Josef	290,000	1,296	1,303	8	0.60%
Rural Residential	Haast	245,000	1,073	1,086	13	1.19%
Rural Residential	Hari Hari	104,000	910	925	15	1.64%
Rural Residential	Hokitika	450,000	1,858	1,891	33	1.79%
Rural Residential	Kumara	161,000	1,246	1,268	22	1.73%
Rural Residential	Ross	570,000	2,071	2,078	7	0.33%
Rural Residential	Whataroa	295,000	1,163	1,180	17	1.47%

Summary of reasons for main rates changes

- The cost of refuse has increased in rural areas due to the refuse rate being evenly distributed among all collection points now. Previously, Hokitika had a higher rate due to glass collection. As this is no longer the case, this distinction has been removed.
- The increase in the UAGC also effects properties with lower property valuations as this is not completely offset by the decrease in the general rate.
- The decrease in the tourism promotion rate has caused a significant variation for commercial properties (who have traditionally paid a higher proportion of this rate).
- Sewerage connections have increased by \$180.87 (including GST) per connection. This has caused a significant increase in the sewerage rate for commercial properties that have multiple connections.
- Community rates have either increased (or decreased) based on the services or facilities provided for by these rates.
- There has been an increase in the Fox Glacier community rate. This is mainly due to the new provision of Township Development Funding of \$12,000 for Bruce Bay township which comes under the Fox Glacier community rating district.

If ratepayers want information on their property's proposed rates for 2018/19, they can view Council's Rating Information Database (RID) by going online to:

<http://e-search.westlanddc.govt.nz/property/>

This information can also be obtained from Council's Customer Service Centre at 36 Weld Street, Hokitika.

The RID contains district wide valuation details, property rating classifications and any current targeted rates the property may be liable for. It does not give owner or ratepayer details.

Queries regarding individual property rates information contained in the RID can be directed to Council's Rates Officer, by phoning: 0800 474 834.

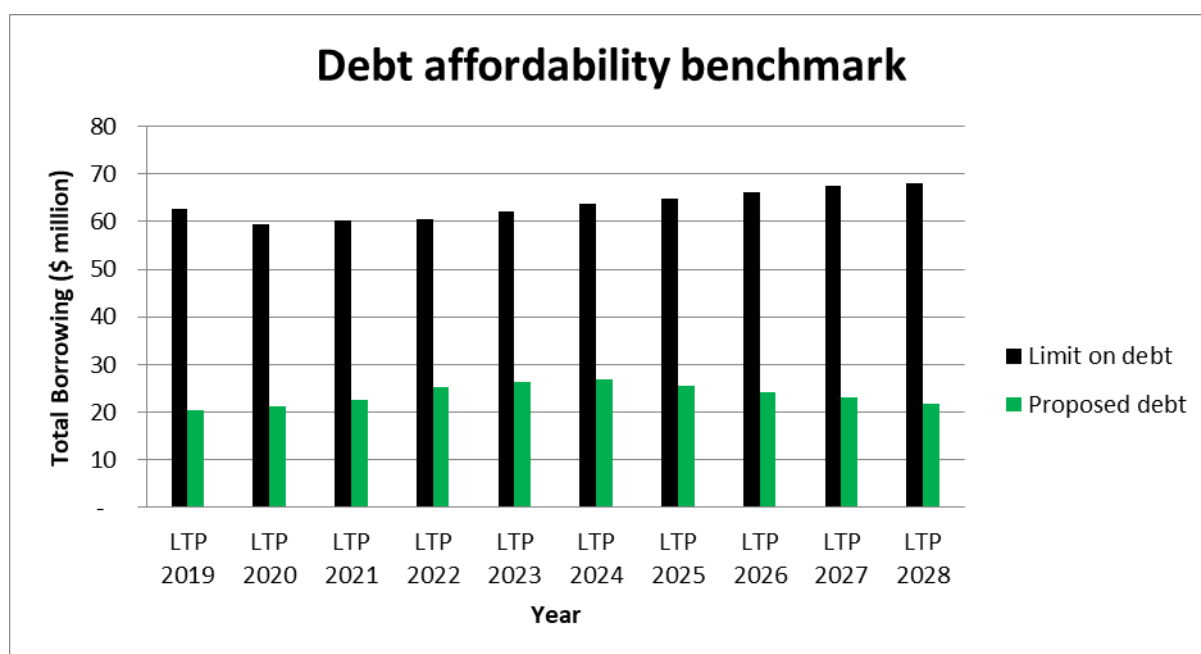
How does the Council manage debt?

Over the next ten years, Council plans to make \$13 million of loan repayments and raise \$15.4 million in new loans. The Council's total debt as at 30 June 2017 was \$16.8 million. Debt will peak at \$26.9 million in 2024 year then begin to decrease. The projected closing debt balance in 2028 will be \$21.7 million.

Council's Liability Management Policy has clearly defined limits on debt. These limits are:

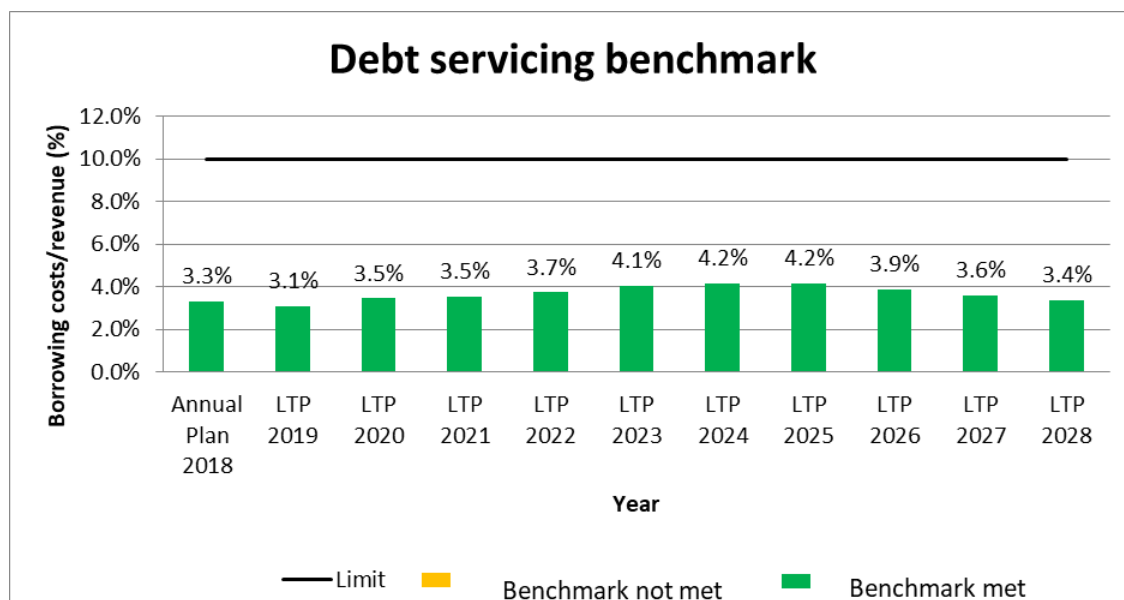
- Net debt is less than 108% of total revenue
- Net interest expenses are less than 10% of total revenue
- Net interest expenditure is less than 15% of total annual rates income
- Net liquidity is less than 110% of term debt.

Council stays well within these limits over the next 10 years.



The graph above compares Council's forecast borrowing with the limit stated in Council's liability management policy. The limit for debt is set based on finance costs not exceeding 10% of operating income, therefore the limit is calculated on 10% of the operating revenue multiplied by the forecast interest rate. As financing costs are currently low and not forecast to increase significantly over the term of the long term plan this provides a high limit on debt for the debt affordability benchmark.

This benchmark is met for all the years of this Long Term Plan .



The graph above compares Council's forecast interest costs as a proportion of revenue. This benchmark is met for all the years of this Long Term Plan.

Council could pay off its debt using its bank investments. However, Council intends on using its cash balance to fund its future renewals expenditure. Renewals are forecasted at low levels in the 10 year period until Council gets better information on its assets. Council will spend its built cash balances on their revised capital programme in the next LTP. Council has assumed minimal interest income over the 10 year period despite the cash balance increasing significantly from year 1 to year 10. Council has done this to make sure they don't budget unrealistic interest income that will not be received due to the cash being used to fund renewal expenditure. Funding high-cost infrastructure projects through debt, where no external funding is available also spreads the cost of the new asset over multiple generations of people who will get services from the asset, not just the current population. This approach therefore supports Council's policy of intergenerational debt and equity.

Council recently got approval to join the Local Government Funding Agency (LGFA). Participating in the LGFA provides many benefits including cheaper borrowing costs, reliable access to long-term funding, increased funding market options and improved liquidity for Council.

To see a full copy of Westland District Council's
Financial Strategy go to www.westlanddc.govt.nz

What other projects will occur in my community?

Cass Square

- **New toilets** – Southeast corner \$76,500 (Year 2) Reserve Funded
- **Turf Improvements** \$49,890 (Years 3, 6 & 9)
- Building improvements/
earthquake strengthening to Pavilion \$20,000 (Year 1) Loan Funded

Hokitika Beach

- **Beachfront playground** \$208,200 (Year 3) Reserves funded
- **Waterfront development** \$152,000 (Years 1 & 2) Reserves funded



Westland District Library

- **New books, publications and audio-visual resources** \$617,219 (Years 1-10)
- **Electrical upgrade** \$29,300 (Year 1)

Hokitika Museum

- **Museum development** \$4.88 million (Years 4-6) Loan funded
- **Archiving and photography technology** \$9,540 (Years 1-2) depreciation

Hokitika

- Hokitika Stormwater – including pump upgrades to Bealey St, Tancred St Sewell St, Rolleston St, Hoffman St, Livingstone St, Kaniere Road, Pipe/drain improvements to Richards Drive, extension to Weld St and Jollie St Stormwater systems, and realignment of Beach St stormwater system \$3.62 million (Years 1-4) Loan funded
- Hokitika footpath renewals \$397,000 (Years 1-10)
- Hokitika Stormwater mains upgrade programme \$277,750 (Year 1-10)
- Butlers landfill improvements \$243,575 (Years 1&2) Loan funded
- Hokitika Emergency Operations Centre (shared regional facility) \$200,000 Westland District Council contribution loan funded
- Hokitika Cemetery improvements \$143,955 (Years 2-4 and 6, 8, 10)
- Elderly Housing – glazing and insulation \$82,460 (Years 1-4)
- Hokitika Band Rooms \$42,060 (Years 2&4)
- Hokitika swimming pool – new spa pool \$25,500 (Year 2)
- Hokitika swimming pool – ventilation/extraction system in main pool area \$20,400 (Year 2)
- Hokitika i-SITE – Interactive technology for bookings and mapping \$19,280 (Year 1)
- Hokitika Dog Park \$10,200 to investigate options (Year 2) Reserves funded
- Hokitika i-SITE – Website development (Year 1) \$10,000

Kumara

- Footpath maintenance \$23,500

Kaniere

- Footpath maintenance \$10,000

Ross

- Swimming Pool – Earthquake strengthening and electric heat pump system \$71,200 (Years 1-2)
- Footpath maintenance - \$30,000

Hari Hari

- Hari Hari House \$15,300 (Year 2)
- Footpath maintenance \$15,000

Whataroa

- Footpath maintenance \$10,000

Franz Josef

- Footpath maintenance \$47,000
- Franz Josef Landfill capping \$25,625 loan funded (Year 2) Loan funded

Fox Glacier

- Footpath maintenance \$30,000
- Fox House \$26,025 (Year 3)

Haast

- Haast Landfill \$62,400 (Years 1&3) Loan funded
- Community Hall \$26,025 (Year 3)
- Footpath maintenance \$15,000
- Haast Reserve \$10,000 (Year 1)

The Councillors' views



"This Council will focus on becoming one of the **best Councils in New Zealand** at provision of **core services**: these being stormwater, wastewater, drinking water, roading and consents."

Mayor Bruce Smith

"The Long Term Plan is the primary opportunity for us as a Council to **open our books** to the community and show you what we are planning to do in the **short, medium and long term**. It is important for us to know what you think to make sure our planning is in line with **community needs** - after all this plan is **your plan** and will have an impact on all communities."

Deputy Mayor Helen Lash



"I want to see Westland grow in its ability to **give people access to opportunities** so our youth and families choose to **stay in the area**. We need to foster an inclusive society where diverse voices contribute to decision-making. A strong focus for me is **working smarter** to deliver better services and outcomes for the community. This Long Term Plan is about us doing the basics better and **making prudent decisions**. Achieving this will lay the stepping stones to allow us to be more innovative in the future. **Building a solid foundation** now will support new developments and ideas moving forward."

Deputy Mayor Latham Martin

"I see our biggest priority being infrastructure especially **building resilience into our infrastructure** so it can withstand natural hazards. I also believe we need to continue to invest in amenities in Westland to make it an **attractive place for people to live** and enjoy a good quality of life."



Cr David Carruthers



"I care about good quality infrastructure for Westland...**water, wastewater, roading**...these are my number one priorities."

Cr Durham Havill

"Infrastructure has to be our first priority, as both ratepayer expectations and compliance requirements demand higher standards. We must ensure that future development in infrastructure and other areas **does not compromise the environment**. Future planning should take into account external threats, such as rising sea levels. The costs of providing services, both core services and other services, must be **transparently** presented to ratepayers. The Council should be leading the way to ensure Westland is a **vibrant, inclusive community**, where people choose to live."



Cr Jane Neale

"We need to manage our infrastructure well so we set our economy and our industries up for success. That will **create a better future for all Westlanders**. I hope that through this Long Term Plan we can make the infrastructure needs very clear to ratepayers and engage with our dedicated community groups so people can understand the long-term benefits of **careful forward planning**."



Cr Gray Eatwell

"We need good quality core services and infrastructure in Westland especially roading and this requires spending money. But I want to see us **manage our financial resources** well so that **rates increases are minimal** and over time our debt reduces."



Cr Graeme Olson

"I want our Council's legacy to be **sound financial decision-making**, debt reduction, increased accountability and more attention on core services like infrastructure. I support Council stepping away from tourism-based activities like the Cycle Trail and making these user pays so **Council can focus on the main issues**."



Cr Des Routhan

Have your say - key projects

Long-term security of Arahura Pa Water supply

Overview

The Arahura water scheme at present is vulnerable and boil water notices are issued several times a year due to saltwater contamination of the existing, shallow bore. The Arahura water supply also runs dry at certain times throughout the year. As a result, Council delivers tanker loads of water to Arahura from the Hokitika supply to top up the supply during these periods. If Council does not look at other options, these problems will continue to occur and the Arahura water supply will not meet compliance criteria according to the Drinking Water Standards of New Zealand. Disruptions to the supply (such as those outlined above) also raise the risk of public health issues.

The long-term security of the Arahura Pa water supply is therefore a significant project and a number of options are being considered. These options include connecting it to the Hokitika township supply or keeping the Arahura water scheme as a standalone satellite. The latter option would mean Council would need to investigate drawing water from a more resilient intake and install a water treatment plant to treat the raw water.

Option 1- Construct water treatment plant at Arahura Pa to treat water drawn from a new water source

PREFERRED OPTION

A new permanent water intake source for Arahura needs investigation to increase the level of service. The most likely possibility would be a deeper bore adjacent to the Arahura River. Council's Long Term Plan includes \$40,000 in year one to conduct a feasibility study to assess bore and intake options and a subsequent \$325,000 to implement the preferred option and install the water treatment plant. The cost and impact on rates of this option will vary based on the results of the feasibility study. Council's debt will increase by \$325,000 under this option. The interest on this loan would be repaid by ratepayers over the subsequent 20 years.

This is Council's preferred option as it maintains the independence of the Arahura water scheme and is a cheaper option than connecting Arahura residents to the Hokitika township water supply.

Water rate type	Total rates contribution over 20 years from 2019-2039	Average rates contribution per year
Residential connection	\$190.00	\$9.51
Commercial connection	\$333.00	\$16.63
Unconnected	\$95.00	\$4.75
Untreated connection	\$143.00	\$7.13
Untreated commercial	\$247.00	\$12.36
Untreated unconnected	\$71.00	\$3.56

Option 2 – Connect Arahura water scheme to the Hokitika township water supply

This would involve extending the pipework outwards from the Hokitika water treatment plant to the Arahura local network. Additionally, booster pump stations would need installing. This option would increase the demand on the Hokitika water treatment plant to raise the level of service for Arahura water consumers. The projected cost, based on current assumptions, is \$40,000 for a feasibility study and a subsequent \$1.4 million spread across two years, this is loan funded capital expenditure and would increase the debt level in year one by \$740,000 and \$700,000 in year two, increasing debt over both years by an extra \$1,440,000. This also has a projected interest cost of \$617,000 over the term of the loan.

The benefit to Council would be one less water treatment plant to manage – this centralises operations for Council staff and contractors and saves building a separate water treatment plant for only 80 people that use the scheme. However, it is more costly and not Council's preferred option due to the urgency with which Council needs to remedy this water supply. Connecting it to the Hokitika supply would take significantly longer to achieve as it is a more complex project.

The level of service to this community would be increased to a more compliant level in line with NZ drinking water standard through the deployment of this scheme. However, the service standard and performance would not be any direct improvement to the end user above and beyond Option 1.

Water rate type	Total rates contribution over 20 years from 2019-2039	Average rates contribution per year
Residential connection	\$746.68	\$37.33
Commercial connection	\$1306.69	\$65.33
Unconnected	\$373.34	\$18.67
Untreated connection	\$560.01	\$28.00
Untreated commercial	\$971.00	\$48.55
Untreated unconnected	\$280.00	\$14.00

Option 3 – Divestment of Arahura water supply asset

An alternative option is that Council divests the Arahura water supply in consultation with the Medical Officer of Health for the district by preparing an appropriate management plan, and making assessments under sections 135 (a), (b) and (c) of the Local Government Act 2002.

Council could supply water tanks for the registered Arahura water population (80 people) and transfer the responsibility for managing these to an entity representative for the Arahura community, subject to at least 50% of the community being in agreement with this move.

This is not Council's preferred option as divestment of water assets is difficult and lengthy process and requires sign off from the Ministry of Health. Although this is technically possible, it is generally not considered to be in the best interests of the public to manage their own water supply.

Service levels to the end user could be severely compromised through the lack of council stewardship in this area. Due to the small number of connected dwellings, an independent maintenance and management delivery model would need to be established. The high level of adherence required to meet NZ drinking water standards could be compromised putting public safety at risk (see Havelock North enquiry findings).

It would be difficult to maintain satisfactory levels of services expected by ratepayers through this alternative supply chain. This region of Hokitika is of lower economic status and would find it financially burdensome to progress with this option. Guarantee of safe potable water would no longer be the responsibility of Council and has a high probability of failure putting public health at risk.

The benefits of this option would be saving \$41,200 a year in operational costs for Council. This would save ratepayers between \$6 and \$27 per annum, depending on the type of water connection of the ratepayer:

Examples	Rates decrease from 2019
Residential connection	\$ 15.22
Commercial connection	\$ 26.64
Unconnected	\$ 7.61
Untreated Connection	\$ 11.42
Untreated Commercial	\$ 19.79
Untreated Unconnected	\$ 5.71

However, the Arahura community would need to meet the costs of running the new system thus this would represent a decrease in level of service. Divestment would be relatively easy to achieve given the small population served by the Arahura water supply currently. Council would provide support to the community during the transition process to transfer knowledge on how to manage water supply responsibly to avoid water shortages, and contamination.

Your thoughts wanted

- Do you support Council's preferred option? Why/why not?
 - If no, which of these three options, is your preferred choice?
-

Transfer of management of non-core activities to 'Destination Westland'

Overview

Currently, the Hokitika i-SITE, Hokitika Museum, the West Coast Wilderness Trail and events portfolio, including the Hokitika Wildfoods Festival are run in-house by Westland District Council. In the 2017/18 year, these four activities have a combined net budget of \$606,438 (excluding overheads).

The West Coast Wilderness Trail is a Council asset and Council is responsible for maintaining the asset. The current cost to Council for running this asset is \$82,000 per year (including depreciation). The West Coast Wilderness Trust is responsible for the promotion and marketing of the trail. A Council staff member is currently on secondment as the Project Manager for the West Coast Wilderness Trail. Construction and promotion of the Trail has never been funded by ratepayers. However, rates applied to fund depreciation go towards the maintenance of the trail / trail structures.

Sustainable financial management is a high priority for Council's elected members. There is an expectation from Council to sustain current revenue levels and for these activities to become more commercially viable in the future. Council has identified tourism as a sizeable contributor to the local economy and therefore a recommendation has been put forward that this new entity take over the running of these activities which are, predominantly, of interest to tourists.

Option 1- Transfer of the Hokitika Museum, West Coast Wilderness Trail, Hokitika i-SITE and events portfolio including Hokitika Wildfoods Festival to Destination Westland.

PREFERRED OPTION

Council's new vision promotes a focus on the delivery of core services that meet community expectations and demonstrate value and quality. The proposal to transfer certain activities to the merged Hokitika Airport Limited/Westland District Property Limited Council Controlled Organisation (Destination Westland) allows Council to focus more directly on core business activities in alignment with Council's strategic direction. This will give Destination Westland an opportunity to bring a commercial focus to these activities.

For these activities, they will receive ratepayer funding through a management charge. The management charge for new activities to be transferred, subject to consultation, has been set at a fixed fee (with no inflation added) of 80% of the current rates revenue for these activities. Therefore, ratepayers will save 20% on these activities if transferred. As the Council Controlled Organisation is a commercial entity and has additional funding sources available and specialist business expertise it is envisaged that they should have the ability to operate the activity on less funding and ensure its long-term financial sustainability more easily than Council can.

However, there is likely to be long-term savings and overall reduced costs from the simplified structure of these activities if transferred to the CCO in respect of directors' fees and audit costs. Since the CCO operates in a more commercial environment, there is a possibility of reducing ratepayer contributions further in the future.

Tourism and events are not typically core business for councils so realigning these functions under an entity charged with growing and optimising these opportunities makes practical sense. This will allow Council to focus its efforts on core infrastructure like three waters and roading. This will also help keep the tourism rate down for ratepayers and will further reduce the ratepayer contribution for the Hokitika i-SITE by 20 per cent.

Benefits of Option One to each activity

Hokitika i-Site

Tourism continues to increase in Westland, however, customer expectations are changing. More trips and activities are being booked online which means it is becoming increasingly difficult for the i-SITE to make a profit. As customer expectations change, the i-SITE must adapt to meet these needs by ensuring the services and commercial viability of the i-SITE is optimised through new and innovative technologies and processes. Council believes that the commercial focus of the Destination Westland offers increased possibilities for the i-SITE.

Hokitika Museum

Hokitika Museum was one of the top 10 tourist attractions within Hokitika, prior to its closure in late 2016. The Museum's Carnegie Building is currently under the management of Westland District Property Limited, while the activity is still managed by Council. The majority of Councillors believe that Westland can offer museum visitors an upgraded experience and improve the museum's commercial aspects by shifting the activity to Destination Westland. This would open up greater opportunities for future expansion including the potential to offer a destination museum attraction that can charge high entrance fees. In addition, is However it is a significant and costly project which could prove to be cost-prohibitive for Council.

West Coast Wilderness Trail

The West Coast Wilderness Trail is gaining in popularity. The latest trail survey revealed that 86% of trail riders are domestic or international tourists. The trail is marketed overseas and there are ambitions for this to become one of New Zealand's greatest rides. Should the West Coast Wilderness Trail achieve this status, the ongoing need for maintenance and/or future development will continue to increase. Although the cycle trail has never been funded by ratepayers, rates go towards the maintenance of the trail (through depreciation of structures). Council does not want this to add a financial burden to ratepayers in the future. It is proposed that donation boxes be placed along the trail to encourage trail users to contribute to the maintenance of the trail. Additionally, the Westland Wilderness Trust has the ability to gain extra revenue through advertising, merchandising and other opportunities.

Events

To date, Westland District Council has organised the Hokitika Wildfoods Festival. By moving this function to Destination Westland, greater emphasis can be given to developing Westland as an events destination and coordinate additional events in the region. To do so, it ideally needs to run as a true business model. Council aspires for the events portfolio to becoming fully self-funding through sponsorship and external funding. A CCO has fewer restrictions in achieving this aim as councils have stricter legislative requirements and less avenues for funding.

Option 2

Another option is to transfer to Destination Westland those activities that the community deem to be non-core Council activities* but keep the other activities under Council management and ownership. The change in financials would vary depending on the activities selected.

Currently, the Hokitika Wildfoods Festival costs ratepayers \$0.23 per \$10,000 of capital value per annum through their general rate. This would decrease to \$0.19 per annum if this activity was transferred.

The Hokitika Museum currently costs ratepayers \$1.36 per \$10,000 of capital value per annum through their general rate. This would decrease to \$1.09 per annum if this activity was transferred.

Financial comparisons for the West Coast Wilderness Trail and Hokitika i-SITE can be found under option 3 below.

**Council believes that all the Hokitika Museum, West Coast Wilderness Trail, Hokitika i-SITE and events portfolio including the Hokitika Wildfoods Festival are all non-core Council activities. While some benefits are obtained from these activities by ratepayers and residents, Council believes tourists receive the largest benefit from these services, and as such, these should sit outside of Council. However, Council is aware that the community might hold a different view. Tell us which activities you think are non-core Council activities and why.*



Option 3

Council could continue to operate all four activities according to the status quo and not transfer any of these strategic assets or activities to the CCO. There would be no increase or decrease in levels of service under this model. Ratepayer contribution to all activities would remain the same as at present. As the Council does not operate in a commercial environment, future development in any of these activity areas would be restricted.

Keeping these activities under Council ownership would increase the collective ratepayer contribution of all four activities combined from \$559,680 as budgeted to \$687,955. Maintaining the status quo would result in a higher tourism rate and a higher general rate being applied to rateable units (excluding GST):

General Rate type (funds Hokitika Museum and Hokitika Wildfoods Festival)	Rates if activities are transferred \$ per annum	Rates if management of activities remains at status quo \$ per annum
Residential & Rural - \$0-250,000 property value	31.78	39.73
Residential & Rural - \$250,001 - \$350,000 property value	44.50	55.62
Residential & Rural - \$350,001 - \$500,000 property value	63.57	79.46
Commercial - \$0 - \$500,000 property value	127.14	158.92
Commercial - \$501,000 - \$750,000 property value	190.71	238.38
Commercial - \$750,001 - \$1 million property value	254.27	317.84
Rural residential – 0 to \$250,000 property value	23.84	29.80
Rural residential – \$250,001 - \$350,000 property value	33.37	41.72
Rural residential - \$350,001 - \$500,000 property value	47.68	59.60

Tourism Rate type (funds Hokitika i-SITE and West Coast Wilderness Trail)	Rates if activities are transferred (69% funds the Hokitika i-SITE and 31% of this funds the West Coast Wilderness Trail)	Rates if management of activities remains at status quo
Non-commercial	6.17	7.44
Commercial - \$0 -1 million property value	407.51	490.86
Commercial - \$1-3 million property value	815.02	987.71
Commercial - \$3-10 million property value	2,037.56	2,454.28
Commercial – Over \$10 million	4,057.11	4,908.56

Your thoughts wanted

- Do you agree with Council's desire to focus more on core Council activities? Why/why not?
- Do you support transferring all the activities of Hokitika Museum, Hokitika i-SITE, West Coast Wilderness Trail and events including the Hokitika Wildfoods Festival to the CCO?
- If not, which activities, if any, do you think are non-core Council activities and should be transferred?

Is there another option that would be preferable or something you think Council has not considered?



Live-streaming Council meetings

An idea was tabled at Council to livestream monthly Ordinary Council Meetings and other ad-hoc meetings (as required). Some councils around New Zealand already provide these services to their ratepayers as an “open democracy” platform. They use these livestreams as a way to better engage the public and keep them informed on decisions affecting the district or region. Live streams would be viewable on a platform such as YouTube Live.

Following the end of a meeting, the recorded broadcast could be broken into segments for each agenda item. This would allow viewers to skip directly to agenda items of interest with special links available on the website or through social media channels. These linked segments could become part of an ongoing video archive. Agenda items would be easier to find, view, share, and watch at a time that suits the viewer.

Option 1– To offer live-streaming of Council meetings to Westland public

PREFERRED OPTION

This option benefits residents in geographic areas of Westland that are a significant distance away from the Council headquarters in Hokitika e.g. Haast. Residents would be able to view Council meetings from the comfort of their own home (without the time commitment or financial expenditure associated with travelling to Hokitika in person). This option may also benefit people with disabilities for whom attending Council meetings in person is more difficult. In addition, this would offer full-time workers the option of viewing the recordings of the live streams. Full-time workers may presently find it difficult to attend Council meetings due to them taking place during normal business hours. The estimated initial cost of setting up the system to offer live-streaming is \$14,847 plus GST with an annual operational cost of \$3,300 plus GST based on the frequency of one Council meeting day per month. Additional costs would apply if onsite technical support was required or additional Council meetings occurred. These costs would be rates-funded (a one-off increase of 0.1% on all rateable units for Year 1 of this plan only).

Option 2

Council meetings would continue to be open for public attendance in the Council Chambers in Hokitika, with meeting agendas posted on Council's website in advance of the meeting and the minutes uploaded to the website subsequently. This would meet Council's legislative requirements in terms of transparency re decision-making and uphold the status quo, without adding a new cost to Westland ratepayers. However, the only option for people to listen to, or view, the Council meetings would be attending in person.

Your thoughts wanted

If Council offered this service, would it be something that you would use regularly?

If yes, what would be the benefit to you of having this option?

Do you think the costs outlined above are worth it? Why or why not?

Contribute funding towards Westland High School Recreation and Community Centre project

At the October 2017 Council meeting, Council provisionally allocated \$100,000 to the Westland High School project, specifically for work on the fields and lighting, subject to consultation in the Long Term Plan process.

This would be reserve development funded and will thus not affect debt or rates. This funding is subject to an ongoing commitment from Westland High School to allow community groups and the general public to use the facility for free or a minimal charge.

Option 1– To allocate \$100,000 of reserve development funds to the Westland High School Recreation and Community Centre project

PREFERRED OPTION

Westland's population is steadily aging. The number of residents aged over 65 is forecast to increase from 18% to 25% of the resident population by 2028. Retaining families and young people in the area is important to fuel Westland's economy. In order to do so, it is necessary to have facilities for youth recreation.

Option 2 – To not allocate \$100,000 of reserve development funds to the Westland High School Recreation and Community Centre project

Your thoughts wanted

- Do you think it is important to retain youth and families in Westland and provide high quality facilities for youth and wider community use?
 - Do you support this allocation of reserve funds to the Westland High School Recreation and Community Centre project? Why or why not?
-



Your submission form

To have your say you can make your submission online or using this form below.

This document summarises the big issues affecting Westland over the next 10 years. Please give us your feedback regarding the services outlined and the rates and charges associated with those services.

You can include comments on the consultation issues and on other aspects of the related documents including the Long Term Plan, Financial Strategy, Infrastructure Strategy and Fees and Charges document.

YOUR DETAILS

Full legal name.....
Phone number.....
Email address.....
Postal address (including town, rural delivery number and postcode)
.....
.....
.....

Are you writing this submission as: (Please tick one)

- An individual
- On behalf of an organisation (If so, please specify the name of the organisation and your position in the organisation)

Would you like to speak to your submission at a Council hearing in Hokitika? YES/NO

If yes, please indicate preferred time of day: Morning/Afternoon/Either

YOUR FEEDBACK PLEASE

Topic #1: Arahura Pa water supply

Council proposes to construct a new water treatment plant at Arahura Pa to treat water drawn from a new water source.

Do you support this option? YES/NO/UNSURE

If no, which of the alternate options is your preferred option: OPTION 2/OPTION3

Please provide any comments.....
.....
.....
.....
.....

Topic #2: Transfer of management of non-core activities to CCO

Council proposes to transfer the management of the West Coast Wilderness Trail, Hokitika i-SITE, Hokitika Museum and events portfolio including the Hokitika Wildfoods Festival to the Destination Westland Council Controlled Organisation.

Do you agree with Council's desire to focus more on core Council activities? Why/ why not?

Do you support transferring all the activities of Hokitika Museum, Hokitika i-Site, West Coast Wilderness Trail and events including the Hokitika Wildfoods Festival to the CCO?

If not, which activities, if any, do you think are non-core Council activities and should be transferred?

Is there another option that would be preferable or something you think Council has not considered?

Please provide any comments.

Topic #3: Live-streaming Council meetings

Council proposes to live-stream Council meetings to better engage the public and keep people informed on decisions affecting the district or region in a transparent and flexible format.

If Council offered this service, would it be something that you would use regularly?

If yes, what would be the benefit to you of having this option?

Do you think the costs outlined above are worth it? Why or why not?

Please provide any comments.

Topic #4: Contribute funding towards the Westland High School Recreation and Community Centre project

Council proposes to allocate \$100,000 of reserve development funds to the Westland High School Recreation and Community Centre project.

Do you think it is important to retain youth and families in Westland and provide high quality facilities for youth and wider community use? YES/NO/UNSURE

Do you support this allocation of reserve funds to the Westland High School Recreation and Community Centre project? YES/NO/UNSURE

Please provide any comments

Infrastructure spending

Council proposes to fast-track infrastructure capital projects to comply with Drinking Water Standards and increased tourist growth in Years 1-5 of this plan and delay some asset renewals work for another 10 years while asset condition and performance data is improved.

Do you support this option? YES/NO/UNSURE

Please provide any comments.

Other proposed projects:

There are many other projects listed in this consultation document and Long Term Plan that are proposed for the next 10 ten years. Please give us your feedback on any of these. Clearly state which project you are referring to and if you support the project, are against the proposal or if your feedback is neutral.

Please provide details here.....

More feedback:

Council would like to hear any other feedback you have in relation to the:

- Consultation Document
- Draft Long Term Plan
- Draft Fees and Charges Schedule
- Revenue and Financing Policy
- Infrastructure Strategy
- Financial Strategy
- Significance and Engagement Policy; or
- Other associated documents.

Please write your feedback on additional pages and attach it to this submission form.

Comments and suggestions on the Long Term Plan can be sent to the Council by:

Completing the online submission form at: www.westlanddc.govt.nz

Emailing: longtermplan@westlanddc.govt.nz

Filling in the hard copy feedback form attached and posting it to:

- LTP submissions
- Westland District Council
- Private Bay 704
- Hokitika 7842

Tips for drafting a submission

You can make a submission on one issue in particular or multiple issues. Remember to state for each issue whether you support it, are opposed to it or are neutral.

If you think Council has missed something critical in the plans for a particular issue, let us know. You can also tell us if you think one part of the project deserves more weight or emphasis more than the other parts.

What happens once submissions are received?

Once submissions close, Council will meet to consider the feedback. If you would like to speak in front of Council regarding your submission please indicate this when you make your submission. A Council staff member will contact you to arrange a time.

After the consideration of all written and oral feedback, Council will make changes as needed. The final Long Term Plan for 2018-2028 will be adopted by 30 June 2018.

A summary of the submissions and main decisions will be published on Council's website, Facebook page and in Council's electronic newsletter, Westland Matters.

How can I find more information? (Dig deeper)

All supporting information for Council's draft Long Term Plan for 2018-2028 is online at: www.westlanddc.govt.nz

This includes Council's proposed fees and charges document for this period.

You can email us for more information: council@westlanddc.govt.nz or visit our Customer Services Centre at 36 Weld Street, Hokitika.

Alternatively, call us toll free on 0800 474 834 Monday to Friday from 8.30am to 4.30pm.

Important dates

This proposed 2018-2028 Long Term Plan is open for submissions from Thursday 17 May 2018 until 5PM on Friday 15th June. Please take the time to get involved and have your say.

The Councillors will be holding a series of public meetings in townships throughout the district to give you a chance to hear more about their thoughts in person.

If you wish to speak to your submission hearings will be held on the 19 and 20 (if required) June 2018.

Independent auditor's report on Westland District Council's Consultation Document for its proposed 2018-28 Long-Term Plan

I am the Auditor-General's appointed auditor for Westland District Council (the Council). Section 93C of the Local Government Act 2002 (the Act) requires an audit report on the Council's Consultation Document. We have done the work for this report using the staff and resources of Audit New Zealand. We completed our report on 10 May 2018.

Opinion

In my opinion:

- the Consultation Document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2018-28 long-term plan, because it:
 - fairly represents the matters proposed for inclusion in the long-term plan; and
 - identifies and explains the main issues and choices facing the Council and district, and the consequences of those choices; and
- the information and assumptions underlying the information in the Consultation Document are reasonable.

Emphasis of matter – The forecast backlog in asset renewals

Without modifying our opinion, we draw attention to the narrative on pages 8 to 12 of the consultation document about the District Council's forecast backlog in its 3 waters' asset renewals. The backlog is forecast to grow to \$12.7 million by 2028.

Forecast renewals for the 3 waters relate to only the critical assets Council has assessed must be replaced. Critical assets are pumping stations, treatment plants, valves, storage tanks and other componentry inclusive of continuous lengths of underground piping components for supply of sewer, water main and storm water services to residential dwellings and the assessment is based on information about the age and a performance of these assets.

The consultation document sets out the reasons for the forecast backlog, the potential risks it poses, and how the District Council will manage these risks. It also identifies the forecast build-up in cash investments, which will give the District Council the financial capacity to bring forward work as part of a re-forecast renewals programme. It states that once it has better asset condition information for its 3 waters' asset classes, the District Council will re-forecast its renewals programme and reduce the forecast backlog over years 4 to 10 of the forecast period. This re-forecast will reflect the renewals needs of all assets.

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 Consultation Document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the Consultation Document.

We did not evaluate the security and controls over the publication of the Consultation Document.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the Consultation Document and long-term plan, whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a Consultation Document and long-term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

I am responsible for reporting on the Consultation Document, as required by section 93C of the Act. I do not express an opinion on the merits of any policy content of the Consultation Document.

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 no relationship with or interests in the Council or any of its subsidiaries.



Bede Kearney
Audit New Zealand
On behalf of the Auditor-General, Christchurch, New Zealand