

Selwyn District Council Annual Plan 2016/17

CONSULTATION DOCUMENT



Have your say - we welcome your submission by 5pm Wednesday 4 May 2016
www.selwyn.govt.nz/haveyoursay





Spectacular views of one of Selwyn's high country lakes

Contents

Introduction	2
Message from your Mayor	3
About this Consultation Document	5
Funding overview	6
Selwyn 2016 and 2025	8
 Issues for consultation	
Proposed introduction of district-wide rate for rural water schemes.....	10
Funding of a new large scale park	13
Improving services for our growing population.....	14
Changes to rates.....	15
Transportation projects	16
Proposed changes to Commercial Property Strategy.....	18
Proposed changes to fees	20
Proposed changes to development contributions	20
 Other information	
Walking and cycling strategy projects.....	23
Reserves and halls rating	23
Climate change	23
 Planned projects	
District-wide projects	26
Local projects.....	26
 Financial information	
Revenue expenditure and net assets.....	28
Rating examples.....	29
 Have your say	
Submission form	31
Community Meetings	33
Making a contribution.....	33

Introduction

Last year the Council adopted a Long-Term Plan for the years 2015-2025.

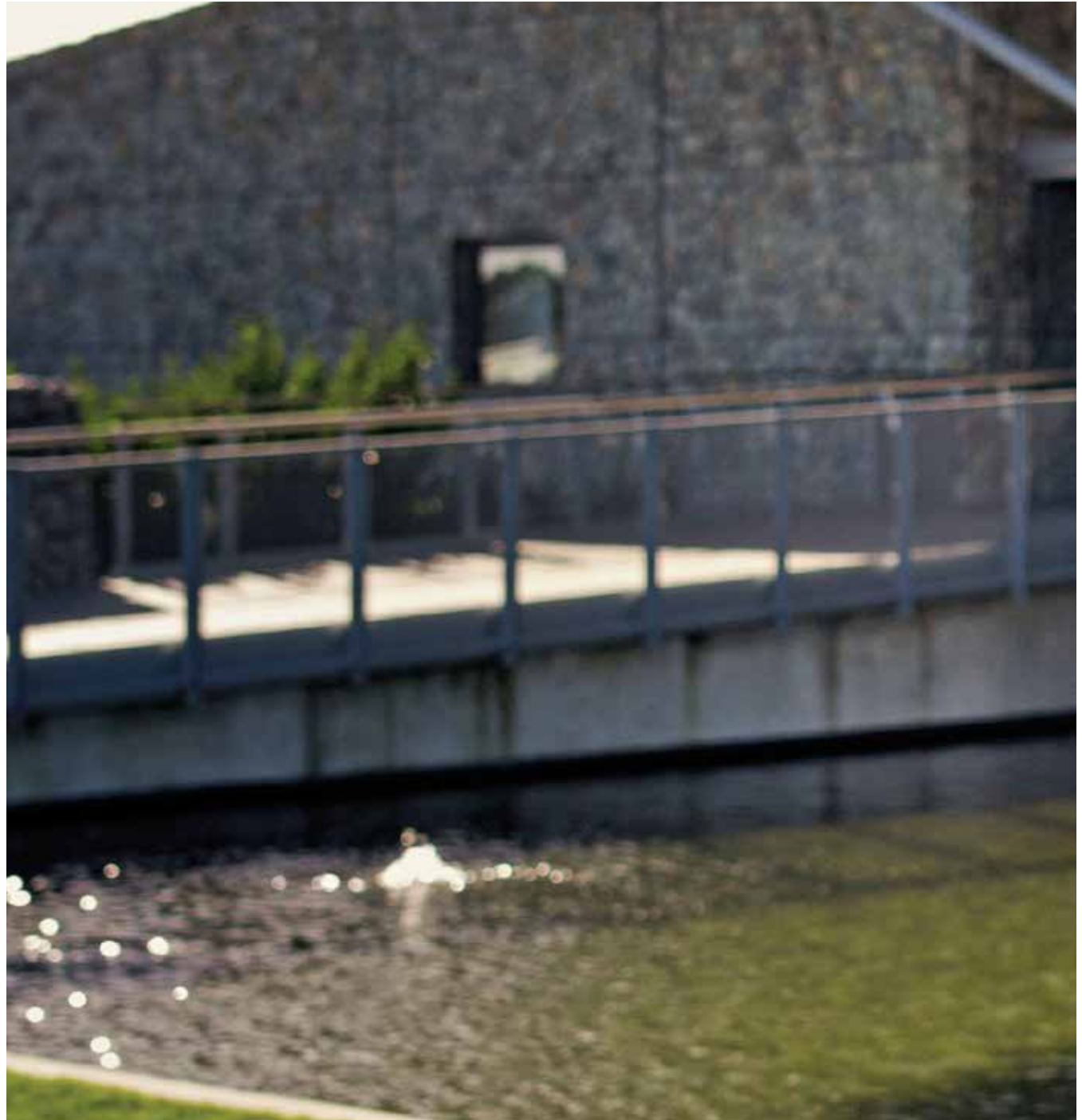
This is our first Annual Plan prepared following the adoption of this Long-Term Plan. This consultation document focuses on identifying significant changes to what was proposed for 2016/17 in our Long-Term Plan.

The changes being consulted on in this document include:

- A proposal to standardise charges for rural water schemes to be more consistent with the district-wide water rate introduced last year for properties on Council water supplies. The change recognises that these schemes are restricted supplies where water is purchased in units. The proposed change would result in a small increase in district-wide rates and charges for water for all water ratepayers
- A proposal for how a new large-scale park (to be located north east of Rolleston) could be funded. The park would be home to a variety of recreation, community and sports activities
- Continued strengthening of the Council's services to meet the needs and expectations of our rapidly growing population. Currently Selwyn is New Zealand's fastest growing district, with our population growing by around 6% per year
- Bringing forward work to widen part of Jones Road and increase our budget in order to complete footpath extensions earlier than previously planned
- A proposal to diversify our commercial property portfolio, based on a review of our commercial property strategy. Investment in commercial property allows for higher returns than cash-based investments but does involve a greater level of risk.

The average rate increase proposed for 2016/17 is 4%.

Rate increases will vary for different properties based on the services they receive and due to the impact of property revaluations carried out in late 2015.



Message from your Mayor

Welcome to this Annual Plan Consultation Document for the coming year.

Selwyn is continuing to experience a time of exceptional population growth and economic development, not just in Selwyn Central and Springs wards, but to a lesser extent in Malvern and Ellesmere as well.

This growth in both urban and rural areas has seen the Council continue to look to the future in both social amenities and work opportunities. This can be seen in the ongoing development of Foster Park in Rolleston, the recent purchase of land between Prebbleton and Lincoln to enable the expansion of sports grounds in that area and the expansion of Leeston Park.

Looking further out, the Council has purchased 99 hectares of land on the outskirts of Rolleston to cater for the next wave of expansion in the district and it will be capable of extending facilities for Rolleston and Selwyn residents or taking on a more regional role.

Upgrading community centres and halls is also on the agenda. Greenpark already has its new hall and progress is being made on new facilities in Dunsandel, West Melton and Tai Tapu as Council works alongside these local communities. These upgrades are driven both by earthquake damage and the need to acknowledge our rapid growth, particularly in West Melton, necessitating larger facilities.

In the rural areas, stage one of Central Plains Water is operating successfully and design is progressing on stage two which will provide new irrigation capacity for that area and the opportunity for diversification that that provides.

Izone stage seven is nearing completion and Izone continues to provide increasing employment opportunities for the district.

There are a number of proposals included in this consultation document including the extension of the district-wide water rate to include the remaining rural water schemes.

In past years, many positive and worthwhile ideas have come from your submissions, and we look forward to again hearing your views and receiving your comments.

As always the Council is endeavouring to balance the communities' expectations with our budget constraints and we believe the average 4% rate increase associated with this budget does that.

I would encourage you to take the time to read through this document and please send us your feedback.

Kelvin Coe.

Kelvin Coe
Mayor

Mayor Kelvin Coe, outside Selwyn District Council building in Rolleston



A neighbourhood in Lincoln

About this Consultation Document

Every three years local councils prepare a Long-Term Plan which sets out the range of activities the council proposes to undertake over the coming 10 years, and the community outcomes those activities aim to achieve.

It also outlines how activities will be funded, and provides for community input into setting the priorities and directions for the decade ahead. Our last Long-Term Plan was prepared in 2015 for the period 2015-2025.

This year we are preparing an Annual Plan focusing on any significant changes to the activities we said we would undertake for the 2016/17 year in our Long Term Plan. These changes are outlined in this consultation document.

Your feedback on these proposals is welcome and will help inform the Council's decisions on our work over the next year. Other activities that are scheduled in our Long-Term Plan to be undertaken in the 2016/17 year are also summarised for your information.

Have your say – make a submission

Anyone can make a submission on this Consultation Document. You can make a submission using the form printed in this document, or by using the online submission form at www.selwyn.govt.nz.

Submissions close at 5pm on Wednesday 4 May 2016.

Community meetings

A number of community meetings will be held at locations across the district during the consultation period.

These are open to the public and give residents a chance to hear more information about the proposals outlined in this document, ask questions and seek clarification.

Meeting date	Meeting location
Monday 11 April, 7.30pm	Rolleston (Council Chamber)
Tuesday 12 April, 7.30pm	Darfield (Darfield Recreation Centre hall)
Wednesday 13 April, 7.30pm	Leeston (Leeston Library community meeting room)
Thursday 14 April, 7.30pm	Lincoln (Lincoln Event Centre, Baylis Lounge)

Supporting information

The draft Annual Plan 2016/17, on which this Consultation Document is based, can be found on the Council website at www.selwyn.govt.nz/haveyoursay.

The Long-Term Plan 2015-2025 Towards '25 can be found on the Council website at www.selwyn.govt.nz/towards25.

Public hearings

Public hearings on submissions to the Consultation Document will be heard by the Council on 19-20 May 2016.

If you wish to speak to your submission at the hearings please indicate on the submission form.

4 April 2016

Public consultation opens on this Consultation Document

11-14 April 2016

Community meetings during consultation period

4 May 2016

Public consultation closes

19-20 May 2016

Public hearings on submissions

26-27 May 2016

Council deliberations on submission

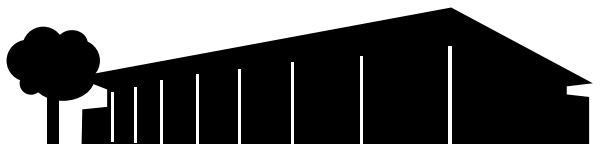



22 June 2016




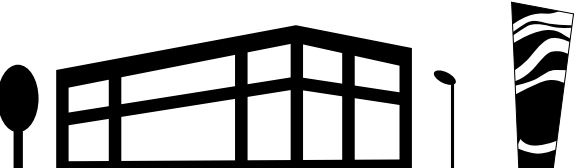
Council formally adopts the Annual Plan

Funding overview

These pages set out a snapshot of the Council's major activities and how these will be funded over the next year.

The total spend is split into capital expenditure (for example, construction of new buildings and roads) and operating expenditure (the day to day costs of providing Council services), and there's a breakdown of what proportion is funded by rates, and from other sources – these can include fees and charges for services, income from interest and dividends as well as development contributions paid by land developers.

Area of Spend	Capital Spend (including renewal)	Operating Spend (excluding depreciation)	How Costs Are Funded	Rates Spend per \$100
 COMMUNITY FACILITIES	\$36.6m	\$16.7m	RATES 62% OTHER SOURCES 38%	\$27
 COMMUNITY SERVICES	\$0.2m	\$2.5m	RATES 95% OTHER SOURCES 5%	\$5
 DEMOCRACY	\$0	\$4.4m	RATES 96% OTHER SOURCES 4%	\$8
 ENVIRONMENTAL SERVICES	\$0.2m	\$12.3m	RATES 44% OTHER SOURCES 56%	\$10

Area of Spend	Capital Spend (including renewal)	Operating Spend (excluding depreciation)	How Costs Are Funded	Rates Spend per \$100
 <p>TRANSPORTATION</p>	\$9.7m	\$8.5m	<div>RATES</div> <div>OTHER SOURCES</div>	<div>47%</div> <div>53%</div> <div>\$13</div>
 <p>SOLID WASTE MANAGEMENT</p>	\$0.8m	\$8m	<div>RATES</div> <div>OTHER SOURCES</div>	<div>67%</div> <div>33%</div> <div>\$11</div>
 <p>FIVE WATERS SERVICES</p>	\$25.2m	\$16m	<div>RATES</div> <div>OTHER SOURCES</div>	<div>53%</div> <div>47%</div> <div>\$25</div>
 <p>IZONE</p>	\$0	\$1.5m	<div>RATES</div> <div>OTHER SOURCES</div>	<div>0%</div> <div>100%</div> <div>\$0</div>

Selwyn District 2016



5,400
BUSINESSES
OPERATE IN SELWYN

14,400

FULL-TIME
EMPLOYEES
WORK IN OUR
DISTRICT

STAGE 1 OF THE **CHRISTCHURCH SOUTHERN MOTORWAY** HAS REDUCED TRAVEL TIMES BETWEEN Rolleston and central Christchurch in non-peak traffic **BY AROUND 5–10 MINUTES**



DISTRICT POPULATION

54,000

POPULATIONS AT A GLANCE

- ★ Rolleston's population is **13,500**
- ★ Lincoln's population is **6,200**
- ★ Leeston's population is **2,300**
- ★ Darfield's population is **3,000**
- ★ Prebbleton's population is **4,400**



11% OF OUR DISTRICT'S
POPULATION IS
AGED 65 OR OVER



OF OUR DISTRICT'S
POPULATION IS
22% UNDER 15

Selwyn District 2025



3 NEW
SCHOOLS

WILL HAVE BEEN OPENED

Rolleston High School
Lemonwood Grove School
Another primary school is
planned for Lincoln



DISTRICT POPULATION
WILL BE APPROXIMATELY

67,000

POPULATIONS AT A GLANCE

- ★ Rolleston's population is **18,200**
- ★ Lincoln's population is **9,300**
- ★ Leeston's population is **2,900**
- ★ Darfield's population is **3,600**
- ★ Prebbleton's population is **5,200**



16% OF OUR DISTRICT'S
POPULATION WILL BE
AGED 65 OR OVER

FOSTER PARK

SELWYN'S LARGEST SPORTS PARK, WILL HAVE BEEN OPENED



THE COMPLETED **CHRISTCHURCH SOUTHERN MOTORWAY** WILL REDUCE TRAVEL TIMES BETWEEN Rolleston and central Christchurch in non-peak traffic **BY A FURTHER 5–10 MINUTES**



PEAK TIME TRAVEL WILL BE 50% FASTER
THAN IT WOULD BE WITHOUT THE NEW MOTORWAY.

Estimated figures are as at April 2016. Sources include Selwyn District Council, NZTA and Statistics NZ.



High Street, Leeston



©Viacheslav Nikolaenko/Shutterstock.com

Proposed introduction of district-wide water rate for rural water schemes

Last year the Council introduced a district-wide rate for urban water and wastewater from 1 July 2015. The Council confirmed that properties that do not currently pay for water or wastewater would not have to pay this charge.

The Council indicated its intention to consult on extending the district-wide rate to apply to rural water supplies in the future. These schemes are the Hororata Acheron Scheme which services the township of Hororata and the surrounding area, the Malvern Hills Scheme which services the townships of Coalgate, Glentunnel, Whitecliffs, Dalethorpe and surrounding areas, and the Te Pirita scheme.

The Hororata Acheron and Malvern Hills schemes have previously received a restricted water supply, where water is paid for in units and water pressure is restricted.

For other areas connected to Council water supplies, a standardised district-wide rate was introduced last year to recognise that households received a similar service, regardless of where they were located and should therefore pay the same cost for this service.

We are now consulting on whether properties connected to the Horarata Acheron, Malvern Hills and Te Pirita water supplies should move to a more standardised water charge. The proposed charge for properties which have access to one unit¹ of water per day would be \$367 per year, similar to the standard district-wide water rate in place for most other properties connected to Council supplies. Most properties in townships serviced by the Horarata Acheron and Malvern Hills supplies used one unit of water, unless the property is on a large section. Rural properties connected to the Horarata Acheron and Malvern Hills supplies typically use two or more units of water. This change if adopted, would result in the water rates and charges for other areas connected to Council supplies increasing slightly above what was forecast in our Long Term Plan over the next two years.

Under the proposed change, Horarata Acheron and Malvern Hills would continue to receive a restricted water supply in the future, with water supplied in units, as they do currently.

The main alternative option is to continue with the existing rating structure for the rural water schemes.

¹1 unit of water = 1,000 litres of water supplied each day (or 365,000 litres of water in a year, per property)

Malvern Hills	2016/2017 (Long Term Plan)	2016/17 Proposed Change
<i>Example 1 – property uses 1 unit of water</i>		
Targeted rate per water unit	\$334	\$154
Water quality rate per separately used or inhabited property (including GST)	\$65	-
Restricted supply targeted rate per separately used and inhabited property	-	\$213
Total	\$399	\$367
<i>Example 2 – property uses 2 units of water</i>		
Targeted rate per water unit	$\$334 \times 2 = \668	$\$154 \times 2 = \308
Water quality rate per separately used or inhabited property (including GST)	\$65	-
Restricted supply targeted rate per separately used and inhabited property	-	\$213
Total	\$733	\$521
Hororata Acheron/Hororata	2016/2017 (Long Term Plan)	2016/17 Proposed Change
<i>Example 3 – property uses 1 unit of water</i>		
Targeted rate per water unit	\$185	\$154
Water quality rate per separately used or inhabited property (including GST)	\$90	-
Capital injection per water unit	\$41	-
Restricted supply targeted rate per separately used and inhabited property	-	\$213
Total	\$316	\$367
<i>Example 4 – property uses 2 units of water</i>		
Targeted rate per water unit	$\$185 \times 2 = \370	$\$154 \times 2 = \308
Water quality rate per separately used or inhabited property (including GST)	\$84	-
Capital injection per water unit	$2 \times \$41 = \82	-
Restricted supply targeted rate per separately used and inhabited property	-	\$213
Total	\$536	\$521

1 unit of water = 1,000 litres of water supplied each day (or 365,000 litres of water in a year, per property)

The Te Pirita scheme is fully metered and will pay a base rate of \$213 and a per cubic metre rate of 43 cents. This is less than the current charge of \$600 per rating unit and 73 cents per cubic metre of water.

Impact of proposal on district-wide water rate

For the proposed change to the Hororata Acheron, Malvern Hills and Te Pirita water supplies to occur, a change in the standard district-wide rate would need to be made. The change is set out below, showing the difference between the rates and charges originally proposed for 2016/17 in our Long Term Plan and the rates and charges for 2016/17 and 2017/18 if the change to charging for Hororata Acheron, Malvern Hills and Te Pirita were adopted:

Rate type	2016/17 rate <i>Originally proposed in the Long Term Plan</i>	2017/18 rate <i>Originally proposed in the Long Term Plan</i>	2016/17 rate <i>currently proposed due to change to Hororata Acheron & Malvern Hills water supplies rating</i>	2017/18 rate <i>currently proposed due to change to Hororata Acheron & Malvern Hills water supplies rating</i>
Partially metered areas				
(1) Standard district-wide water rate for properties connected to Council water supply*	\$360	\$371	\$370	\$391
(2) Water usage charge per cubic metre of water (1,000 litres) for properties with a water meter, in areas other than fully metered areas (see list under 3). The charge is only applied if the property uses more than 375 cubic metres of water per year, and is only applied on water in excess of this limit	41 cents per cubic metre	42 cents per cubic metre	43 cents per cubic metre	44 cents per cubic metre
Fully metered areas				
(3) Reduced rate for properties in areas which are fully metered in the 2016/17 year (Armack Drive, Branthwaite Drive, Claremont, Burnham, Darfield, Doyleston, Edendale, Johnson Road, Raven Drive, Rolleston and West Melton)	\$207	\$214	\$213	\$226
(4) Water usage charge per cubic metre of water (1,000 litres) for areas in (3)	41 cents per cubic metre	42 cents per cubic metre	43 cents per cubic metre	44 cents per cubic metre
Restricted connections				
(5) Water charge per water unit (1,000 litres per day) for areas with a restricted connection	\$151	\$156	\$154	\$159
Serviced but unconnected properties				
(6) Charge for rating units with Council water supply service available but not connected	\$180	\$185	\$185	\$195

*If a meter is installed on the property and the area is not in a fully metered area (see list above under 3 for fully metered areas) a charge is applied for any water used in excess of 375 cubic metres per year.

Funding of new large-scale park

The Council confirmed in our Long Term Plan 2015-25 that we would purchase and develop a new large-scale park.

We also indicated in our Open Spaces Strategy, consulted on in 2014, this was a project planned for the future. The Council is committed to the purchase of the land for this purpose. The park will provide space for a variety of recreation and community activities which may include mountain biking, walking and equestrian activities and also provide for future sportsfields and a range of sports activities. It could also be developed as a nature space – for example with native plantings, a botanical collection, community gardens or farm park. As Selwyn grows there will be an increasing demand for more space for recreation and sports activities. The proposed site for the new 99 hectare park is on Weedons and Levi Roads. By 2041, our district's population is expected to increase from 54,000 to nearly 90,000. Most future population growth will occur in the Selwyn Central and Springs wards and the development of the new park will provide the open space needed for new residents and will also be able to be enjoyed by people from across Selwyn.

Nationally there is a trend for more people to take part in informal exercise like walking, running, cycling and swimming. Foster Park and other local sportsfields provide most of the space required for organised sports activities in the short to medium term but in the future more sports fields will be required due to high population growth. While Selwyn has options for people to experience nature and outdoor adventure activities in the mountains or at the Rakaia or Waimakariri Rivers there are few public parks close to our larger towns where people can enjoy large open spaces with areas for walking, cycling, horse riding and exploring nature, and the new park could provide this experience.

Further consultation is planned with the community on a more detailed plan for the park's future development to identify the best use for the site, taking into account the community's views. Development of the park is not expected to start within the next five years, but in the 2020s, however this is dependent on the level of demand for recreation space. Further detail about the timing of development will be included in our 2018-28 Long-Term Plan.

The Council is proposing a new rate of \$20 per year to help fund the purchase of the park land, and to use the other funding sources shown below. The Council considered the main alternative option of a differential rate based on proximity to the new park. However, once funding from ward-based development contributions is taken into account, there would be only a very small difference between rates paid in each ward.

Funding source	Rationale	Cost
Reserve development contribution funds from Selwyn Central ward	These funds are collected from developers to provide additional reserves or improve existing reserves. People living in Selwyn Central ward will have access to the new park and will have the highest level of benefit from the new park as it is located in the ward, so this ward will contribute the most reserve development contribution funds	\$2 million
Reserve development contribution funds from Springs ward	These funds are collected from developers to provide additional reserves or improve existing reserves. People living in Springs ward will have access to the new park and will have a high level of benefit from the new park as it is located close to the ward	\$1 million
District wide reserve development contribution funds	These funds are collected from developers to provide additional reserves or improve existing reserves. People living in wider district will have access to the new park and will benefit from being able to use the park, so this fund will make a contribution to this project	\$200,000
Loan to cover balance	A loan would be raised to pay for the remaining cost to purchase the park. This would be repaid through an additional new rate of \$20 per rateable property. This recognises the benefit current ratepayers receive from having access to the new park	\$4.8 million
Revenues from rental of site		\$135,000 per annum
Total cost		\$8 million

Improving services for our growing population

Selwyn's population has grown rapidly from around 33,700 in 2006 to 44,600 in 2013 and 54,000 in 2016.

Population growth in recent years has occurred much more rapidly than expected. In the years to June 2014 and June 2015, Selwyn recorded the highest growth of any local council in New Zealand since 2004.

Rapid population growth has a number of impacts on the Council. It requires that we expand our service capacity to cope with more demand, and also that we move forward with planning the major construction projects that are programmed to meet future needs. It also means we need to review our District Plan - this is the plan that helps control current and future land use across the district.

Key service changes planned for the 2016/17 year to meet increasing demand include:

- Improvements to a range of services including road safety, recycling in rural areas, encouraging biodiversity, enforcement of roading bylaws and co-ordination of community events
- Provision of specialist project management to oversee the planning and implementation of our major construction projects. These include the new Rolleston Library and the redevelopment of the Town Centre, new community facilities in Dunsandel, West Melton and Prebbleton, an indoor court complex at Foster Park, and the expansion of sewerage and water system capacity.
- Acceleration of the District Plan review. The review is required every 10 years under the Resource Management Act. The District Plan sets out the planning framework and rules for what activities can occur where in our district and what zoning controls are in place to protect our environment and community from adverse effects. Population and economic growth is rapidly changing our district and means this review needs to proceed as soon as possible.

As outlined in the following section of this document, the proposed changes will not require an increase in the level of rates compared with those proposed in the Long-Term Plan. If the proposed changes do not proceed, the likely impact is that:

- services to Selwyn residents will not keep pace with demand
- major capital projects will not be as well managed or co-ordinated, meaning they may be delayed
- the Council's District Plan review would be completed over a longer time period, meaning less effective community involvement and the risk that the Plan does not keep up to date with changing legislation and current growth patterns.





Exploring Lincoln township

Changes to rates

The Council is proposing to increase the General Rate by 3% rather than the 6% increase forecast in the Long-Term Plan. It is also proposing to make some other minor changes to targeted rates.

As a result of the changes proposed to the Council's budgets, total operating expenditure is forecast to be \$2 million higher than forecast in the Long-Term Plan 2015-2025. However, the Council's debt levels are lower than forecast, due to increased income from interest and dividends. This lower debt level means that despite the cost increases proposed for 2016/17 (including the changes opposite), the General Rate increase is lower than forecast.

Additionally, the level of borrowing to be funded by the General Rate will be lower than forecast in the Long Term Plan.

In addition to the lower increase in the General Rate compared with the Long-Term Plan, the Council is also proposing other changes that are explained in this document. These are:

- A proposed \$20 rate to be paid by all households to fund the purchase of land for a future large scale park.
- A proposed \$50 rate to be paid by households in Arthurs Pass to fund improvements to the community centre.
- An increase in the rate for Lincoln Event Centre so that it is sufficient to fund the operating and financing costs associated with this facility.
- Bringing the rural water schemes within the standard district-wide rate for water – this will affect the rates paid by all properties that pay rates for water.

The overall rates increase, including both the General Rate and individual targeted rates, average around 4% per ratepayer. Rates payable vary for each ratepayer and a number of examples are included later in this document. Rates are also affected by the property revaluation that took place recently and those whose property values increased by more than the district average of 22% will tend to have higher increases than those whose values increased by less than the average.

Arthurs Pass Community Centre

The Arthurs Pass Community Centre committee has requested additional funds to improve the comfort of the facility with insulation and double glazing as it is almost unusable in winter. The cost of the improvements is estimated to be \$90,000 and the committee proposes the introduction of a \$50 targeted rate on each household in the township to pay for the improvements. This rate is likely to be in place for a number of years.

Lincoln Event Centre Targeted Rate

Lincoln Event Centre is an extremely popular facility. It is busy many hours of each day and offers a huge range of activities and opportunities. However, the targeted rate is not sufficient to fund the net operating costs (after taking into account income from fees and charges) plus the financing costs on its remaining borrowing. This borrowing could have been reduced had the Lincoln Trust used its funds (gained from the sale of the land on which the previous community centre was located) to help pay for new Centre. This has not been the case as the Trustees have some difficulty in changing the purpose of the Trust to allow the funds to be used to repay Lincoln Event Centre borrowings and public meetings held by the Trustees have supported the Trust's various community activities. To allow the centre to break even the targeted rate will need to increase by \$50 from \$243 to \$293.



Out and about in Prebbleton

Transportation projects

Jones Road upgrade

The Council is proposing to complete work in 2016/17 to upgrade Jones Road at a cost of \$600,000. This work would widen Jones Road between Weedons Ross Road and Hoskyns Road so it can safely cater for the increasing numbers of vehicles using this route to access both Rolleston's industrial areas and Rolleston township. The road widening will also be needed once the Southern Motorway extension is completed, as more vehicles will use Jones Road to access the Weedons Ross Road motorway interchange. This work was included in the Council's Long-Term Plan but scheduled for 2020/21. The Council is planning to bring forward this project as developments along this stretch of road, including Lyttleton Port Company's MidlandPort, are currently under construction or development. These sites will start to generate more traffic along the road once they open.

Springs/Hamptons Road Roundabout

The Council is proposing to change the timing of the installation of a new roundabout at the intersections of Springs and Hamptons Roads. This project was originally planned for the 2016/17 year but the Council is now intending to complete this between 2016 and 2018. This will allow more time for a business case to be developed for New Zealand Transport Agency subsidy for this project and other road and intersection safety upgrades around Prebbleton to be developed.

Connecting our footpath network

The Council is proposing to increase its discretionary footpath extension expenditure in the 2016/17 year from \$52,000 to \$100,000. We have a planned programme to develop 13 kilometres of new footpaths to connect existing footpaths to other footpaths or newly-developed areas. Increasing the annual expenditure will allow this programme to be completed more quickly.

Under the existing expenditure of \$52,000, it would take 17 years to complete the footpath extension programme that is currently established to cost \$882,000 for approximately 800 metres of new footpath per year. If funding is increased as proposed to \$100,000 per year, the footpath extension programme can be completed in nine years, at an estimated rate of 1.6km per year.

The extension of the footpath network supports the council's Walking and Cycling Strategy. In newly developed areas footpaths are laid by developers, however in areas between new subdivisions and existing footpaths gaps may occur which need to be connected. Around 11km of footpaths are added to the Council's network each year from new subdivisions.

A list of areas, where footpath extension work is planned is included opposite. This list indicates the priority of works over the next five years if annual expenditure of \$100,000 is provided (subject to Council confirming this in this Annual Plan process).

The footpath extension programme is shown opposite.

2016/17			
Township	Footpath location	From	To
Doyleston	Petticoat Lane	Queen Street	King Street
Rolleston	Brookside Road	SH1	Byron Street
Southbridge	Hastings Street	Bridge Street	End
Springfield	Tramway Road	Tawera Lane	Pococks Road
Tai Tapu	School Road	Forbes Road	Start of footpath

2017/18			
Township	Footpath location	From	To
Dunsandel	Irvines Road	School	Winnie Vine Place
Dunsandel	Irvines Road	Winnie Vine Place	Albert James Place
Glentunnel	Albert Street	Union Street	SH77
Glentunnel	Albert Street	Railway Terrace	Union Street
Hororata	Hobbs Street	Hororata Road	End
Lincoln	West Belt	North Belt	Gerald Street
Rolleston	Byron Street	Tennyson Street	Brookside Road
West Melton	West Melton Road	Reserve entrance	Start of kerb and channel

2018/19			
Township	Footpath location	From	To
Burnham	Godley Road	Aylesbury Road	School
Darfield	Mathias Street	Sicon yard	Cardale Street
Darfield	McLaughlins Road	Bend	Bangor Road (SH77)
Darfield	McLaughlins Road	Stott Drive	Existing footpath
Glentunnel	Elizabeth Street	Union Street	Railway Terrace
Southbridge	High Street	Southbridge Leeston Road	McKenzie Ave

2019/20			
Township	Footpath location	From	To
Darfield	Halkett Street	Jackson Street	Le Fleming Street
Darfield	Halkett Street	Le Fleming Street	Holmes Street
Darfield	Halkett Street	Holmes Street	Horndon Street
Doyleston	Queen Street	Petticoat Lane	Drain Road
Glentunnel	Union Street	Albert Street	Elizabeth Street
Glentunnel	Union Street	Victoria Street	Albert Street
Lincoln	South Belt	The Mews	Douglas Street
Lincoln	South Belt	Douglas Street	West Belt
Rolleston	Moore Street	Wordsworth Street	Brookside Road

2020/21			
Township	Footpath location	From	To
Burnham	Aylesbury Road	Godley Road	Burdons Road
Glentunnel	Victoria Street	Union Street	SH77
Glentunnel	Victoria Street	Railway Terrace	Union Street
Rolleston	Brookside Road	East Maddisons Road	Brookside Reserve
Sheffield	Wrights Road	Mye Lane	Queen Street

TO BE CONFIRMED*			
Township	Footpath location	From	To
Burnham	Burdons Road	Aylesbury Road	Pukeko Street (camp)
Doyleston	King Street	Petticoat Lane	Drain Road
Glentunnel	Glentunnel Domain Road	SH77	End
Glentunnel	Elizabeth Street	SH77	Union Street
Glentunnel	Railway Terrace	Victoria Street	Existing footpath
Hororata	Hawkins Road	End of kerb and channel	Bealey Road
Kirwee	Courtenay Road	High Street	School Lane
Kirwee	Courtenay Road	School Lane	Hoskyns Road
Leeston	High Street	End of kerb and channel	Harmans Road
Leeston	Leeston Dunsandel Road	Ellesmere College	Harmans Road
Leeston	Cunningham Street	End of footpath	Pound Road
Leeston	Harmans Road	High Street	Leeston Dunsandel Road
Rolleston	Moore Street	Tennyson Street	Wordsworth Street
Sheffield	Wrights Road	Hall	Mye Lane

*To be confirmed works are likely to be undertaken 2021-2025 unless reprioritised sooner.



Proposed change to Commercial Property Strategy

The Council wishes to consult on a commercial property strategy for inclusion in our investment policy.

A review of the current commercial property strategy identified the need for the Council to improve its investment diversification. This review indicated that the current strategy was too restrictive and could result in the Council not maximising its commercial returns.

While the proposed changes provide the ability to improve investment returns there is also a corresponding increase in risk. All property investment comes with a degree of risk which is greater than a straight cash investment so management of this risk is key to this proposed strategy.

The Council is required by section 102(1) of the Local Government Act 2002 to have an investment policy which includes:

- the mix of investments.
- the acquisition of new investments.
- an outline of the procedures by which investments are managed and reported on to the local authority.
- an outline of how risks associated with investments are assessed and managed.

This policy is reviewed every three years.

Options considered

The Council has considered two options including the option of no change. The no change option was not favoured by the Council as staff advice indicated that a lack of diversity in its investments was resulting in lower returns from the commercial portfolio than could be obtained through the proposed change.

Details of the proposed changes

The main changes to the proposed strategy are:

- Increasing the value of the commercial portfolio from its current limit of \$30 million to \$60 million.
- Amending the debt-to-equity funding split. The current funding split for the portfolio is a maximum of 60% debt with the balance equity. It is proposed that this split become a target not a limit so that at any one time up to 100% debt funding of the commercial portfolio may be considered when the council's overall debt portfolio is taken into account.
- Allowing single assets to be secured individually rather than being secured by a charge over rates. This would be utilised if it is advantageous to the Council.
- Not requiring an agreed return on investment of 7.5% from day one as required by the current policy. Instead it is proposed that the alternate cash investment on the day of the investment is used to determine the appropriateness or not of a return.
- That capitalised land value be included in the calculation of the capitalised return.
- Increasing the current 50% maximum value of any one building in the portfolio to a maximum value of 60%.

Risks of the proposal

Description of risk	How Council will mitigate the risk
Return on investment is lower than expected resulting in lower contributions to rates.	The Council will put in place a reserve that will allow for contributions to be maintained through years when lower returns are experienced.
Commercial property will remain untenanted or tenants will default on their obligations.	The Council will ensure that it only invests in quality assets with correspondingly strong tenants. A portfolio approach to property management will be used to ensure that diversified tenants are attracted which should result in the Council not being exposed to a downturn in one particular market segment.
Interest rate increase	While interest rates are likely to increase over time these increases are expected to be offset by increased rental returns.

Financial Implications

Should the full debt provisions of the investment portfolio be used the Council's net debt could increase by up to \$30 million above its forecast maximum level of \$80 million set out in our Long-Term Plan 2015-2025. While this increase is large in relation to the Council's proposed debt portfolio it is expected that the additional debt will be paid from the additional rental revenue received. Despite this additional proposed debt the Council expects to remain compliant with all the financial ratios set out in our current Long-Term Plan.

Revenue from commercial property is used to reduce the general rate. It is anticipated that long term the funding from commercial property will result in improving contributions to general rates, which will benefit ratepayers in the district.

Proposed changes to fees and charges

No change is proposed to current charges for these services: planning and resource consents, Land Information Memorandum, building consents and alcohol licensing.

Animal Control Charges

A change is proposed to the current charge for registering a dog. The proposed new charge is \$40 for a first dog (currently \$35), and \$30 per dog (currently \$25) to register any dogs in addition to a first dog.

The late registration fee for dogs registered after the statutory date dogs must be registered by is also proposed to increase from \$50 to \$55 for a first dog, and from \$35 to \$40 to register any dogs in addition to a first dog. The increase in dog registration fees contributes to the cost of a new pound facility being built by the Council.

Fees payable when dogs are registered for part of the year have also increased to reflect the increase in the dog registration rates. The fee associated with impounding sheep is proposed to increase from \$5 to \$10 per sheep as they need to be attended to by an animal control officer when impounded. All other animal control charges are proposed to stay the same.

Food licensing and Regulatory/ Health charges

The majority of charges relating to food licensing and regulatory health activities are proposed to change in 2016. The changes reflect the introduction of the Food Act in 2014 and associated Food Regulations. Under the new legislation, the requirement for businesses to adopt food control plans will be progressively phased in over the coming years.

Changes to charges for other registered premises are proposed to reflect the increased costs of site visits.

Cemetery fees

The Council's cemeteries are funded from a mix of fees and a subsidy from the general rate that reflects the broad public benefit associated with this activity. Council's policy is that the subsidy from the general rate should be in the range of 40 to 60% of the cost of the activity. Cemetery fees were last increased from 1 July 2014 and it is proposed that an increase of 10% will apply from 1 July 2016. An increase of 10% would reduce the general rate funding required to subsidise cemetery activity closer the midpoint of the Council's policy.

A full schedule of proposed fees and charges for the Council's Environmental Services including changes to food licensing and regulatory/health charges is detailed in the draft Annual Plan, available online at www.selwyn.govt.nz/haveyoursay.

Land Drainage spoil removal

Spoil from cleaning of land drainage systems is currently deposited on the property adjoining the drain. Larger land owners typically spread the spoil, but owners of smaller blocks have less ability to do this. The Council is proposing to adopt the existing water race policy for spoil removal (Water Race Tailings Policy W104) and also apply it to land drainage. This allows for spoil removal to be completed at the cost to the land owner.

Proposed changes to development contributions

Development contributions are paid by land developers towards the cost of providing the additional community facilities (including roads, water systems, wastewater systems and reserves) required for a growing population.

The Council proposes to increase its development contribution charges, other than for the Eastern Selwyn Sewerage Scheme, from 1 July 2016 based on the increase in the Producers Price Index Outputs for Construction as at 31 December 2015. This is in line with our adopted development contributions policy. This is a 2.1% increase on the capital cost component of the development contribution.

The Council has a commitment in its development contribution policy to review the development contribution for the Eastern Selwyn Sewerage Scheme each year if the level of population growth is different from that previously forecast. A combination of continued high levels of population growth and a delay in some of the planned capital expenditure for 2016/17 means that the development contribution for the Eastern Selwyn Sewerage Scheme can be reduced by 4 percent from \$9,194 to \$8,825 (plus GST).



Subdivision construction in Stonebrook, Rolleston



Children using the new Rolleston to Lincoln cycleway

Walking and Cycling Strategy projects

The Council adopted a walking and cycling strategy in 2009 which aims to encourage more people to walk and cycle in our district.

Planned projects to develop shared cycleways and walkways as part of the strategy over the next five years include the development of a cycleway between Leeston and Doyleston in 2016/17 and between Rolleston and Templeton in 2018/19 to coincide with the extension of the Southern Motorway. The development of a cycleway between Glentunnel and Coalgate will also be completed by June 2016.

The development of a new pathway to connect Norman Kirk Drive to the new Moore Street extension is also planned in 2019/20 as part of the Rolleston Town Centre project.

Other significant projects planned over the next five years which will provide more opportunities for people to walk and cycle in Selwyn include:

- the development of trails for horse riding, walking and cycling at Waimakariri Regional Park. This is an Environment Canterbury project which the Council is supporting and contributing funding to as the project site is in the district and the facilities help to provide for Selwyn residents
- the continued development of tracks and the park environment at McHugh's Forest Park near Darfield. Track development is planned to take place from 2016 to 2021
- the creation of shared cycling/walking tracks at Foster Park in Rolleston between 2016 and 2021. Path installation began earlier this year
- the development of an esplanade reserve track near the Liffey Stream in Lincoln, between 2017 and 2019.

Reserves and halls – rating

During consultation on its 2015-2025 Long-Term Plan last year, the Council invited comments on a proposal to introduce district-wide rates for many of our halls and reserves.

This proposal drew a wide range of comments which acknowledged the benefits to a number of communities. It also raised questions about revenue recognition, rates and responsibility for Council and Committees into the future.

The outcome is that Council has continued to evaluate the proposal, particularly in light of anticipated major project construction and operation in future years. We will continue to pursue this proposal with a view to consulting on a district-wide rate for halls and reserves in our Annual Plan for 2017/18.

Climate change

The Council is continuing to maintain a watching brief on potential climate change impacts, with a particular focus on rising sea levels and their impact on Te Waihora/Lake Ellesmere, and coastal properties.

We are also considering the impact of climate change on water balance, irrigation demand and the overall ecosystem.

Rising sea levels will potentially impact on coastal erosion, while higher lake levels will affect land surrounding the lake. In conjunction with Environment Canterbury and other local authorities within the Canterbury region, we will continue to receive monitoring data and produce trend maps with which we model various scenarios. While it is acknowledged that impact on the overall ecosystems is very difficult to predict, the overall significance for future generations requires the Council to prudently monitor potential outcomes.





PLANNED PROJECTS

District-wide projects

The following projects are scheduled in the current Long-Term Plan for 2016/17 and are not subject to consultation. This summary is for information only.

- Planning the development of a large scale park near Rolleston to service the future recreation needs of the district.
- Continue with conceptual design and consultation for the new Rolleston Library and Technology Centre.
- Prepare a design brief and commence initial redevelopment works at Rolleston Reserve to create a high-amenity park and public square as part of the Town Centre development.
- Begin a review of the Council's District Plan which sets out existing planning rules and zoning for the district.
- Progress the next stage of the Pines Wastewater Treatment Plant development by installing a new bioreactor to provide additional treatment capacity

Local projects

Ellesmere Ward

- Purchase land for an extension to Southbridge Park to provide additional sports space and relocation of tennis courts
- Progress further work on the Leeston stormwater upgrade to divert stormwater away from Leeston's town centre
- Construct a new community centre at Dunsandel – note that this project was initially planned for 2015/16 but is likely to commence in 2016/17 subject to the funding plan being accepted
- Restore Cemetery Pit so it can ultimately be opened to the public for use as a recreation area
- Install a new irrigation centre pivot at the Ellesmere wastewater treatment plan to provide more capacity for the scheme

Malvern Ward

- Continue developing McHughs Forest Park, including developing tracks, and a picnic area
- Install a spa pool at Darfield swimming pool
- Commence development of the extension at Kirwee Recreation Reserve and upgrade the playground
- Upgrade neighbourhood reserves in Darfield including playgrounds and lighting
- Carry out improvements to the Arthurs Pass Community Centre
- Complete a major water treatment plant upgrade at Springfield to improve water quality



Leeston Stormwater upgrade



Dunsandel Community Centre



McHughs Forest Park



Darfield Pool

Selwyn Central Ward

- Continue construction of the community and recreation centre at West Melton
- Begin redeveloping Brookside Park to cater for changes in use
- Redevelop Weedons Domain including upgrading the cricket grounds and tennis courts
- Develop Reids Pit as a venue for a range of recreational uses including off-road cycling
- Continue development of Foster Park including a sports hub building, car parks, playground and sports facilities
- Extend the car park at Selwyn Aquatic Centre
- Install new reservoirs at Rolleston and West Melton to provide more storage capacity for these growing townships
- Complete a water treatment plant upgrade at Rolleston to further improve the treatment process



West Melton Community Centre



Fields Pit

Springs Ward

- Purchase an extension to Lincoln Domain and install a new irrigation system for the sports fields
- Commence work on a new community facility at Tai Tapu
- Start development of the extension at Broadfield Reserve including shelter planting and water supply
- Install lighting for the tennis courts at Prebbleton Reserve and start planning the development of the new park on Birches Road
- Construct a new sewerage pump station and rising main in Prebbleton to service a growing population
- Develop a new well in Prebbleton to provide more water capacity
- Install a new water supply reservoir at Lincoln to provide more storage capacity



Foster Park



Lincoln Domain





Selwyn District Council's Rolleston headquarters

Revenue, expenditure and net assets

The forecast level of revenue, expenditure, annual surplus and net assets for the period of this plan is set out below.

	2015/2016	2016/2017	2016/2017
	LTP	LTP	Annual Plan
	\$'000	\$'000	\$'000
Revenue			
Rates	41,737	45,968	45,437
Development contributions	13,752	12,429	12,426
Subsidies and grants	6,312	7,388	6,779
Vested assets	23,100	22,149	22,149
Other revenue	31,373	33,974	34,162
Total revenue	116,274	121,908	120,953
Operating expenditure	88,289	89,090	91,465
Surplus/(deficit)	27,985	32,818	29,488
Net assets	1,325,894	1,370,145	1,399,188

Rating examples

The following tables show the proposed changes to annual rates from 1 July 2016 for a sample of typical properties in Selwyn district.

Locations	Capital Value	2015/16	2016/17	2016/17
	\$	\$	\$	% movement
Armack Drive	550,000	2,735	2,784	1.8%
Arthurs Pass	290,000	1,281	1,353	5.6%
Burnham	425,000	2,183	2,224	1.9%
Castle Hill	550,000	2,029	2,136	5.3%
Coalgate	375,000	1,487	1,510	1.5%
Doyleston	450,000	2,058	2,173	5.6%
Dunsandel	280,000	2,048	2,086	1.8%
Edendale	650,000	2,115	2,172	2.7%
Glentunnel	600,000	1,639	1,721	5.0%
Hororata	430,000	1,790	1,776	-0.8%
Johnsons Road	695,000	2,194	2,250	2.5%
Jowers Road	740,000	2,237	2,275	1.7%
Kirwee	585,000	2,217	2,263	2.1%
Lake Coleridge	255,000	1,962	2,040	4.0%
Rakaia Huts	315,000	1,299	1,358	4.5%
Sheffield	345,000	1,996	2,051	2.8%
Springston	465,000	2,564	2,671	4.2%
Southbridge	390,000	2,520	2,632	4.5%
Tai Tapu	645,000	2,872	2,964	3.2%
Whitecliffs	300,000	1,474	1,492	1.3%

Major Townships	Capital Value	2015/16	2016/17	2016/17
	\$	\$	\$	% movement
Darfield	490,000	2,153	2,241	4.1%
Leeston	405,000	2,705	2,787	3.0%
Lincoln	675,000	2,952	3,106	5.2%
Prebbleton	648,000	2,696	2,791	3.5%
Rolleston	640,000	2,888	2,959	2.5%

Rural	Capital Value	2015/16	2016/17	2016/17
	\$	\$	\$	% movement
Darfield	9,700,000	11,669	12,280	5.2%
Malvern	3,270,000	10,276	10,795	5.1%
Lincoln	3,220,000	3,255	3,612	11.0% ¹
West Melton	5,850,000	8,501	8,781	3.3%

Commercial	Capital Value	2015/16	2016/17	2016/17
	\$	\$	\$	% movement
Rolleston (Commercial Property)	2,450,000	2,830	3,084	9.0% ²

¹The relatively high increase for this example property reflects an increase in value of 38% at the recent district revaluation.

²The relatively high increase for this example property reflects an increase in value of 34% at the recent district revaluation.

HAVE YOUR SAY



Submission Form

Draft Annual Plan 2016-17 - Consultation document

Please indicate your views on the following proposals. If you need extra space for your submission use additional paper (please include your name on additional sheets).

1. Do you have any comments on the proposal to standardise charges for rural water schemes to be consistent with the district-wide water rate introduced last year for properties on Council water supplies? *(see pages 10 - 12)*

[illegible]

2. Do you have any comments on the proposal on how to fund the new large-scale park?
(see page 13)

[illegible]

For Council use: submission number

Title: _____ First Name: _____ Last Name: _____

Address: *

Postcode: * _____ Town: * _____

Contact Number:*

Email: _____

*Required fields

Are you making this submission for an organisation? ☐ Yes ☐ No

If yes, please state the name of organisation: _____

Do you wish to attend a hearing to present your submission in person? ☐ Yes ☐ No

Preferred time: Thurs 19 May 2016 ☐ Morning ☐ Afternoon ☐ Evening
Fri 20 May 2016 ☐ Morning

Note: Submissions may also be heard on the afternoon of the 20 May if required

Submissions must be returned by 5pm, Wednesday 4 May 2016.

This submission can be returned to: Freepost 104 653, Annual Plan Submissions,
PO Box 90, Rolleston 7643

Submissions can also be emailed to: annual.plan@selwyn.govt.nz or made online at www.selwyn.govt.nz/haveyoursay.

3. Do you have any comments on any of the other consultation proposals in this document?

Any further comments



Community meetings

A number of community meetings will be held at locations across the district during the consultation period. These are open to the public and give residents a chance to hear more information about the proposals outlined in this document, ask questions and seek clarification.

Meeting date	Meeting location
Monday 11 April, 7.30pm	Rolleston (Council Chamber)
Tuesday 12 April, 7.30pm	Darfield (Darfield Recreation Centre hall)
Wednesday 13 April, 7.30pm	Leeston (Leeston Library community meeting room)
Thursday 14 April, 7.30pm	Lincoln (Lincoln Event Centre, Baylis Lounge)

Public hearings

Public hearings on submissions to the Consultation Document will be heard by the Council on 19-20 May 2016. If you wish to speak to your submission at a hearing please indicate this on the submission form.

4 April 2016

Public consultation opens on this Consultation Document

11-14 April 2016

Community meetings during consultation period

4 May 2016

Public consultation closes

19-20 May 2016

Public hearings on submissions

26-27 May 2016

Council deliberations on submissions

22 June 2016

Council formally adopts the Annual Plan

Making a submission How to have your say

Selwyn District Council is now seeking your feedback on the proposals and projects outlined in this Consultation Document.

Consultation is open from Monday 4 April 2016.

You can make a submission:



Online

by visiting www.selwyn.govt.nz



By post

Freepost 104 653
Annual Plan Submissions
PO Box 90, Rolleston 7643



By email

scan or email your completed submission form to
annual.plan@selwyn.govt.nz



In person

you can also drop in the form to the Council offices in Rolleston, or to any Council library or service centre



Facebook

informal comments on proposals for consultation can be made using the Council's Facebook page: 'Selwyn District Council'

Comments made via Facebook are not formal submissions, but will be summarised and included with written feedback for the Council's consideration. The Council will not be able to respond to comments on Facebook.

**Submissions must be received by
5pm, Wednesday 4 May 2016**



Selwyn District Council
PO Box 90, Rolleston 7643